

California Gambling Control Commission
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**MINUTES OF NOVEMBER 15, 2012
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairperson Stephanie Shimazu called the meeting to order at 10:10 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.

By concurrence of the Commissioners agenda item 7.A. Key Employee - Phillip Rogers was continued to a January 2013 Commission Meeting.

3. Informational Reports from Gaming Policy Advisory Committee (GPAC) (Business and Professions Code section 19817):
 - A. Process for Selection of Future GPAC Members
 - B. Project for Paperwork Reduction

Executive Director Tina Littleton indicated this agenda item is to afford the Commissioners an opportunity to discuss current GPAC projects and provide feedback as needed. Mr. Ron Werner, GPAC Member, presented Item No. 3.A. – Process for Selection of Future GPAC Members. Discussion ensued amongst the Commissioners which included suggested changes to the GPAC Member Application Form. No action was taken on this item, but will be considered for action at a future Commission Meeting with the recommended changes.

Mr. Norm Pierce, GPAC Member, presented Item 3.B. – Project for Paperwork Reduction. The Commissioners acknowledged that the paperwork efficiencies were specific to Bureau activities and did not require Commission approval, nonetheless expressed support of the proposed plan.

4. State Gambling License Application Discussion and Action (Pursuant to Business and Professions Code, sections 19850, 19852(d) & (f), 19852.2):
Hollywood Park Casino: Hollywood Park Casino Co., Inc.

Commission Meeting Minutes of November 15, 2012

Comments Received From:

Harlan Goodson

Norm Pierce, Bureau of Gambling Control

Action:

Upon motion of Commissioner Schuetz, 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 submission of state gambling license applications from those general partners which are not exempt from licensure pursuant to Business and Professions Code, section 19852.2 and are required pursuant to section 19852 (d) and (f). Applications must be submitted within 30 days from the following entities and individuals: Stockbridge Capital Partners, LLC, Stockbridge Real Estate Partners II, LLC, Terrence Fancher, Kevin Cox, Darren Drake, Kristin Renaudin, Stephen Pilch, Charlene Kiley, Thomas Sullivan and Christopher Meany.

It was noted that Mr. Thomas Sullivan and Mr. Stephen Pilch are no longer associated with the respective Stockbridge funds. As such, documentation noting a change in their member status must be submitted in lieu of the state gambling application within 30 days.

5. Application for Approval of Initial State Gambling License (Pursuant to Business and Professions Code section 19851):

The Deuce Lounge and Casino:

GLCR, Inc.

Kyle Kirkland, President, Shareholder

Dana Messina, Secretary,

Treasurer, Shareholder

Comments Received From:

Robert Tabor

Kyle Kirkland

Norm Pierce, Bureau of Gambling Control

Action:

Upon motion of Chairperson Shimazu, 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 extended the temporary state gambling license with the updated existing temporary conditions and new condition through June 30, 2013.

New Condition:

Mr. Kirkland and Mr. Messina will provide monthly status reports to the Bureau of Gambling Control on the litigation involving Club One Acquisition Corporation in Fresno County Superior Court and the New York State Supreme Court, New York County. These reports will also address the actions taken to resolve the underlying disputes which are the basis for the litigation and provide the status of Club One's plans to pursue Chapter 11 reorganization.

Updated Temporary Conditions:

1. *The temporary initial license takes effect on the date that the Commission approves the request and expires June 30, 2013. 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.*

Commission Meeting Minutes of November 15, 2012

6. Application for Approval of Renewal of State Gambling Licenses (Pursuant to Business and Professions Code section 19876 and CCR, Title 4, section 12345):

Hawaiian Gardens Casino:

Hawaiian Gardens Casino, Inc.

The Moskowitz Joint Revocable Living Trust

Irving Moskowitz, Trustor and Trustee

Cherna Moskowitz, Trustor, Trustee,

President, Secretary and Treasurer

David Moskowitz, CEO

Comments Received From:

Audra Opdyke, Bureau of Gambling Control

Norm Pierce, Bureau of Gambling Control

Keith Sharp

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 state gambling license application for Hawaiian Gardens Casino and its owners for the period of December 1, 2012 through November 30, 2014.

7. Applications for Approval of Initial Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854 and CCR, Title 4, section 12350):

A. Phillip Rogers

By concurrence of the Commissioners, this item was continued to a January 2013 Commission Meeting.

B. Asafaafetai Vaimaona

Comments Received From:

Asafaafetai Vaimaona (via telephone)

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 license application through May 31, 2013 with the conditions noted below:

1. *Beginning December 1, 2012, and every 90 days thereafter, Mr. Vaimaona must submit to the Bureau of Gambling Control a written update showing proof of any payments and/or negotiations for the account in collections with Concord Servicing Corporation.*

Commission Meeting Minutes of November 15, 2012

2. *Also beginning December 1, 2012, and every 90 days thereafter, Mr. Vaimaona must submit to the Bureau of Gambling Control a written update showing an attempt to resolve the civil judgment with the County of Riverside until said judgment is satisfied.*

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

A. Leon Bernardi

Comments Received From:

Leon Bernardi

Norm Pierce, Bureau of Gambling Control

Action:

Upon motion of Commissioner Hammond, 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 to extend the key employee license for a two month period valid through January 31, 2013.

B. Nicholas Falco

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 November 30, 2014.

C. David Simpson

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 key employee application valid through November 30, 2014.

D. Jon Strecker

Action:

Upon motion of Chairperson Shimazu, 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 key employee application valid through November 30, 2014.

Commission Meeting Minutes of November 15, 2012

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

Napa Valley Casino:

Michael Nguyen

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 initial work permit application through November 30, 2013.

10. Applications for Approval of Conversion of Third-Party Providers of Proposition Player Services /Gambling Business Supervisor/Player Registrations to Licenses (Pursuant to Business and Professions Code section 19984 and CCR, Title 4, sections 12218 and 12233):

A. Banc, LLC:

Supervisors:

Melvin Ancheta, Jr.

Clarissa O'Brien

B. Certified Network M, Inc.:

Players:

Raymond Leoni

Alexandra Reno

C. PT Gaming, LLC:

Supervisors:

Theo Ogunyode

Robert Willard

(Heard Separately)

Player:

Ron Touch

By concurrence of the Commissioners, Item 10.C. Theo Ogunyode was heard separately.

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 conversion applications through November 30, 2014 with the exception of Item 10.C. to be heard separately.

Item 10.C.:

Applications for Approval of Conversion of Third-Party Providers of Proposition Player Services /Gambling Business Supervisor/Player Registrations to Licenses (Pursuant to Business and Professions Code section 19984 and CCR, Title 4, sections 12218 and 12233):

PT Gaming, LLC:

Supervisor:

Theo Ogunyode

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 conversion application through November 30, 2014 with the conditions noted below:

Commission Meeting Minutes of November 15, 2012

- 1) *No later than December 31, 2012, Licensee shall provide the Bureau a copy of the business tax certificate from the City of Los Angeles for Redd Clay Films.*
 - 2) *Beginning January 1, 2013, and every 180 days thereafter, Licensee must submit to the Bureau a written update concerning the following:*
 - A) *Status of the outstanding credit account currently in collections.*
 - B) *Progress on repayment of the student loans currently in deferment.*
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):
TekWorks, Inc.: William Bourgeois, President, Corporate Secretary,
Director and Sole Shareholder

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 of Finding of Suitability as a Gaming Resource Supplier for the period December 1, 2012 through November 30, 2014.

12. Application for Approval of Initial Tribal-State Compact Key Employee Findings of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
Chumash Casino Resort – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Raheem Sultan

Comments Received From:

Raheem Sultan (via telephone)

Action:

Upon motion of Chairperson Shimazu, 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 Finding of Suitability application through January 5, 2013 with the condition noted below:

Beginning December 1, 2012, and quarterly thereafter, Mr. Sultan must provide the Bureau of Gambling Control proof of monthly payments on his tax lien in the state of Georgia within 30 days after the end of each calendar quarter.

13. Disciplinary Matter (Pursuant to Business and Professions Code section 19930 and CCR, Title 4, section 12552):
Default Decision and Order – Paul Ngo, aka Heng Cheng Ngo (BGC Case No. HQ2012-00003AL)

This item was heard in Closed Session.

CONSENT CALENDAR ITEMS:

14. Applications for Approval of Initial Work Permit (Pursuant to Business and Professions Code section 19912):
 - A. Central Coast Casino, Grover Beach: Efrain Martin
 - B. The Deuce Lounge and Casino: Jeremy Neuman
15. Applications for Approval of Renewal Work Permit (Pursuant to Business and Professions Code section 19912):

The 101 Casino: Cory Carlson Chamnang Chhum
Shqipe Delia Amber Lesieur
Leonard Marshall
16. 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):
 - A. CB Certified Banker, Inc.:
Player: Ken Chu
 - B. PT Gaming, LLC:
Players: Jorge Hernandez, Jr. Johnson Inthavong
Derek Mascia Davince Paul Ramirez
17. 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. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:
David Miller
 - B. Blue Lake Casino and Hotel – Blue Lake Rancheria:
Shane Williamson
 - C. Elk Valley Casino – Elk Valley Rancheria:
Arturo Salazar-Ramirez Jr.
 - D. Fantasy Springs Resort Casino – Cabazon Band of Mission Indians:
Christopher Windham
 - E. Garcia River Casino – Manchester Band of Pomo Indians of the Manchester Rancheria:
Walter Godfrey II
 - F. Konocti Vista Casino – Big Valley Band of Pomo Indians of the Big Valley Rancheria:
Enrique Martinez Jr.
 - G. Pala Casino Spa Resort – Pala Band of Mission Indians:
Karwan Sadi
 - H. Soboba Casino – Soboba Band of Luiseno Indians:
Dennis Crotti
 - I. Table Mountain Casino – Table Mountain Rancheria:
Kiros Yilma
 - J. Valley View Casino & Hotel – San Pasqual Band of Diegueno Mission Indians:
Lee Alirez

18. Applications for Approval of Renewal 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:
Glenda Cabacungan
- B. Barona Resort and Casino – Barona Band of Mission Indians:
Rodrigo Acero Chacon Rafael Alvarez Christopher Harris
Robert Hinrichs Linda Jordan Lloyd Lumba
Iris Meyrick Teodora Sanchez-Romero Janice Welch
- C. Casino Pauma – Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation:
George Carrasco Kai Lee Tony Wilmot
- D. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:
Khanngun Khunphixay
- E. Chumash Casino Resort – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Scott Gregg Rodney Weller
- F. Coyote Valley Casino – Coyote Valley Reservation:
Arlond Allen
- G. Jackson Rancheria Casino & Hotel – Jackson Rancheria Band of Miwuk Indians:
Vickey Emmett Richard Hoffman Cory Laird
Eva Mace Ernest Mauck III Carol Parks
John Spencer Mary Springsteen Jake Zanetta
- H. Paiute Palace Casino – Bishop Paiute Tribe:
Deborah Yenser
- I. Pala Casino Spa Resort – Pala Band of Mission Indians:
John Dennison Monika Dimaggio Dennis Eckenrode
- J. Red Hawk Casino – Shingle Springs Band of Miwok Indians:
Rebecca Cook Joy Crittendon Adelfa Cruz
Michael Garcia Nadja Grimes Cory Hord
Kelleen Knoll Sara Lee Thomas Liquia
Soudchay Manibot Frederick Moore Joleen Noble
Simon Padala Michael Paso Nicholas Pavlovich
Jessica Roofener Jacqui Snodgrass Jamie Sullivan
- K. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
Derrick Franklin Stacie Racho Santos Reyes Jr.
- L. Robinson Rancheria Resort & Casino – Robinson Rancheria Band of Pomo Indians:
Edward Cage
- M. Soboba Casino – Soboba Band of Luiseno Indians:
Robert Barnard Andrew Hixson
- N. Sycuan Casino & Resort – Sycuan Band of the Kumeyaay Nation:
Alan Buna Erik Carter Travis Elliott
Nang Fang Amie Hoffman Harold Johns
Minerva Leano Rodney Lindgren Norborne Spottswood
Noelle Tehrani Isabel Valencia Faamaopo Villasin

Commission Meeting Minutes of November 15, 2012

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

Eric Chong
Lee Vang

Kim Maxey

Rosalie Stanek

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 14 through 18.

CLOSED SESSION: 12:05 p.m.

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. Lipay 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. *Lipay Nation of Santa Ysabel v. California Gambling Control Commission*, U.S. Dist. Court, S.D. California (12CV1876BENRBB).
 - K. *Richard Jonathan Scott v. California Gambling Control Commission*, Sacramento County Superior Court (34-2012-80001292)
2. Deliberation on Decision Regarding Disciplinary Matter (Government Code section 11126(c)(3)):

Default Decision and Order – Paul Ngo, aka Heng Cheng Ngo (BGC Case No. HQ2012-00003AL)

RECONVENE TO OPEN SESSION: 12:15 p.m.

Chairperson Shimazu reported that in Closed Session the Commissioners unanimously approved the revised Default Decision and Order with an effective date of December 31, 2012.

Commission Meeting Minutes of November 15, 2012

PUBLIC COMMENT:

None.

ADJOURNMENT:

Chairperson Shimazu adjourned the Commission Meeting at 12:16 p.m.