

California Gambling Control Commission
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**MINUTES OF JULY 7, 2011
REGULATION HEARING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairperson Stephanie Shimazu called the meeting to order at 10:01 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken, with Chairperson Stephanie Shimazu and Commissioners Tiffany Conklin and Lauren Hammond present.

3. Commission Review and Consideration of, and Approval of Commencement of the Formal APA Rulemaking Process for, Regulations Concerning Minimum Internal Control Standards (MICS) for Gambling Establishments; Phase III – Gambling Floor Operations and House Rules (Adopt Title 4, CCR, Sections 12391 and 12392; Amend Title 4, CCR, Section 12360)

- Definitions
- Gambling Floor Operations
- House Rules

Regulation Manager James Allen indicated this matter concerns a staff recommendation to approve initiation of the formal Administrative Procedure Act (APA) Rulemaking Process for the adoption of regulations in Title 4 of the California Code of Regulations concerning Minimum Internal Control Standards (MICS) for Gambling Establishments. This proposed action would require cardrooms to adopt specified minimum policies and procedures that relate to the operation of the gambling floor. These requirements would include: limitations on owners and employees playing controlled games in their own cardroom, record-keeping requirements for the tables in operation and the employees working those tables, a requirement that tables in excess of those authorized be covered or labeled as non-operational, a requirement that cage employees receive training on the recognition and documentation of large cash transactions, restrictions on the use of house funds to play games, and requirements for Tiers III-V cardrooms to have an owner or key employee on duty to supervise gambling operations. This proposed action would also require cardrooms to have specified written house rules, including rules for

player conduct and etiquette, rules that encourage players to speak in a common language that is understood by everyone at the gambling table, and rules that address other specified card game issues.

Regulation Manager James Allen further indicated subsequent to the preparation of Staff's recommendation, an additional comment letter was received. Staff prepared alternative language in response to these comments which has been provided to the Commission. Should the Commission wish to accommodate these latest comments, Staff would withdraw the previous recommendation and, instead, offered the following substitute recommendation:

Staff recommended the Commission approve initiation of the Formal Rulemaking Process for proposed gambling establishment regulations relating to Gambling Floor Operations and House Rules dated May 26, 2011, with the addition of the proposed definition of "house prop player" dated July 6, 2011.

The Commissioners were addressed by Mr. David Fried, Attorney representing the Cardroom Association, Martin Horan, Acting Chief, Bureau of Gambling Control, Debbie Dunn, Manager, Bureau of Gambling Control, Alan Titus, Attorney for Artichoke Joe's, Rodney Blonien, Attorney for Commerce Casino, Joy Harn, Designated Agent for Bicycle Casino.

Upon motion of Commissioner Hammond, seconded by Chairperson Shimazu and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin and Hammond voting yes, the Commission approved the alternate staff recommendation including the addition of the proposed definition of "house prop player" dated July 6, 2011.

ADJOURNMENT

Chairperson Shimazu adjourned the meeting at 11:58 a.m.