

California Gambling Control Commission

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**MINUTES OF JUNE 14, 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:

A. May 10, 2012

B. May 24, 2012

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 meeting minutes for May 10, 2012 and May 24, 2012.

4. Request for Approval of A) State Gambling License and B) Stock Option Agreement (Pursuant to Business and Professions Code Sections 19852(e) and 19904):

A. Artichoke Joe's Casino:

Sally Ann Johnson Stock Trust
Sally Ann Johnson, Trustee

B. Artichoke Joe's Casino:

Sally Ann Johnson Family Trust
Sally Ann Johnson, Trustor, Trustee
and Beneficiary

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Comments Received From:

Alan Titus

Audra Opdyke, Bureau of Gambling Control

Action:

Upon motion of Commissioner Schuetz, 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 following actions:

- A) Approve the Second Restatement and Amendments to the Sally Ann Johnson Trust; and,
- B) Approve the Stock Put/Call Option Agreement as referenced in the Sally Ann Johnson Family Trust.

5. Applications for Approval of Renewal of State Gambling Licenses (Pursuant to Business and Professions Code section 19876):

- A. Artichoke Joe's Casino: Artichoke Joe's

Comments Made From:

Alan Titus

Norm Pierce, Bureau of Gambling Control

Audra Opdyke, 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 the renewal state gambling license for Artichoke Joe's license with the licensure period July 1, 2012 to June 30, 2014 and removal of existing condition specific to the endorsement of Mr. Joseph Sammut, III as listed below.

Remove Condition:

Mr. Sammut, III shall comply with all applicable City of San Bruno ordinance requirements and provide information to the California Gambling Control Commission within 90 days of this approval which demonstrates his efforts. A copy of a work permit or license issued by the San Bruno Police Department to Joseph Sammut, III will satisfy this condition.

- B. Jalisco Pool Room:

Rafael Quiroga, Sole Proprietor

Comments Made From:

Rafael Quiroga

Audra Opdyke, Bureau of Gambling Control

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Action:

Upon motion of Commissioner Schuetz, 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 application for Jalisco Pool Room with the licensure period July 1, 2012 to June 30, 2014 and the new conditions listed below:

The licensee may not open or offer controlled games until all required local approvals have been obtained and shall inform the Bureau of Gambling Control upon receipt of such approvals.

The licensee may not open or offer controlled games until the Bureau of Gambling Control has inspected the cardroom and determined that cardroom is in compliance with all pertinent regulatory standards.

C. The Mint:

James Podergois, Owner

Comments Made From:

Audra Opdyke, 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 Hammond and Schuetz voting yes, Commissioner Conklin not voting, the Commission approved the renewal state gambling application for The Mint with licensure period July 1, 2012 to June 30, 2014 with conditions listed below:

The licensee may not open or offer controlled games until all required local approvals have been obtained and shall inform the Bureau of Gambling Control upon receipt of such approvals.

The licensee may not open or offer controlled games until the Bureau of Gambling Control has inspected the cardroom and determined that the cardroom is in compliance with all pertinent regulatory standards.

D. Phoenix Casino and Lounge

Phoenix Casino and Lounge, Inc.
Jack Cunningham, President,
Treasurer,
Secretary, Shareholder

Comments Made From:

Jack Cunningham
Norm Pierce, Bureau of Gambling Control
Audra Opdyke, Bureau of Gambling Control

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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 application for Phoenix Casino and Lounge with the licensure period July 1, 2012 through May 31, 2014.

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

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 Initial Key Employee applications 6A and 6B listed below:

- A. Jose Ayala
Through June 30, 2013
- B. Brian Bowling
Through December 31, 2013
- C. Toby Chan

Comments Made From:

Toby Chan

Action:

Upon motion of Commissioner Schuetz, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin and Schuetz voting yes, and Commissioner Hammond voting no, the Commission approved the Initial Key Employee application 6C through April 30, 2013 with the condition listed below:

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

- D. Marshall Silverstein

Comments Made From:

Marshall Silverstein
Norm Pierce, Bureau of Gambling Control

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Action:

Upon motion of Commissioner Schuetz, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, and Schuetz voting yes, and Commissioner Hammond voting no, the Commission approved the initial key employee application through May 31, 2013.

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

Towers Casino:

Brandt Goodwin

Comment Received From:

Brandt Goodwin

Norm Pierce, Bureau of Gambling Control

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 initial work permit through September 30, 2013.

8. Request for Approval of Reduction Permanent Authorized Tables (Pursuant to Business and Professions Code section 19824 and CCR, Title 4, section 12359):

Casino Club:

Casino Poker Club, Inc.

Comments Made From:

Ileana Harris

Action:

Ms. Harris rescinded her request for a Reduction of Permanent Authorized Tables.

9. 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:

Players:

Ivon Gahie

Michael Matic

Adolfo Torres

Hongxia Yan

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 conversion applications through June 30, 2014.

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Certified Network M, Inc.:

Player: Kevin Juarez

Comments Made From:

Kevin Juarez (via telephone)

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 approved conversion application through June 30, 2014 with the condition listed below:

Beginning 30 days upon approval and every 180 days thereafter, Mr. Juarez will provide an update to the Commission on the status of his outstanding Failure to pay with the Los Angeles County Superior Court.

10. Application 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):

Pacific Gaming Services, LLC:

Player: Jeffrey Martin

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 application for the Third party Proposition Player Services with the licensure period July 1, 2012 through June 30, 2014.

11. Request for Approval to Withdraw Application to Convert Third Party Proposition Supervisor Registration to a License (Pursuant to Business and Professions Code section 19984 and CCR, Title 4, section 12218.5):

A. Acme Player Services, LLC:

Supervisors:	Greg Abdulian	Marvin Ancheta	Bryant Bui
	Joey Cha	Clarissa O'Brien	
	William Phung		

B. Arise, LLC:

Supervisors:	Ker Chang	Tom Truong
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Comments Made 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

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Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved Items 11A and 11B to withdraw the conversion applications without prejudice.

12. Applications 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):

- A. QCS Enterprises, Inc.: James Paul, President, Chief Executive Officer and Shareholder
Sharon Paul, Chief Financial Officer, Corporate Secretary and Shareholder
- B. VCAT, LLC: Lloyd Donald Speer II, Chairman of the Board
William Shay, President, Chief Executive Officer and Manager
Kevin McIntosh, Chief Operating Officer, Chief Financial Officer and Manager
- C. VSR Industries, Inc.: Leo Wright, Chairman of the Board, Shareholder
Charles DeGregorio, President, Chief Executive Officer, Director and Shareholder
Colton Vollmann, Vice President, Secretary, Treasurer, Director and Shareholder

Comments Made From:
Frank Miller

Action:

Upon motion of Commissioner Schuetz, 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 applications for the period July 1, 2012 through June 30, 2014.

13. 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. Redding Rancheria: William Hayward

Comments Made From:

William Hayward
Ginger Murphy, Executive Director of Redding Rancheria, Tribal Gaming Agency
Norm Pierce, Bureau of Gambling Control

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Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Hammond and Schuetz voting yes, Commissioner Conklin not voting, the Commission denied the application for Finding of Suitability as a Tribal Key Employee. Mr. Hayward requested an Evidentiary Hearing.

B. Shingle Springs Band of Miwok Indians: Miguel Soto

Comments Made From:

Miguel Soto

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 voting yes, Commissioner Schuetz voting no, the Commission approved the Finding of Suitability as a Tribal Key Employee valid through December 4, 2012.

14. Disciplinary Matters (Pursuant to Business and Professions Code section 19930 and CCR, Title 4, section 12552):

A. Stipulated Settlement; Decision and Order in the Matter of the Accusation
Against: El Dorado Enterprises, Inc. dba Hustler Casino, Larry Flynt Revocable Trust, Larry Flynt Trustee, Trustor and Beneficiary (BGC Case No. HQ2010-0001AC)

Comments Made From:

Ron Diedrich, Deputy Attorney General
Harlan Goodson

Approved

B. Stipulated Settlement; Decision and Order in the Matter of the Accusation
Against: Stanley Penn, sole proprietor, Lucky Lady Card Room and Michael Penn, Key Employee (BGC Case No. HQ2011-0001AC, OAH No. 2011111047)

C. Default Decision and Order – Michael Penn (BGC Case No. HQ2011-0001AC)

Comments Made From:

Ron Diedrich, Deputy Attorney General

B and C were voted together: Not to approve

CONSENT CALENDAR ITEMS:

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

A. James Barbo	I. Charles Lewis	Q. Joe Willson
B. Kenneth Brennan	J. Brian McCandless	
C. Jeff Morena	K. Chris Rolbiecki	
D. Christopher Huang	L. Samantha Sengthit	
E. Glenn Dionne	M. David Seward	
F. Jonathan Hy	N. Michael Sullivan	
G. Robert Kleiber	O. Randolph Torres	
H. Richard Lamboy	P. James Vonasek	

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

Empire Sportsmen's Association: Roland Nonato

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

Lake Bowl Cardroom: Joan Ray

18. 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. California Gaming Consultants:	
Player:	Meuy Lee
B. Chips Gaming Services, Inc.:	
Players:	Kevin Chhie You Ngo Chanda Shaikh
C. Pacific Gaming Services, LLC:	
Player:	Robert Furman
D. PT Gaming, LLC:	
Player:	Consolacion Swinson

19. 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. Barona Resort and Casino – Barona Band of Mission Indians:	
Cynthia Munoz-Heard	
B. Bear River Casino – Bear River Band of the Rohnerville Rancheria:	
Darrin Smith	
C. Cahuilla Casino – Cahuilla Band of Mission Indians of the Cahuilla Reservation:	
James Forrest	
D. Cher-Ae-Heights Casino – Cher-Ae-Heights Indian Community of the Trinidad Rancheria:	
J Ronald Badouin	

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- E. Chumash Casino Resort – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Clinton Johnson Rhonda Van Blair Elizabeth Ventura
- F. Fantasy Springs Resort Casino – Cabazon Band of Mission Indians:
Michael Hennig Cuong Mach
- G. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:
Lloyd Vanbibber
- H. Pechanga Resort & Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Soriya Oung
- I. Quechan Casino Resort – Quechan Tribe of the Fort Yuma Indian Reservation:
Ralph Garcia
- J. Santa Ysabel Casino – Santa Ysabel Band of Digueno Indians:
Matilda Fernandez
- K. Spotlight 29 Casino – Twenty-Nine Palms Band of Mission Indians:
Gregory Williams
- L. Viejas Casino – Viejas Band of Kumeyaay Indians:
Manuel Aponte

20. 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. Augustine Casino – Augustine Band of Cahuilla Mission Indians:
Jay Foreman Dennis Moore
- B. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:
Andres Arredondo Tresa Baughman Kelli Jennings
Jared Kerbow Kristin Sousa Santhavy Tan
Heather Wade
- C. Colusa Casino Resort – Cachil Dehe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria:
Rayna Rogers Guy Van Den Bosch Josiah Westby
- D. Coyote Valley Casino – Coyote Valley Band of Pomo Indians:
Johnathan Kirkwood
- E. Diamond Mountain Casino and Hotel – Susanville Indian Reservation:
Robert Nay
- F. Feather Falls Casino & Lodge – Mooretown Rancheria of Maidu Indians:
Christopher Desylva
- G. Gold Country Casino & Hotel – Berry Creek Rancheria of Maidu Indians of California:
Chris Adams Heather Nydell Filiberto Padilla
John Silva Richard Wilson
- H. Harrah's Rincon Casino & Resort – Rincon Band of Luiseno Indians:
Bridget Giannotti Aki Matsubara David Roland
Gerald Taylor

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- I. Jackson Rancheria Casino & Hotel – Jackson Rancheria Band of Miwok Indians:
James Grim Claudia Tomberlin
- J. Lucky 7 Casino – Smith River Reservation:
Arnold Delmenico John Scott Duane Walker
- K. Pala Casino Spa Resort – Pala Band of Mission Indians:
Alan Chanthavong Patricia Morlett Thuy Trang Nguyen
Becky Paull Charles Sutherlin Ana Verastica de Ojedo
- L. Pechanga Resort & Casino – Pechanga Band of Luiseno Mission Indians of the
Pechanga Reservation:
Mohsan Abraham Enrique Appel Jovie Esteves
David Matthews Norma Rangel Rodolfo Reyes
Lilia Simbahan Tony Siordia Gregory Strout
Sergio Valencia
- M. Red Earth Casino – Torres-Martinez Band of Cahuilla Mission Indians:
Maria Torres
- N. Red Hawk Casino – Shingle Springs Band of Miwok Indians:
Joseph Farrington
- O. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
Rolando Cardona Michael Fox Omar Niguidula
- P. Rolling Hills Casino – Paskenta Band of Nomlaki Indians:
Dennis Barnes
- Q. San Manuel Indian Bingo and Casino – San Manuel Band of Serrano Mission
Indians of the San Manuel Reservation:
Artiana Agcaoili Brian Derr Todd DiMillo
Bobby Hawkins Roderic Herbst Manuel Hernandez

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 Consent Calendar items 15 through 20 with the exception of item 19B Darrin Smith.

Comments Made From:

Julie Agcaoili, 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 Consent Calendar item 19B Darrin Smith from the Bear River Casino, Bear River Band of the Rohnerville Rancheria.

PUBLIC COMMENT:

Glenn Dionne
Joan Ray

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)
2. Deliberation on Decisions Regarding Disciplinary Matters (Government Code section 11126(c)(3)):
 - A. Stipulated Settlement; Decision and Order in the Matter of the Accusation Against: El Dorado Enterprises, Inc. dba Hustler Casino, Larry Flynt Revocable Trust, Larry Flynt Trustee, Trustor and Beneficiary (BGC Case No. HQ2010-0001AC)
 - B. Stipulated Settlement; Decision and Order in the Matter of the Accusation Against: Stanley Penn, sole proprietor, Lucky Lady Card Room and Michael Penn, Key Employee (BGC Case No. HQ2011-0001AC, OAH No. 2011111047)
 - C. Default Decision and Order – Michael Penn (BGC Case No. HQ2011-0001AC)

RECONVENE TO OPEN SESSION:

The Commission announced the results of their deliberations. The Commission approved item 2A and did not approve items 2B and C.

RECESS:

12:16 p.m.

RECONVENE TO OPEN SESSION:

The Commission reconvened to Open Session at 2:00 p.m. and convened back to Closed Session at 2:26 p.m.

21. Hearing Pursuant to Business and Professions Code Sections 19870 and 19871:
**IN THE MATTER OF THE APPLICATION FOR APPROVAL OF INITIAL KEY
EMPLOYEE PORTABLE PERSONAL LICENSE FOR JOSE ALVAREZ, CGCC
CASE NO. 2011-1120**

Executive Director Tina Littleton swore in the following individuals: Marianne Estes, Jose Alvarez and Ileana Harris.

Comments Made From:

Jose Alvarez

Ileana Harris, Casino Club

3. Hearing Deliberations Pursuant to Government Code Section 11126, subdivision (c)(3):
**IN THE MATTER OF THE APPLICATION FOR APPROVAL OF INITIAL KEY
EMPLOYEE PORTABLE PERSONAL LICENSE FOR JOSE ALVAREZ, CGCC
CASE NO. 2011-1120**

Action:

The Commission approved this item 4-0.

ADJOURNMENT:

Chairperson Shimazu adjourned the Meeting at 2:29 p.m.