

California Gambling Control Commission

2399 GATEWAY OAKS DRIVE, SUITE 220

SACRAMENTO, CA 95833

(916) 263-0700 FAX (916) 263-0499

www.cgcc.ca.gov

**MINUTES OF AUGUST 30, 2012
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairperson Stephanie Shimazu called the meeting to order at 10:00 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, Lauren Hammond and Richard Schuetz present.

3. Approval of Commission Meeting Minutes for:
July 26, 2012

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved meeting minutes for July 26, 2012.

By concurrence of the Commissioners, Open Session items 14 and 15 were heard following Open Session item 3.

14. Request for Approval to Withdraw Application to Convert Third Party Owner Registration to a License – Request to Withdraw (Pursuant to CCR, Title 4, section 12234):

Arise, LLC:

Sydelle Broser-Greenberg, Member

Comments Received From:

Norm Pierce, Bureau of Gambling Control

Action:

Upon motion of Commissioner Hammond, seconded by Chairperson Shimazu and unanimously carried in a vote by roll call with Chairperson Shimazu and

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Commissioners Conklin, Hammond and Schuetz voting yes, the Commission voted to deny the request to withdraw the conversion application for Ms. Broser-Greenberg.

15. Application for Approval to Convert Third Party Provider of Proposition Services Owner Registration to a License (Pursuant to Business and Professions Code section 19984 and CCR, Title 4, section 12218):

Arise, LLC: Darrell Miers, President, Managing Member
Sydelle Broser-Greenberg, Member
Leonard Weinsaft, Member
Richard Petter, Member
Michael Reino, Member
Daniel Simon, Member
Robert Skillin, Member

Comments Received From:

The Honorable Willie Brown, Jr. Lindsay Wellman
Bill Williams Robert Tabor
John Maloney
Darrell Miers
Norm Pierce, Bureau of Gambling Control

Action:

Upon motion of Commissioner Schuetz, seconded by Chairperson Shimazu and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission voted to refer Arise, LLC, including Darrell Miers, Richard Petter, Michael Reino, Daniel Simon, Robert Skillin, and Leonard Weinsaft to an evidentiary hearing in accordance with CCR section 12050(b) and to deny the conversion application for Ms. Sydelle Broser-Greenberg.

4. Approval of Extension of Temporary State Gambling License (Pursuant to Business and Professions Code section 19851, 19852(a) and 19824(f)):

The Deuce Lounge and Casino: GLCR, Inc.
Kyle Kirkland, President, Shareholder
Dana Messina, Secretary, Treasurer,
Shareholder

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved to extend the Deuce Lounge and Casino's temporary state gambling license for a one-month period through September 30, 2012 with the existing conditions as updated in Attachment A noted below:

Attachment A

1. *The temporary initial license takes effect on the date that the Commission approves the request and expires September 30, 2012. If more time is needed to complete the background process, then the temporary state gambling license can be extended for an appropriate amount of time after consultation with the Bureau.*
2. *Issuance of a temporary license does not obligate the Commission to grant a permanent license. Issuance of a temporary license does not create a vested right in the holder to either extension of the temporary license or to a regular license.*
3. *Issuance of this temporary license does not in any way change the legal requirement that the applicant bears the burden of establishing that he/she is suitable pursuant to Business and Professions (B&P) Code section 19856(a) for a regular license.*
4. *Issuance of this temporary license does not change the license qualification requirements of the Gambling Control Act, including but not limited to B&P Code sections 19856, 19857, 19858, and 19859.*
5. *The applicant has pending applications for regular state gambling licenses. A regular license may or may not be issued, depending upon the results of the complete background investigation and upon the conduct of the applicant and its employees during the term of the temporary license.*
6. *If, during the term of the temporary license, the Executive Director determines that any particular applicant is disqualified for any of the reasons set forth in B&P Code section 19859, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting. The applicant may request an evidentiary hearing either in writing not less than five days prior to the meeting or at the meeting itself.*
7. *If, during the term of the temporary license, the Executive Director determines that any particular applicant may have violated one or more of the conditions under which the temporary license was issued, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting.*

Either in writing not less than five days prior to the meeting or at the meeting itself, the applicant may request an evidentiary hearing.

5. Application for Approval of Renewal of State Gambling Licenses (Pursuant to Business and Professions Code section 19876 and CCR, Title 4, section 12345):
Poker Flats Casino: Terry Vargas, Sole Proprietor

Comments Received From:
Tawni Vargas

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal state gambling license for Poker Flats Casino through July 31, 2014 with the conditions noted below:

Condition 1

On a quarterly basis, starting with the quarter ending on September 30, 2012, the owner-licensee shall submit to the Bureau the following documents no later than 15 days from the quarter's close:

1. *The previous quarter of bank statements for its chips-in-use and jackpot bank accounts, for the account numbers ending in 1467 and 1469, respectively.*
2. *The jackpot records for the previous quarter.*
3. *The daily count sheets for the previous quarter.*

Condition 2

The owner-licensee shall engage an accountant, approved by the Bureau, to complete a comprehensive revision of the gambling enterprise's accounting record keeping system and related software system. In addition, the following shall be submitted to the Bureau:

1. *By November 30, 2012, the owner-licensee shall engage an accountant, to evaluate and modify the accounting record system, as appropriate, and submit a written agreement confirming that engagement.*
2. *By December 31, 2012, the owner-licensee shall submit a letter from the accountant stating what changes were made to the record keeping system and confirm that the system can generate financial statements to the satisfaction of the Bureau.*
3. *By December 31, 2012, the owner-licensee shall submit its policies and procedures addressing how the updated record keeping system will be properly maintained.*

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4. *By April 30, 2013, the owner-licensee shall submit financial statements for the period of January 1, 2012 through December 31, 2012.*

6. Applications for Approval of Initial Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854):

- A. Vincent DeFriese

Comments Received From:

Bill Zender
Vincent DeFriese
Alan Titus
Dennis Sammut

Action:

Upon motion of Commissioner Hammond, seconded by Chairperson Shimazu and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the key employee application through June 30, 2013.

- B. Cary Lee
Through May 31, 2013
- C. Brian McGuire
Through March 31, 2013
- D. Russell Tweed
Through June 30, 2013

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the key employee applications for items 6.B. through 6.D.

7. Application for Approval of Renewal Key Employee Portable Personal License (Pursuant to Business and Professions Code section 19854 and CCR, Title 4, section 12351):

- Geneva Doherty

Comments Received From:

Geneva Doherty (via telephone)

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal key employee application valid through August 31, 2014 continuing with the condition noted below:

11. Application for Approval of Renewal of Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.5):

Inspire Technologies, LLC:

Troy Defrees-Parrott, Owner,
Managing Member

Comments Received From:

Troy Defrees-Parrott

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal of Finding of Suitability as a Gaming Resource Supplier for Inspire Technology, LLC and its principal, Troy Defrees-Parrott through August 31, 2014.

12. Request for Approval to Withdraw Application of Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Pursuant to Business and Professions Code section 19869):

Shuffle Master, Inc.:

David Lopez, Executive Vice President,
Chief Operating Officer and Director

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the request to withdraw the Finding of Suitability application for David Lopez, **without prejudice**.

13. Application for Approval of Initial Tribal-State Compact Key Employee Findings of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:

Steven Williamson

Comments Received From:

Steven Williamson (via telephone)

Norm Pierce, Bureau of Gambling Control

Aisha Martin-Walton, Bureau of Gambling Control

Action:

Upon motion of Commissioner Schuetz, seconded by Commissioner Conklin and carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin and Schuetz voting yes, and Commissioner Hammond not voting, the Commission denied the Finding of Suitability application. Mr. Williamson subsequently requested an evidentiary hearing.

14. Request for Approval to Withdraw Application to Convert Third Party Owner Registration to a License – Request to Withdraw (Pursuant to CCR, Title 4, section 12234):

Arise, LLC: Sydelle Broser-Greenberg, Member

(This item was heard following Open Session Item 3.)

15. Application for Approval to Convert Third Party Provider of Proposition Services Owner Registration to a License (Pursuant to Business and Professions Code section 19984 and CCR, Title 4, section 12218):

Arise, LLC: Darrell Miers, President, Managing Member
Sydelle Broser-Greenberg, Member
Leonard Weinsaft, Member
Richard Petter, Member
Michael Reino, Member
Daniel Simon, Member
Robert Skillin, Member

(This item was heard following Open Session Item 3.)

CONSENT CALENDAR ITEMS:

(Items on the consent calendar will be taken up and voted on as a group. A Commissioner may request that an item be discussed, in which case it will be discussed separately at a later point in the meeting.)

16. Request for Approval to Remove Condition from: A) State Gambling License; and B) Key Employee License (Pursuant to Business and Professions Code section 19824(b)):

A. Paso Robles Central Coast Casino: PRCCC, Inc.
Donald Ezzell, President, Secretary,
Treasurer, Shareholder

Condition to be Removed:

Within 30 days of Commission approval, provide a copy of the Executed Lease Agreement to the Commission and Bureau.

B. Toby Chan

Condition to be Removed:

Effective July 1, 2012, Mr. Chan shall submit to the Bureau of Gambling Control (Bureau) and the California Gambling Control Commission (Commission) status updates every 90 days, of his efforts to amend his State and/or Federal 2010 tax returns. Should the State and/or Federal 2010 tax returns not require

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amendment, Mr. Chan shall submit written verification from the licensed tax preparer to the Commission and Bureau the reason the amendment was not required

17. Application for Approval of Initial Work Permit (Pursuant to Business and Professions Code section 19912):

Empire Sportsmen's Association: Cheryl Avina

18. Applications for Approval of Renewal Work Permit (Pursuant to Business and Professions Code section 19912):

A. Club San Rafael: Thomas Rawlins
B. Empire Sportsmen's Association: Boutdy Phavavichane
Khouanchay Phouthone Uoth Ou
C. Lake Bowl Card Room: Sean Drake Charles Fujii
D. Merced Poker Room: Yer Silva Arctica Yang
Phong Yang
E. Napa Valley Casino: Arnel Dionisio
F. Oasis Card Room: Charles Walters
G. Oceana Card Room: Armando Alcantar Jason Bartell
H. Poker Flats Casino: Antonio Martin
Daniel Valdovino-Mendez
Glennell Sutter
I. The 101 Casino: Ilmira Andronico Tanesha England
Carol Fricke
Nathan Gronenthal Ismael Gutierrez
Li Ma Leah Oba
Duangrudee Pflueger Tawni Tilden
Shannon Valenza

19. Applications for Approval of Renewal of Third Party Providers of Proposition Player Services/Gambling Business Supervisor/Player Licenses (Pursuant to California CCR, Title 4, sections 12218.8 and 12238):

PT Gaming, LLC:
Players: Ria Atencion Alvin Hines
Sothea Kouch

20. Applications for Approval of Initial Tribal-State Compact Key Employee Findings of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

A. Agua Caliente Casino Resort Spa – Agua Caliente Band of Cahuilla Indians:
Kim Bond Steven Hernandez Alan Higgins
Raul Longoria George Palomares
B. Cahuilla Casino – Cahuilla Band of Mission Indians of the Cahuilla Reservation:
Juan Lopez Jr.
C. Casino Pauma – Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation:
Manuel Gulley

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- D. Cher-Ae-Heights Casino – Cher-Ae-Heights Indian Community of the Trinidad Rancheria:
Jared Pabalate
- E. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:
Robert Black Ted Coulton III Akili Daniels
Trevor Davies Bennie Savage Rhonda Sherrill
- F. Chumash Casino Resort – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Philip Degenhart
- G. Coyote Valley Casino – Coyote Valley Band of Pomo Indians:
Sarah Hoaglin
- H. Desert Rose Casino – Alturas Rancheria:
Joyce Van
Steinburg
- I. Fantasy Springs Resort Casino – Cabazon Band of Mission Indians:
Jacqueline Christina Heiny Adlea Moreno
Delector
Lucero Rios Raul Varela
- J. Feather Falls Casino & Lodge – Mooretown Rancheria of Maidu Indians:
Llewellyn Baxter Jr.
- K. Gold Country Casino & Hotel – Berry Creek Rancheria of Maidu Indians of California:
David Walsh
- L. Harrah's Rincon Casino & Resort – Rincon Band of Luiseno Indians:
Matthew Kern Michael Masip Darrell Pilant
Kenneth Truong Louis Vasquez III
- M. Havasu Landing Resort & Casino – Chemehuevi Indian Tribe of the Chemehuevi Reservation:
Carol Byers
- N. Jackson Rancheria Casino & Hotel – Jackson Rancheria Band of Miwuk Indians:
David Rivera Craig Swartz
- O. Konocti Vista Casino – Big Valley Band of Pomo Indians of the Big Valley Rancheria:
Olivia Lemmon Glenna Sabine Penni White
- P. La Posta Casino – La Posta Band of Diegueno Mission Indians of the La Posta Indian Reservation:
Deborah Bond
- Q. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:
Violeta Cheney Terry Leaverton Roseraina Reyes
- R. Paiute Palace Casino – Paiute-Shoshone Indians of the Bishop Community of the Bishop Colony:
Timothy McGlynn
- S. Pala Casino Spa Resort – Pala Band of Mission Indians:
Jason Griffith

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- E. Chumash Casino Resort – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Jeremy Barnett Desiree Hooper Johnny Jimenez
Sylvia Martini John Ormond Marcella Ortiz
Anthony Perdew Robert Rodriguez
- F. Coyote Valley Casino – Coyote Valley Band of Pomo Indians:
Arlond Allen Juan Lopez Jr.
- G. Eagle Mountain Casino – Tule River Indian Tribe of the Tule River Reservation:
Kao New Vang Isabel Vera
- H. Feather Falls Casino & Lodge – Mooretown Rancheria of Maidu Indians:
Harvey Gramps
- I. Gold Country Casino & Hotel – Berry Creek Rancheria of Maidu Indians of California:
Darrell Loomis
- J. Golden Acorn Casino & Travel Center – Campo Band of Diegueno Mission Indians:
Roy Williams
- K. Harrah’s Rincon Casino & Resort – Rincon Band of Luiseno Indians:
Janet Beronio Betty Collins Nhatnam Nguyen
Bryon Nuttall
- L. Havasu Landing Resort & Casino – Chemehuevi Indian Tribe of the Chemehuevi Reservation:
Manuel Jacques
- M. Lucky 7 Casino – Smith River Reservation:
Marla Richards
- N. Mono Wind Casino – Big Sandy Rancheria Band of Western Mono Indians:
Stacey Lewis
- O. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:
Bill Do Lorena Gonzalez Tina Lowe
Dana McClure Thomas Muellen Charlene Ninness
Delia Smith Katherine Weeks
- P. Pala Casino Spa Resort – Pala Band of Mission Indians:
Shauna Anton Don Bui Gregory Clark
Israel Duran Oscar Saenz Teri Ten Brinke
- Q. San Manuel Indian Bingo and Casino – San Manuel Band of Serrano Mission Indians of the San Manuel Reservation:
John Hernandez Juan Martinez Juana Meza
Jack Shang
- R. Soboba Casino – Soboba Band of Luiseno Indians:
Thomas Beach
- S. Spotlight 29 Casino – Twenty-Nine Palms Band of Mission Indians:
James Lillibridge
III
- T. Table Mountain Casino – Table Mountain Rancheria:
Gregory Gelenaw Andrew Harris Theraneat Thay

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Nicholas Ware

U. Tachi Palace Hotel and Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:

Joshua Donahue James Gallaway James Keyangthirath
Allysa Unlayao

V. Thunder Valley Casino Resort – United Auburn Indian Community of the Auburn Rancheria:

Kevin Chao Tony Chopelas Joe Lui
Kao Saelee

W. Valley View Casino & Hotel – San Pasqual Band of Diegueno Mission Indians:

Eric Arnold Christina Preciado Myla Stuck

X. Win-River Casino – Redding Rancheria:

Michael Pair

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved Consent Calendar items 16 through 21.

CLOSED SESSION:

1. Litigation: (Government Code section 11126(e)):
 - A. *California Valley Miwok Tribe v. The California Gambling Control Commission*; San Diego County Superior Court (37-2008-00075326-CU-CO-CTL).
 - B. *Candace Cates v. Steve Westly, et al.*, San Diego County Superior Court (GIC 821775).
 - C. *San Pasqual Band of Mission Indians v. State of California, et al.*, U.S. Dist. Court, S.D. California (06CV0988 LAB AJB).
 - D. *Pauma Band of Luiseno Mission Indians v. Gambling Control Commission; and Arnold Schwarzenegger*, U.S. Dist Court S. D. California (09 CV01955 LAB AJB)
 - E. *Timothy Eugene Stroud v. California Gambling Control Commission*, San Luis Obispo County Superior Court (CV100082).
 - F. *San Pasqual Band of Mission Indians v. State of California, et al.*, Los Angeles County Superior Court (BC431469)
 - G. *Bingo Innovations of California, Inc. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2012-80001139)
 - H. *Yavapai-Apache Nation v. Iipay Nation of Santa Ysabel*, Sacramento County Superior Court, Case No. 34-2012-001197 27
 - I. *In Re: Santa Ysabel Resort and Casino*, United States Bankruptcy Court, Southern District of California, Bankruptcy No. 12-09415-PB11.
 - J. *Iipay Nation of Santa Ysabel v. California Gambling Control Commission*, U.S. Dist. Court, S.D. California (12CV1876BENRBB).

PUBLIC COMMENT:

None

ADJOURNMENT:

Chairperson Shimazu adjourned the Commission Meeting at 12:44 p.m.