

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 MARCH 8, 2012
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairperson Stephanie Shimazu called the meeting to order at 10:05 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:
 - A. January 10, 2012
 - B. February 9, 2012
 - C. February 10, 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 the meeting minutes for January 10, 2012, February 9, 2012 and February 10, 2012.

4. California Problem Gambling Treatment Services Program, Overview & Update:
Presenters: TerriSue Canale, Deputy Director, Office of Problem Gambling
Michael Campos Ph.D., UCLA Gambling Studies Program

TerriSue Canale and Dr. Michael Campos presented the latest achievements of the Office of Problem Gambling. No action was taken on this item.

5. Approval of Transaction Loan Document (Pursuant to Business and Professions Code section 19824(c)):
Club One Casino: Club One Acquisitions Corporation

Commission Meeting Minutes March 8, 2012

Comments Received From:

Kyle Kirkland
Dana Messina
Robert Tabor
Stephen Cornwell
Harlan Goodson

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 the Assignment and Acceptance Financing Agreement between Fortress and KMGI, Inc. and to retain the existing conditions previously applied to the loan agreements as provided below:

1. *Club One Acquisition corp. shall provide to the Commission within 30 days of closing, one (1) complete copy of the executed loan documents for EACH of the Loans or Notes.*
2. *The revised provisions of Article XIII of the \$22,500,000 Financing Agreement are agreed to, incorporated, and executed by all parties to the loan.*
NOTE: Condition 2 refers to the revised provisions of Article XIII (Special Gaming Provisions) of the \$22,500,000 Financing Agreement.
3. *The borrower, lender and each guarantor jointly and severally acknowledge, understand and agree that, as an unlicensed entity, the lender may not exercise significant influence or control over the gambling operation. For purposes of this condition, "significant influence or control" includes, but is not limited to, attempting, either directly or indirectly, to exert control over or influence the management of the gaming operation.*
4. *Neither Elaine Long nor Charles Long, nor any person, firm or entity with which either is directly or indirectly affiliated, and whether jointly or severally or in combination with any third party, may exercise any default remedy or secured creditor rights in connection with that certain approved \$2,500,000 Note which would result in their full or partial possession, ownership or control of the gaming establishment for any period of time whatsoever.*
5. *Condition 3 is hereby incorporated by reference into and made a part of EACH loan agreement, while condition 4 is incorporated by reference into and made a part of \$2,500,000 loan agreement relating to Elaine Long.*
6. *The California Gambling Control Commission reserves the right to determine the suitability of any future lenders/funding sources. As such, KMGI, Inc. must notify*

the Commission of additional financial investors/lenders within ten days of affiliation.

6. Request for Relocation of Gambling Establishment (Pursuant to Business and Profession Code section 19824(c)(e)):
Empire Sportsmen's Association

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 request to relocate from 5801 North McHenry Avenue to 5001 North McHenry Avenue, Modesto, California.

7. Consideration of Temporary Closure of Gambling Establishments (Pursuant to Business and Professions Code section 19955):
A. Marina Club
B. Oasis Card Room

Action:

No action was required due to resolution prior to scheduled meeting.

8. Application for Approval of Renewal of State Gambling Licenses (Pursuant to Business and Professions Code section 19876):
Mike's Card Casino: Michael A. Whiteley, Jr., Sole Proprietor

Comments Received From:

Deborah Dunn, 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 renewal state gambling license for Mike's Card Casino for the licensure period of April 1, 2012 through May 31, 2012 with the condition noted below:

By May 31, 2012, Mike's Card Casino must provide evidence to the Bureau and Commission that the violations noted by the Bureau of Gambling Control, as outlined in the December 7, 2011, Letter of Warning, have been remedied.

9. Request for Approval to Withdraw Application for Key Employee Portable Personal License(Pursuant to Business and Professions Code section 19869):
Stephanie Rosen

Commission Meeting Minutes March 8, 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 the request to withdraw without prejudice the key employee application.

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

A. Lee Crocker

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 key employee application through December 31, 2012.

B. Harold Sallee

Action:

Upon motion of Chairperson Shimazu, 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 key employee application through March 31, 2013.

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

Pacific Gaming Services, LLC:

Lori B. Suson Revocable Living Trust, 100% Member

Lori B. Suson, Trustor, Trustee, and Beneficiary

Action:

Upon motion of Commissioner Conklin, 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 renewal license application through March 31, 2014.

12. 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):

Certified Network M, Inc.:

| | | | |
|----------|----------------|---------------------|-------------------|
| Players: | Yifai Cho | Deborah Dade | Joseph Escandon |
| | Leonora Faller | Agustin Flores | Billy Hall |
| | Duc Hang | Andy Ho | Ma Fatima Holgado |
| | Sinhoeung Lock | Alphonse Norpetlian | Elaine Ong |

Commission Meeting Minutes March 8, 2012

| | | |
|-----------------|-----------------|---------------------|
| Bundy Phon | Bunthy Phon | Christine Sarmiento |
| Teresita Simons | Nejdeh Sojanian | Tanakorn Tavorniti |
| Mitchell Taylor | Latoya Teel | Tammy Tran |
| Wan Wang | | |

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 conversion application through March 31, 2014 with the exception of Mr. Billy Hall.

12. Billy Hall:

The conversion application for Billy Hall was continued to the next meeting, March 22, 2012.

MOVED FROM CONSENT to OPEN SESSION:

16. Application for Approval of Initial Tribal-State Compact Key Employee Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, Section 6.4.4):
L. Morongo Casino Resort & Spa – Ruben Becerra

Comments Received From:

Ruben Becerra, (via telephone)
Deborah Dunn, Bureau of Gambling Control
Aisha Martin-Walton, Bureau of Gambling Control

Action:

Upon motion of Commissioner Schuetz, seconded by Chairperson Shimazu and carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin and Schuetz voting yes and Hammond voting nay the Commission approved the initial finding of suitability through December 12, 2012.

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.)

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 Consent Calendar items 13 through 17.

13. Applications for Approval of Renewal Key Employee Portable Personal License (Pursuant to Business and Professions Code section 19854):
A. Gene Clevenger

Commission Meeting Minutes March 8, 2012

- B. Tim Lam
- C. Tony Le
- D. Oscar Miranda
- E. Samnang Um
- F. Cheng Vang

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

- A. Napa Valley Casino: Rong He Rodger Moore
- B. Oceana Cardroom: Armando Alcantar Keo Vongvilath

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

- A. Sundowner Cardroom: Sarnphou Saephan
- B. The 101 Casino: Piyanet Tunsatian

16. 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:
Cierra Teel
- B. Blue Lake Casino and Hotel – Blue Lake Rancheria:
Eric Croteau
- C. Casino Pauma – Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation:
Rosti Bagorio Timothy Swauger
- D. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:
Khannggeun Khunphixay Michael Simms Jr.
- E. Chumash Casino Resort – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Michael Whitehead
- F. Colusa Casino Resort – Cachil Dehe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria:
Jenifer Jacobsen
- G. Fantasy Springs Resort Casino – Cabazon Band of Mission Indians:
Anel Angon David Rexroth Maria Swinford
- H. Garcia River Casino – Manchester Band of Pomo Indians of the Manchester-Point Arena Rancheria
Martin Linker
- I. Gold Country Casino & Hotel – Berry Creek Rancheria of Maidu Indians of California:
Carol Kolasinski
- J. Harrah's Rincon Casino & Resort – Rincon Band of Luiseno Indians:
Danny La Mora
- K. Lucky 7 Casino – Smith River Reservation:
Merlin Goodlin

Commission Meeting Minutes March 8, 2012

- L. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:
 - Ruben Becerra Tuyet Cao Terrance Duarte
 - Evan Thomason
- M. Pechanga Resort & Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
 - Brandonn Jewell Carol Nguyen
- N. Red Hawk Casino – Shingle Springs Band of Miwok Indians:
 - Belinda Bradley Shawn Brett Hugh McKiernan
 - Darcy Schmitz
- O. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
 - Heriberto Perez
- P. Sycuan Casino & Resort – Sycuan Band of the Kumeyaay Nation:
 - Hojin Mustafa
- Q. Tachi Palace Hotel and Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
 - Juan Flores Josephine Hoang
- R. Thunder Valley Casino Resort – United Auburn Indian Community of the Auburn Rancheria:
 - Stephan Bisland Amanda Garcia James Poteet
 - Mallory White
- S. Valley View Casino & Hotel – San Pasqual Band of Diegueno Mission Indians:
 - Donella Aumondreaux Rudolph Contreras Cory Johnson
- T. Viejas Casino – Viejas Band of Kumeyaay Indians:
 - Yuldeliza Dietrich

17. 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:
 - Christine Baker-Arceneaux Joydellyne Balanay Carolyn Cara
 - Wipa Fryer Juan Herrera William Oliver
 - Jerry Park Novelynn Ramos Victoria Romero
 - Max Ross
- B. Augustine Casino – Augustine Band of Cahuilla Mission Indians:
 - Alma Segovia-Armenta Thomas Watson
- C. Barona Resort and Casino – Barona Band of Mission Indians:
 - Kevin Blades Jeffrey Carbonell Daniel Droddy
 - David LaChappa Matthew McFarlane Trisha Miller
 - Pearl Mugisha Octavio Nicasio David Pearce
 - Elizabeth Pendleton Somphong Souksavath Chong Yang
- D. Blue Lake Casino and Hotel – Blue Lake Rancheria:
 - Denice Jensen-Larkins
- E. Cache Creek Casino Resort – Yocha Dehe Wintun Nation:
 - Douglas Bowers

Commission Meeting Minutes March 8, 2012

- F. Casino Pauma – Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation:
Donald Lougee
 - G. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:
Roberto Medina
 - H. Coyote Valley Casino – Coyote Valley Band of Pomo Indians:
Steven Lowblad
 - I. Pala Casino Spa Resort – Pala Band of Mission Indians:
JoAnn Rodriguez
 - J. Pechanga Resort & Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Connie Christine Partello Alex Rodriguez
Makepeace
Colin Wingate Evelyn Wheelock
 - K. Quechan Casino Resort – Quechan Tribe of the Fort Yuma Indian Reservation:
Rosita Alvarez
 - L. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
Javier Ramirez
 - M. Rolling Hills Casino – Paskenta Band of Nomlaki Indians:
Gary Poynor
 - N. Soboba Casino – Soboba Band of Luiseno Indians:
David Nguyen
 - O. Table Mountain Casino – Table Mountain Rancheria:
Adam Cuevas
 - P. Tachi Palace Hotel and Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
Jay Dampitan Tony Garcia Jose Gonzalez
Phetsavanh Khamvongsa Phonexay Khamvongsa Julian Martinez
 - Q. Twin Pine Casino & Hotel – Middletown Rancheria Band of Pomo Indians:
Shaun Sims
 - R. Viejas Casino – Viejas Band of Kumeyaay Indians:
Patricia Embleton Perla Nunez
 - S. Win-River Casino – Redding Rancheria:
Rebecca Savard
18. Disciplinary Matter (Pursuant to Business and Professions Code section 19930 and CCR, Title 4, section 12552):
Stipulated Settlement and Disciplinary Order: David Stearns, Sole Shareholder, Central Coast Casino – Grover Beach, Inc., Central Coast Casino – Grover Beach (OAH No. 2011030164)

Comments Received From:

Jennifer Henderson, Deputy Attorney General and Dave Fleishman, Counsel for Respondent

19. Application for Initial Work Permit (Pursuant to Business and Professions Code sections 19824, 19870 & 19871, 19912; and CCR, Title 4 section 12050):

Stipulated Settlement:

In the Matter of the Statement of Issues Against Sherwin Bolano Pilalia
(Case No. CGCC-2009-09-1)

Comments Received From:

Ron Diedrich, Deputy Attorney General

CLOSED SESSION:

1. Deliberation on Decision Regarding Disciplinary Matter (Government Code section 11126(c)(3)):
 - A. Stipulated Settlement and Disciplinary Order:
David Stearns, Sole Shareholder, Central Coast Casino – Grover Beach, Inc., Central Coast Casino – Grover Beach (OAH No. 2011030164)
 - B. Stipulated Settlement:
In the Matter of the Statement of Issues Against Sherwin Bolano Pilalia
(Case No. CGCC-2009-09-1)
2. Discussion of Special Distribution Fund Audits for the Quarters Ending July 1, 2002 through December 31, 2004 and March 31, 2005 through December 31, 2007 for the Tule River Indian Tribe of the Tule River Reservation pursuant to Compact section 5.3(d) (Government Code section 11126.4; Compact section 7.4.3.):
3. 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)

Commission Meeting Minutes March 8, 2012

G. *Alturas Indian Rancheria v. California Gambling Control Commission*, U.S. District Court for the Eastern District of California (2:11-cv-02070-LKK-EFB)

RECONVENE TO OPEN SESSION:

The Commission reconvened to Open Session at 11:47 a.m.

1. Deliberation on Decision Regarding Disciplinary Matter (Government Code section 11126(c)(3)):

A. Stipulated Settlement and Disciplinary Order:

David Stearns, Sole Shareholder, Central Coast Casino – Grover Beach, Inc.,
Central Coast Casino – Grover Beach (OAH No. 2011030164)

Action:

The Commission approved this item 4-0.

B. Stipulated Settlement:

In the Matter of the Statement of Issues Against Sherwin Bolano Pilalia
(Case No. CGCC-2009-09-1)

Action:

The Commission approved this item 4-0.

2. Discussion of Special Distribution Fund Audits for the Quarters Ending July 1, 2002 through December 31, 2004 and March 31, 2005 through December 31, 2007 for the Tule River Indian Tribe of the Tule River Reservation pursuant to Compact section 5.3(d) (Government Code section 11126.4; Compact section 7.4.3.):

Action:

This item was for discussion purposes only, no action was taken.

PUBLIC COMMENT:

None.

ADJOURNMENT:

Chairperson Shimazu adjourned the Commission Meeting at 12:36 p.m. in memory of Mrs. Patsy Paschke, mother of Tina Littleton.