

California Gambling Control Commission
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**MINUTES OF AUGUST 25, 2016
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Evans 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 Jim Evans and Commissioners Tiffany Conklin, Roger Dunstan, Lauren Hammond, and Trang To present.

3. Approval of Commission Meeting Minutes for:
 - A. June 9, 2016
 - B. June 23, 2016
 - C. July 26, 2016 – RSTF Meeting

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the minutes for June 9, 2016, June 23, 2016, and July 26, 2016 RSTF meeting.

4. Graton Mitigation Fund Final Report for Distribution to County of Sonoma and City of Rohnert Park – Quarter Ending June 30, 2016 (Pursuant to Government Code section 12012.56 & Compact section 4.5.1):
Federated Indians of Graton Rancheria

Action:

Upon motion of Commissioner Dunstan seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the distribution payments as listed in the report.

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5. Consideration of Revisions to the Selection Criteria for the members of the Gaming Policy Advisory Committee (GPAC) (Pursuant to Business and Professions Code section 19817)

Comments Received From:

Robert Jacobson, GPAC Member

Action:

Upon motion of Commissioner Dunstan seconded by Commissioner To and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the revisions to the selection criteria for the members of GPAC.

6. Consideration of A) Purchase Agreement; and, B) Application for Initial State Gambling License (Pursuant to Business and Professions Code section 19824(c), 19850, 19851; CCR, Title 4, section 12342):

A. The Mint: James Podergois (Seller)
 Stephen Labiak (Buyer)

Comments Received From:

Stephen Labiak

Yolanda Morrow, Assistant Bureau Chief, Bureau of Gambling Control

Action:

Upon motion of Chairman Evans seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Purchase Agreement with the conditions noted below:

1. *Within 15 days after closing, Mr. Labiak must provide a fully executed copy of the bill of sale provided for in the Purchase Agreement to the Commission, with a copy to the Bureau.*
2. *Within 15 after closing, Mr. Labiak must provide a full description of The Mint, and all documents evidencing The Mint, as delivered in accordance with the Purchase Agreement to the Commission, with a copy to the Bureau.*
3. *Within 15 days after closing, Mr. Labiak must provide any schedule, certificate, or other instrument that he furnished under the Purchase Agreement and that is referred to, or encompassed by, section 5.2 of the Purchase Agreement to the Commission, with a copy to the Bureau.*
4. *Within 15 days after closing, Mr. Labiak must provide a statement in writing to the Commission, with a copy to the Bureau, that the contemplated transaction closed, the date upon which it closed, that the parties made no material change to the transaction, and the transaction was substantially the same as approved by the Commission.*

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B. The Mint: Stephen Labiak, Sole Proprietor
Dawn Labiak, Community Property Interest Holder

Action:

Upon motion of Commissioner Hammond seconded by Commissioner To and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Initial Applications through August 31, 2018, with the condition noted below:

Prior to opening for business, The Mint is required to submit to the Bureau an active business license from the City of Porterville, an Emergency Preparedness and Evacuation Plan, a security and surveillance plan, and a list of games and rules for all games that will be played at the cardroom.

7. Consideration of A) Transfer of Shares; and, B) Applications for Initial State Gambling Licenses (Pursuant to Business and Professions Code sections 19850, 19852, and 19904; CCR, Title 4, section 12342):

A. Commerce Casino: California Commerce Club, Inc.
Robin Vest (Transferor)
The Robin Vest Separate Property Trust (Transferee)

Comments Received From:

Elijah Zuniga, Designated Agent

Action:

Upon motion of Commissioner Conklin seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Transfer of Shares with the conditions noted below:

1. *The Transferee shall provide to the Commission, with a copy to the Bureau, within 15 days after the transfer that the certificate evidencing the stock transferred is legended in accordance with the provisions of Business and Professions Code section 19882, subdivision (c).*

2. *The Transferee shall provide to the Commission, with a copy to the Bureau, within 15 days after the closing that the certificates evidencing the Stock include the following legend:*

THIS CERTIFICATE REPRESENTS SHARES OF STOCK ISSUED BY A CORPORATION THAT HOLDS A GAMBLING LICENSE PURSUANT TO THE LAWS OF THE STATE OF CALIFORNIA. THE STOCK MAY NOT BE TRANSFERRED, ASSIGNED, SOLD, PLEDGED, HYPOTHECATED, OR DISPOSED OF WITHOUT THE PRIOR APPROVAL OF THE CALIFORNIA GAMBLING CONTROL COMMISSION OR ITS SUCCESSOR.

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3. *The Transferee shall provide to the Commission, with a copy to the Bureau, within 15 days after each transfer that the parties made no material changes to the transactions and the transactions were substantially the same as approved by the Commission.*

Commissioner Conklin asked Designated Agent Elijah Zuniga if Robin Vest accepts the conditions. Mr. Zuniga responded yes.

- B. Commerce Casino: California Commerce Club, Inc.
The Robin Vest Separate Property Trust, Shareholder
Robin Vest, Trustee, Trustor, Beneficiary
Kevin Vest, Beneficiary, Contingent Trustee

Action:

Upon motion of Commissioner Conklin seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Initial Applications through March 31, 2017.

8. Applications for Consideration of Initial State Gambling Licenses (Pursuant to Business and Professions Code sections 19850, 19851, and 19852; CCR, Title 4, section 12342):

- Commerce Casino: California Commerce Club, Inc.
Selma Massman Trust, Shareholder
Robert Massman, Successor Trustee
Robert and Christine Massman Family Trust,
Contingent Beneficiary
Robert Massman, Trustee, Trustor, Beneficiary
Christine Massman, Trustee, Trustor, Beneficiary

Comments Received from:

Robert Massman, via telephone

Action:

Upon motion of Commissioner To seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Initial Applications through March 31, 2017.

Commissioner Conklin recused herself from items 9. A. and 9. B. and left the dais.

9. Consideration of Bankruptcy Plan for Reorganization A) Transfer of Stock via Merger; and, B) Consent of Loan (Pursuant to Business and Professions Code sections 19824, 19901, and 19904):

- A. Club One Casino: Club One Acquisition Corp., Transferor/Disappearing Corporation
Kyle Kirkland, Shareholder
Dana Messina, Shareholder

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George Sarantos, Shareholder
Haig Kelegian Sr., Shareholder
Club One Casino, Inc., Transferee/Surviving Corporation
Kyle Kirkland, Shareholder
Dana Messina, Shareholder

Comments Received From:

Kyle Kirkland, Designated Agent
Jim Betts, Elaine Long's Attorney

The Chairman asked Mr. Kirkland if the other parties are satisfied with the settlement specifically George Sarantos and Elaine Long. Mr. Kirkland deferred the question to Jim Betts, Elaine Long's counsel. Mr. Betts stated there is a global settlement and his client is satisfied with the settlement. Mr. Betts also stated he had authority to speak on behalf of Mr. Sarantos. He indicated that Mr. Sarantos is satisfied with the settlement.

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Reorganization Plan with the conditions noted below:

1. *The Transferee shall provide to the Commission, with a copy to the Bureau, within 15 days after the transfer that the certificate evidencing the interest transferred is legended in accordance with the provisions of Business and Professions Code section 19882, subdivision (c).*
2. *The Transferee shall provide to the Commission, with a copy to the Bureau, within 15 days after the closing that the certificates evidencing the interest include the following legend:*

THIS CERTIFICATE REPRESENTS SHARES OF STOCK ISSUED BY A CORPORATION THAT HOLDS A GAMBLING LICENSE PURSUANT TO THE LAWS OF THE STATE OF CALIFORNIA. THE STOCK MAY NOT BE TRANSFERRED, ASSIGNED, SOLD, PLEDGED, OR DISPOSED OF WITHOUT THE PRIOR APPROVAL OF THE CALIFORNIA GAMBLING CONTROL COMMISSION.

3. *The Transferee shall provide to the Commission, with a copy to the Bureau, within 15 days of approval by the Commission that the parties made no material changes to the transaction and the transaction was substantially the same as approved by the Commission.*
4. *Upon Commission approval, the Transferee shall provide written updates to the Bureau of Gambling every 90-days, with a copy to the Commission, describing the progress in effectuating the Reorganization Plan, and shall provide access to Bureau auditors as the Bureau may deem necessary to assure that the Reorganization Plan is implemented as it has been described.*

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B. Club One Casino: Dana Messina, Lender
Club One Casino, Inc., Borrower

Comments Received From:
Kyle Kirkland, Designated Agent

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission consented to Mr. Messina loaning \$1.8 million dollars to Club One Casino, Inc.

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

A. Eric Andrews
B. Aaron Bronsal
C. Scott McKenzie
D. Joseph Olivieri Jr.
E. Tammy Whiteley
F. Dale Wolfe Jr.

A. Eric Andrews

Action:

Upon motion of Commissioner Hammond seconded by Commissioner To and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission deemed the Initial Application abandoned.

Licensing Staff will issue an abandonment letter on behalf of the Executive Director.

B. Aaron Bronsal

Comments Received From:
Aaron Bronsal, via telephone

Action:

Upon motion of Commissioner To seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Initial Application through January 31, 2017, with the condition noted below:

Within 60 days of Commission approval, Mr. Bronsal must submit to the Bureau of Gambling Control (Bureau) proof of payment or proof of a payment plan for the outstanding judgment owed to the California Employment Development Department. Additionally, beginning every 90 days thereafter, submit proof of payment in accordance with the payment plan to the Bureau, if appropriate.

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Commissioner Conklin asked Mr. Bronsal if he understood the condition and will he submit proof of payment within 60-days and every 90-days thereafter. Mr. Bronsal stated yes he understood and will adhere to the condition placed on his Initial Application.

By concurrence of the Commissioners, items 10. C. through 10. F. were heard as a group.

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Initial Applications through the periods listed in the report.

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

Misak Tonoyan

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission extended the license to September 30, 2016 and continued the item to the September 22, 2016, agenda due to Mr. Tonoyan's unavailability in person or on the phone.

12. Application for Consideration of Conversion of Third-Party Providers of Proposition Player Services Player Registration to License (Pursuant to Business and Professions Code section 19984; CCR, Title 4, section 12218):

PT Gaming, LLC:

Player: Tracy Efe

Comments Received From:

Tracy Efe, via telephone

Commissioner Hammond asked Ms. Efe if she was enrolled in the DUI program. Ms. Efe answered that she plans to take the class by the end of the year. Commissioner Hammond explained that part of the condition is to provide proof of enrollment and proof that she completed the class. She then stated that in the condition Ms. Efe has 30 days in which to comply with condition by enrolling in the class and completing it by the end of the year. Commissioner Hammond asked if Ms. Efe understood the requirement. Ms. Efe said she did.

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Conversion Application through August 31, 2018, with the condition noted below:

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Within 30 days of approval, Tracy Efe must enroll in the court mandated 3-month first offender program and provide proof to the Bureau of Gambling Control of her enrollment. Furthermore, upon completion of the program, Ms. Efe must provide proof of completion to the Bureau of Gambling Control.

Before the vote, Chief Counsel Todd Vlaaderen asked Ms. Efe if she consents to and understands the condition. She said she did.

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

Morongo Casino Resort and Spa – Morongo Band of Mission Indians:

Timothy Brandt

Comments Received From:

Timothy Brandt, via telephone

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Initial Application through June 30, 2017.

Commissioner Conklin asked how Timothy Brandt incurred a \$45,000 tax lien. Mr. Brandt stated that back in 2008, maybe earlier, he had gambling issues and did not file his taxes properly. He then stated that he has an installment plan that he pays online each month. Ms. Conklin said that he needs to make sure he remains current on his payments as the Bureau will be checking if he is making his payments on time.

14. Application for Consideration of Renewal Tribal-State Compact Key Employee Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

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

Melissa Monroy

Action:

Upon motion of Commissioner Conklin seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Renewal Application through June 15, 2018, and removed the condition due to Ms. Monroy's compliance.

Executive Director Stacey Luna Baxter recused herself from item 15. and Closed Session items. She then left the dais for the remainder of the meeting.

15. Request for Reconsideration and Stay (Pursuant to Business and Professions Code section 19824; CCR, Title 4, section 12064):

In the Matter of the Application for Renewal of Key Employee License for Darren Furtado, (CGCC-2013-0523-2)

Comments Received From:

Jim Parrinello, Attorney
Darren Furtado
Kathleen Furtado
Jarhett Blonien, Designated Agent

Action:

Upon motion of Chairman Evans seconded by Commissioner Hammond and carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, and Hammond, voting yes, and Commissioner To voting no; the Commission denied the Request for Reconsideration and Stay.

CONSENT CALENDAR ITEMS:

16. Consideration of Additional Permanent Authorized Tables (Pursuant to Business and Professions Code section 19841(p); CCR, Title 4, section 12359):

Garlic City Club: Ky Phuon, Sole Proprietor

17. Applications for Consideration of Initial Work Permit (Pursuant to Business and Professions Code section 19912; CCR, Title 4, section 12104):

A. Napa Valley Casino: Wenjie Jiang
B. Parkwest Casino Sonoma: Arianna Patterson
C. Poker Flats Casino: Tawni Vargas
D. The Deuce Lounge & Casino: Alexandra Card

18. Applications for Consideration of Conversion of Third-Party Providers of Proposition Player Services Player Registrations to Licenses (Pursuant to Business and Professions Code section 19984; CCR, Title 4, section 12218):

A. Acme Player Services, LLC:
Players: Abigail Feliciano Samnang Lock Ba Tran
Zhenfeng Yu YinXiao Zhou

B. Certified Players, Inc.:
Player: Andrew Cline

C. Fortune Players Group, Inc.:
Players: Guo Chen Jengming Chen De Xi Huang
Mary Ann Ramil LiQiu Shang Choi Leng Chan Tang
Wai Yu

D. Gaming Fund Group, Inc.:
Player: Hoang Mai

E. Knighted Ventures, LLC:
Players: Chase Baxter Raven Carter Selah Gavin-Davis
Elise Gonzales Cameron Kemper Geovanny Martinez

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F. PT Gaming, LLC:

Players:	Daisy Aguilar	Ateliana Atonio	Mila Cordero
	Corey Drace	Devon Enriquez	Michael Angelo Fernandez
	Sheena Fontanilla	John Mark Justo	Danny Li
	Sioeli Mapa	Ahmad Nejad	Lisette Patino Gonzalez
	Erika Peterson	Jamael Quimby	Susan Santos
	Joseph Simon	Mick So	

G. Qualified Player Services, LLC:

Player: Hoang Ho

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

Eric Andrews – **Removed from Consent Calendar since the Commission deemed the application abandoned in agenda item 10.**

20. Application for Consideration of Initial Tribal-State Compact Key Employee Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

Moronggo Casino Resort and Spa - Moronggo Band of Mission Indians:
Hoa Doan

21. Applications for Consideration of Renewal Tribal-State Compact Key Employee Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

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

Lloyd Lumba	Adam Sanchez	Teodora Sanchez-Romero
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B. Blue Lake Casino and Hotel - Blue Lake Rancheria:

Dustin Boyd	Mandi Kindred	Arla Ramsey
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C. Cache Creek Casino Resort - Yocha Dehe Wintun Nation:

Raza Ahmad	Elizabeth Breckenridge	Philip Chau
Robert Codarre	Dean Comoletti	Henry Corteza
Walter Gimeno	Gursarawjit Gosal	Somphoch Helsel
Phillip Kang	Dinesh Khadka	Lyndo Khiev
Harold Kinney	Andy Liu	Liam Luangrath
Tone Mayoral	Lilia Mendoza	Jacqueline Newbre
Shelley Saetern	Joey Saeteune	Sonyee Sith
Bridgette Tern	Elizabeth Torres	

D. Casino Pauma - Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation:

Michael Savin

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

Lao Yang

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

Armando Franco	Francisco Gonzalez	Scott Gregg
Norman Hays	Ismael Martinez	Sarah Monedero

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Dunstan and unanimously carried in a vote by roll call with Chairman Evans and Commissioners Conklin, Dunstan, Hammond, and To voting yes; the Commission approved the Consent Calendar items 16 through 21, excluding item 19, Eric Andrews as mentioned in open session the Commission will be abandoning his applications.

Staff will issue an abandonment letter for Eric Andrews on behalf of the Executive Director.

PUBLIC COMMENT:

Jarhett Blonien offered his condolences to the Commission and friends and family of former State Senator Greg Schmidt who recently passed away.

CLOSED SESSION DISCLOSURE:

Prior to holding closed session, Chief Counsel Vlaanderen disclosed that the Commissioners would meet in closed session on items II A. and E. Executive Director Stacey Luna Baxter was not present in closed session.

CLOSED SESSION:

- 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. *Robert Saucier, et al. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2013-80001594)
 - C. *Stand Up For California, et al. v. State of California, et al.*, Madera County Superior Court (MCV062850)
 - D. *California Valley Miwok Tribe v. California Gambling Control Commission et al.*; US District Court, Southern District California (15 CV 0622 AJB JLB)
 - E. *California Valley Miwok Tribe v. California Gambling Control Commission et al.*; San Diego County Superior Court (37-2015-00031738-CU-CO-CTL)

- II. Hearing Deliberations Pursuant to Government Code Section 11126(c)(3):
 - A. In the Matter of the Application for Approval of Renewal of Key Employee License for Charles McCormick Jr., (CGCC-2015-0924-7)
 - B. In the Matter of the Application for Approval of Tribal Key Employee Finding of Suitability for Wei Zu, (CGCC-2015-1022-9)
 - C. In the Matter of the Application for Renewal of Key Employee Portable Personal License for Travis Seiler, (CGCC-2013-0930-8A)
 - D. Consideration of Stipulated Settlement: Decision and Order In the Matter of the Accusation Against Palomar Card Club (OAH No. 2015120633, BGC Case No. HQ2015-00005AC)
 - E. In the Matter of the Application for Approval of Initial State Gambling License for Oasis Card Room (GECE-001339) of: Todd J. Mather (GEOW-003450); BGC Case No. BCG-HQ2015-00010SL; CGCC Case No. CGCC-2015-0326-4
 - F. In the Matter of the Application for Approval of Tribal Key Employee Finding of Suitability for Jeffrey-Jun Sambrano, (GCADS-TRKE-014594)

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G. In the Matter of the Application for Renewal of Key Employee License for Darren Furtado, (CGCC-2013-0523-2)

ADJOURNMENT:

Chairman Evans adjourned the Commission meeting at 11:30 AM. No further information was given.