

California Gambling Control Commission
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**MINUTES OF FEBRUARY 20, 2014
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Lopes 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 Chairman Richard Lopes and Commissioners Tiffany Conklin, Lauren Hammond and Richard Schuetz present.

3. Approval of Commission Meeting Minutes for:
January 23, 2014

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the minutes for the January 23, 2014 Commission Meeting.

Deputy Director Katherine Ellis advised the Commissioners that Item 16.B. Chicken Ranch Casino - Chicken Ranch Rancheria of Me-Wuk Indians, Leslie West and 16.N. Sycuan Casino and Resort - Sycuan Band of the Kumeyaay Nation, Alicia Tai were removed from the agenda to be placed on a future Commission meeting for consideration.

4. Approval of A) Transaction Loan Document and, B) Application for Renewal of State Gambling License (Pursuant to Business and Professions Code sections 19824(c), 19852(a), 19900, and 19876 - CCR, Title 4 section 12345):

A. The Player's Casino: Player's Poker Club, Inc.

Comments Received From:

Keith Sharp, via telephone

Bill Kracht

Stacey Luna-Baxter, Bureau of Gambling Control

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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.

B. Hollywood Park Casino: LAX Property, LLC, Operator
Eric Swallow, Member

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission extended the temporary state gambling license valid through March 26, 2014, to align with the term period outlined in the termination agreement and continuing with the existing conditions as noted below:

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1. *LAX shall not enter into software contracts or gaming license agreements with related parties without prior review by the Bureau of Gambling Control and final approval by the California Gambling Control Commission.*
2. *The CFO must approve and sign any transaction of \$50,000 or more.*
3. *The Bureau of Gambling Control and California Gambling Control Commission will be notified of any amended tax return filings or audits of Dolchee, LLC, Profitable Casino, LLC, Garden City, Inc. (dba Casino M8trix) and Eric Swallow.*
4. *LAX shall provide the Bureau of Gambling Control California tax returns for 2012 upon availability.*

6. Applications for Approval of Renewal of State Gambling Licenses (Pursuant to Business and Professions Code sections 19852 and 19876; CCR, Title 4 section 12345):

A. Casino M8trix:

Garden City, Inc.
Eric Swallow, Chief Financial Officer, Secretary,
Shareholder
Lunardi Family Living Trust, Shareholder
Peter Lunardi, III President, Trustee, Trustor,
Beneficiary
Jeanine Lunardi, Director, Trustee, Trustor,
Beneficiary

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission extended the renewal state gambling license for a 90-day period valid through May 31, 2014, continuing with the existing conditions noted below:

1. *The owners shall abide by all the conditions on the individual stockholder license(s) and landowner license issued by the local jurisdiction.*
2. *Controlled gaming on the 8th floor is not authorized until specifically approved by the local jurisdiction and upon written notification from the Bureau of Gambling Control to the Commission that the cardroom is in compliance with all applicable regulations.*

B. Palomar Card Club:

Palomar Card Club, A General Partnership
Donald Staats, Partner
Susan Staats, Partner
University Heights Associates, LLC, Landlord
Naseem Salem, Member
Adel Salem, Member

Comments Received From:

Naseem Salem, via telephone

Frances Asuncion, Bureau of Gambling Control

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal state gambling license application valid through November 30, 2015, continuing with the existing conditions as noted below:

- A. *Palomar shall not extend credit to Naseem Salem, personally or through the use of any agents, while Naseem Salem is employed at the cardroom. The Staats are to maintain control and supervision of the Palomar including, but not limited to, the following:*
 - i. *The Staats and Palomar shall not allow Naseem Salem or any key employee to engage in cash transactions at the Palomar cardroom for businesses that are not directly related to the Palomar cardroom. This does not place any limit on the usage of checks or similar items not involving cash.*
 - ii. *The Staats are required to approve the hiring and firing of all key employees and supervisors at the Palomar. This approval shall be documented in writing.*
 - iii. *The Staats are required to approve the hiring and firing of all employees that are related to Naseem Salem, either by blood or marriage. This approval shall be documented in writing.*
 - iv. *The Staats are required to approve all contracts with the Palomar exceeding \$10,000 or which have significant impact on the Palomar's operations. This approval shall be documented in writing.*
 - v. *Ablahad Salim is not to be employed at Palomar in any capacity and his services as a Third Party Provider, individually or through a business organization he owns and operates, shall also not be contracted for or provided at the cardroom.*

- B. *Palomar and the Staats shall hire a California licensed Certified Public Accountant (CPA) which shall be acceptable to the Bureau, in its sole discretion, to perform an independent audit of Palomar according to Generally Accepted Accounting Principles. This first audit must be completed within 180 days of the effective date of this decision and submitted to the Bureau for review. In addition, Palomar shall hire a CPA to conduct a second audit under the same standards as above, one year from the completion of the first audit, so that the Commission will have one full year of Palomar's operations for review upon the next renewal date of Palomar and the Staats' license.*

- C. *Any new lease, modification of an old lease, or amendments or addendums to the current lease between University Heights, LLC and the Palomar are to be approved by the Commission in advance of the effective date of the lease.*

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- D. *To the extent that the Staats are unable to comply with the conditions in subsections (a), (b), or (c), due to the lack of capacity or otherwise, they shall continuously retain a designated agent on file with the Commission and Bureau with authority to comply with item i) and ii) below. The designated agent shall immediately:*
- i. *Notify the Bureau of the inability of the Staats to comply with conditions (a), (b), and (c) above; and,*
 - ii. *The designated agent, within 10 days of the Staats' incapacity, shall select someone as the Staats' 'proxy-agent' for the supervision and control of Palomar and such proxy-agent shall within 15 days of assuming their position apply for a license as someone who has a significant influence over the gambling operation as defined in Business and Professions Code subdivision 19852(i).*

And the following existing condition for University Heights Associates, LLC, including Naseem Salem and Adel Salem:

Any new lease, modification of an old lease, or amendments or addendums to the current lease between University Heights and the Palomar are to be approved by the Commission in advance of the effective date of the lease. To the extent that Naseem Salem and Adel Salem are unable to work with the Staats on the lease due to the lack of capacity of the Staats or the Salems' inability to communicate with the Staats, University Heights must immediately notify the Bureau of its inability to comply with this condition.

By Commissioner's concurrence, the following agenda items were considered simultaneously:

Agenda Item 6.C. – The River Card Room and;
Agenda Item 6.D. – The 101 Casino

C. The River Card Room:	The River Card Room, Inc. Richard Shindle, Secretary, Shareholder
D. The 101 Casino:	Cal-Pac Sonoma, LLC Richard Shindle, Member

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission extended the renewal state gambling license for Richard Shindle's endorsement of Cal-Pac Sonoma, LLC dba The 101 Casino and The River Card Room, Inc. dba The River Card Room, for a 30-day period, valid through March 31, 2014.

Public Comment:

Richard Shindle

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

A. Kent Allard

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond, and Schuetz voting yes, the Commission approved the initial key employee license application valid through February 29, 2016.

B. Karen Kouretas

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond, and Schuetz voting yes, the Commission approved the initial key employee license application valid through August 31, 2014.

C. Peter Yang

Action:

Upon motion of Commissioner Conklin, seconded by Chairman Lopes and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond, and Schuetz voting yes, the Commission approved the initial key employee license application valid through February 29, 2016.

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

A. Harold Furtado

Comments Received From:

Stacey Luna-Baxter, Bureau of Gambling Control

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schutez voting yes; the Commission extended the renewal key employee license for a 90-day period valid through May 31, 2014.

B. Scott Hayden

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schutez voting yes; the Commission extended the renewal key employee license for a 90-day period valid through May 31, 2014.

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9. Applications for Approval of Renewal of Third Party Provider of Proposition Services/Gambling Business Licenses (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12218.8 and 12238):

A. Premier Player Providers, Inc.: Nasser Qutob, President, Secretary, Treasurer, Shareholder

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal of the third party proposition player services provider application for Premier Player Providers, Inc., valid through February 29, 2016 amending the existing conditions as noted below:

1. *Beginning ~~July 1, 2012~~ March 1, 2014, and on a quarterly basis thereafter, Nasser Qutob shall submit to the ~~Commission and the Bureau of Gambling Control~~ evidence of monthly payments made to repay the promissory note that became effective January 1, 2009, between himself and Game Source, LLC.*
2. *Nasser Qutob may not accept any loans for the purpose of using the funding for Premier Player Providers, Inc. without first obtaining approval by the Commission.*

B. PT Gaming, LLC:

Patrick A. Tierney and Jamie L. Tierney
Family Trust, Member
Jamie Tierney, Trustee, Grantor, Beneficiary
Patrick Tierney, Trustee, Grantor, Beneficiary

Comments Received From:

Richard Shindle
Stacey Luna-Baxter, Bureau of Gambling Control

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal of the third party proposition player services provider application for PT Gaming, LLC, valid through February 29, 2016.

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; CCR, Title 4, sections 12218 and 12233):

A. Certified Network M, Inc.:

Players:	Jennifer Barahona	Mercedes Dunn
	Christine Garcia	Jason Gatewood
	Brandon Williams	

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B. PT Gaming, LLC:

Supervisor:

Kristin Kramer

Players:

Diane Chantha

Christopher Olie

Maung Saetern

Khoa Nghiem

Christopher Race

Ka Vang

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the conversion applications valid through February 29, 2016.

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):

HCAL, LLC

Comments Received From:

Janet Beronio, via telephone

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal Finding of Suitability application for HCAL, LLC, and its principals, valid through February 29, 2016.

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):

Chicken Ranch Rancheria of Me-Wuk Indians of California:

Allen Brown

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the initial Finding of Suitability application valid through May 23, 2015.

CONSENT CALENDAR ITEMS:

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

The Deuce Lounge and Casino:

Justin Saechao

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

Empire Sportsmen's Association: Chad Asay

15. 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:

Leilani Crum Ashley Graves

B. Barona Resort and Casino - Barona Group of Capitan Grande Band of Mission Indians:

Jerika Edison David Fuller

C. Cache Creek Casino Resort - Yocha Dehe Wintun Nation:

Ryan Miller

D. Chicken Ranch Casino - Chicken Ranch Rancheria of Me-Wuk Indians:

Samuel Blackford

E. Chukchansi Gold Resort and Casino - Picayune Rancheria of Chukchansi Indians:

Miguel Flores Jr.

F. Chumash Casino Resort - Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:

Andrew Guardado Manuel Villa

G. Eagle Mountain Casino - Tule River Indian Tribe of the Tule River Reservation:

Joanie Chang

H. Elk Valley Casino - Elk Valley Rancheria:

John Ward

I. Fantasy Springs Resort Casino - Cabazon Band of Mission Indians:

Joanna Blackstone

J. Garcia River Casino - Manchester Band of Pomo Indians of the Manchester Rancheria:

Carlos Reyes

K. Harrah's Rincon Casino & Resort - Rincon Band of Luiseno Mission Indians of the Rincon Reservation:

Joseph Oyos Eduardo Robles Munoz Soukanda Thammavong

L. Morongo Casino Resort and Spa - Morongo Band of Mission Indians:

Brian Butler

M. Paiute Palace Casino - Bishop Paiute Tribe:

Gail Manriquez

N. Pala Casino Spa Resort - Pala Band of Luiseno Mission Indians of the Pala Reservation:

Rosario Beltran Don Nem

O. Pechanga Resort & Casino - Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:

Ismael Calvo Jr.

P. Quechan Casino Resort/Paradise Casino California - Quechan Tribe of the Fort Yuma Indian Reservation:

Scott Bloom

Q. River Rock Casino - Dry Creek Rancheria Band of Pomo Indians:

Kasey Chong Mark Stockton

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- R. Running Creek Casino - Habematolel Pomo of Upper Lake:
Sylvia Serpa
- S. Table Mountain Casino - Table Mountain Rancheria:
Veena Cha
- T. Win-River Casino - Redding Rancheria:
Anthony Carlile Jr.

16. 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:
Karina Elenes Alan Ferrante Maureen Harrison
Carolina Magdael Juan Ortega Max Ross
Paul Toft
- B. Chicken Ranch Casino - Chicken Ranch Rancheria of Me-Wuk Indians:
Leslie West-**Removed From Agenda**
- C. Fantasy Springs Resort Casino - Cabazon Band of Mission Indians:
Amalia Lopez
- D. Harrah's Rincon Casino & Resort - Rincon Band of Luiseno Mission Indians of the Rincon Reservation:
Ethan Meadows Alvin Tengson Louis Vasquez III
Tamara Williams
- E. Lucky 7 Casino - Smith River Rancheria:
Mary Hulse
- F. Morongo Casino Resort and Spa - Morongo Band of Mission Indians:
Lisa Frink Cyrus Lomibao Kendra Pimentel
Rebecca Shack
- G. Pala Casino Spa Resort - Pala Band of Luiseno Mission Indians of the Pala Reservation:
Vincent AhSue Brian Roe
- H. Quechan Casino Resort/Paradise Casino California - Quechan Tribe of the Fort Yuma Indian Reservation:
Charles Escalanti
- I. Rolling Hills Casino - Paskenta Band of Nomlaki Indians:
Gary Poynor
- J. San Manuel Indian Bingo and Casino - San Manuel Band of Mission Indians:
Bryan Bates Lewylyn Flores Sun Huh
Lena Mario Michael Perry Jonathan Santana
Patricia Short Rhonda Zahn
- K. Soboba Casino - Soboba Band of Luiseno Indians:
Charles Warren
- L. Spa Resort Casino - Agua Caliente Band of Cahuilla Indians:
Michael Cook
- M. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:
Nayelly Flores Ceron Christine Ortega Rosa Vincent
Eduardo Zavala Rodriguez

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N. Sycuan Casino and Resort - Sycuan Band of the Kumeyaay Nation:

Elizabeth Barrantes	Rafi Butres	Elmer Caintic
David Centman	Marisela Enriquez De Pena	Richard Jewell
Mittaphone Khansourivong	Richard Lieu	Nicolas Marcon
Toni Peters	Jose Rivera	Angela Scantling
Ysmael Segundo Jr.	Souksamay Sengthong	Alicia Tai-Removed From Agenda
Brian Werner Jr.	Stacey Wheeler	

O. Tachi Palace Hotel and Casino - Santa Rosa Indian Community:

Cynthia Donez	April Hernandez	Eric Mercurio
Gricelda Perez	Chio Saechao	Supasiri Sirayanone

P. Thunder Valley Casino Resort - United Auburn Indian Community of the Auburn Rancheria:

Matthew Arbaugh	Hiep Hoang	Phengta Inthongpradith
Long Nguyen		

17. Request for Recognition of Eligibility to Conduct Remote Caller Bingo Games (Pursuant to Penal Code section 326.3 and CCR, Title 4, section 12505):
Herman Granados American Legion Post 739

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Conkin, Hammond and Schuetz voting yes, the Commission approved Consent Calendar items 13 through 17 with the exception of 16.B. Leslie West and 16.N. Alicia Tai who were removed from the agenda to be placed on a future meeting.

PUBLIC COMMENT:

Reverend James Butler

CLOSED SESSION: None.

I. Litigation: (Government Code section 11126(e)):

- A. *Pauma Band of Luiseno Mission Indians v. Gambling Control Commission; and Arnold Schwarzenegger*, U.S. Dist Court S. D. California (09 CV01955 LAB AJB)
- B. *San Pasqual Band of Mission Indians v. State of California, et al.*, Los Angeles County Superior Court (BC431469)
- C. *Bingo Innovations of California, Inc. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2012-80001139)
- D. *Yavapai Apache Nation v. Iipay Nation of Santa Ysabel, the State of California, and the California Gambling Control Commission*, Sacramento County Superior Court (34-2012-001199727)
- E. *Robert Saucier, et al. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2013-80001594)
- F. *Stand Up For California, et al. v. State of California, et al.*, Madera County Superior Court (MCV062850)

ADJOURNMENT:

Chairman Lopes adjourned the Commission Meeting at 10:39 AM.