

California Gambling Control Commission
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**MINUTES OF DECEMBER 18, 2017
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, Commissioner Paula LaBrie, and Commissioner Trang To present.

Chairman Evans briefly thanked Commission and Bureau staff for their hard work put forth throughout 2017, and especially in regards to the current Commission Meeting.

3. Approval of Commission Meeting Minutes for:
 - A. October 5, 2017, Commission Meeting
 - B. October 19, 2017, Commission Meeting
 - C. November 2, 2017, Commission Meeting

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Commission Meeting Minutes for October 5, 2017, October 19, 2017, and the November 2, 2017.

4. Request for Approval of Members for Selection to the Gaming Policy Advisory Committee (Pursuant to Business and Professions Code section 19817):
 - A. Darrell Miers, Category C, Third Party Provider of Proposition Player Services Entity Representative; Reappointment
 - B. Haig Kelegian, Jr., Category D, Large Cardroom (more than 25 tables) Representative, Reappointment
 - C. Keith Sharp, Category E, Small Cardroom (less than 25 tables) Representative, Reappointment
 - D. William Liu, Category G, Professional with Accounting Background, Reappointment

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was made to the transaction and that the transaction is substantially the same as approved by the Commission.

Upon consent of the Commission, items 6A and 6B were called concurrently.

6. Consideration of A) Asset Sale Agreement; and, B) Application(s) for State Gambling License (Pursuant to Business and Professions Code sections 19824, 19850, 19852, 19892, and 19900; CCR, Title 4, sections 12054 and 12342):

A. Casino Royale: Sacramento Casino Royale, LLC
Sacramento Casino Royale, LLC, Seller
Kris Kat, LLC, Buyer

B. The Elks Tower Casino and Lounge: Kris Kat, LLC
Steven Ayers, Managing Member

Comments Received From:

John Maloney, Attorney/Designated Agent for Steven Ayers/Kris Katz, Inc., in person
Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person
Todd Vlaanderen, Chief Counsel, Gambling Control Commission, in person
William Blanas, Owner, Casino Royale, in person
Stacey Luna Baxter, Executive Director, Gambling Control Commission, in person
Robert Thomas, Consultant for Steve Ayers, in person
Steven Ayers, Applicant, in person
David Mastagni, Attorney for William Blanas/Seller, in person

Public Comment:

Brad Wasson, Revenue Manager, City of Sacramento, in person
Dale Campbell, Counsel for Clark Rosa, in person
Tracey Buck-Walsh, Counsel for Clark Rosa, in person

Mr. Maloney noted for the record that the Applicant was timely, responsive, and has fully cooperated with the Bureau's requests for additional information. Mr. Maloney also acknowledged that Mr. Ayers has some personal issues that Mr. Ayers continues to work on. Mr. Maloney affirmed that Mr. Ayers realizes this is a privileged industry and understands the importance of compliance. Mr. Maloney stated that Mr. Ayers has invested approximately \$1.7 million on the building of the Elks Tower Casino & Lounge and has surrounded himself with good staff. Further, Mr. Maloney discussed the conditions recommended if a Temporary State Gambling License were to be approved.

Commissioner To expressed concern with the history of Carl Corporation, a corporation Mr. Ayers was the shareholder of.

Mr. Maloney responded that all matters personally against Mr. Ayers were dismissed. Further, Mr. Maloney provided a brief history of the matter. Mr. Maloney also stated that since 1990, Mr. Ayers has run dozens of highly successful businesses, and has had no regulatory issues in all aspects of his businesses since that time.

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Commissioner To further expressed concern stemming from a recent 911 call. Mr. Maloney responded how Mr. Ayers regrets the incident, and discussed the progress Mr. Ayers has made since the incident in his personal life. Mr. Maloney further noted that Mr. Ayers has remained transparent and forthcoming with his responses to the Bureau's questions.

Chairman Evans asked Assistant Director Morrow if she thought there was more information needed or available regarding the history of Carl Corporation and Mr. Ayers. Assistant Director Morrow responded that the Bureau has obtained everything that they could get, and that the Bureau would not be able to obtain any additional information other than what was already provided. Assistant Director Morrow referenced that the Applicant might be able to provide additional information. Chairman Evans stated he was also concerned about the more recent incidents. Further, Chairman Evans commented that granting a temporary license prior to proving suitability may not be the best option.

Mr. Maloney discussed his concern which he believed were in the interests of preserving the license, and requested the Commission grant Mr. Ayers a Temporary State Gambling License.

Chief Counsel Vlaanderen stated that William Blanas's State Gambling License will be valid through April 2018, and could be extended or renewed in order to preserve the State Gambling License if there were concerns about the moratorium.

Mr. Blanas expressed great concern regarding his requirement to continue to pay vast table fees until the sale is completed and urged approval. Chief Counsel Vlaanderen stated that table fees must be paid in order to avoid closure and surrender of the State Gambling License. Executive Director Luna Baxter added that there is an option to reduce the number of authorized tables in order to reduce the annual fees. Assistant Director Morrow explained that Mr. Blanas may request a reduction in tables, and noted that was previously discussed in detail at the June 23, 2016 meeting; however, Mr. Blanas had not submitted such a request to date.

Mr. Wasson expressed his concerns regarding the timing and the city ordinance requirements.

Mr. Thomas stated that the city is prepared to grant a license subject to Commission approval of a State Gambling License. Mr. Thomas discussed the issuance of the conditional use permit and asserted that the local business license was tentatively approved subject to the State License process. Mr. Thomas discussed that if a temporary license was not approved; the city was in jeopardy of losing this license.

Representatives for members of the public commented during the public comment period regarding their views concerning the city code, suitability of the applicant to be granted a license, and the propriety of the transaction.

The interested parties and their representatives were provided opportunity to respond.

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Asset Purchase Agreement and Real Property Purchase Agreement with the conditions noted below:

Asset Purchase Agreement:

1. *Legend on Certificates Evidencing Hacienda's Membership Interests – The parties must provide written documentation; within 15 days after closing, to both the Commission and the Bureau, confirming that each and every certificate evidencing Hacienda's membership interests has been legended in accordance with the provisions of Business and Professions Code section 19892, subdivision (d).*
2. *Additional Legend on Certificates Evidencing Hacienda's Membership Interests - The parties must provide written documentation; within 15 days after closing, to both the Commission and the Bureau, confirming that each and every certificate evidencing Hacienda's membership interests includes the following legend:*

THIS CERTIFICATE REPRESENTS AN INTEREST IN A LIMITED LIABILITY COMPANY THAT HOLDS A GAMBLING LICENSE PURSUANT TO THE LAWS OF THE STATE OF CALIFORNIA. THE INTEREST MAY NOT BE TRANSFERRED, ASSIGNED, SOLD, PLEDGED, HYPOTHECATED, OR DISPOSED OF WITHOUT THE PRIOR APPROVAL OF THE CALIFORNIA GAMBLING CONTROL COMMISSION OR ITS SUCCESSOR.

3. *Acknowledgement that No Transfer of Interest May Occur Without the Commission's Prior Approval - The Buyer and Mr. Larry Flynt must provide written documentation; within 15 days after closing, to both the Commission and the Bureau, acknowledging that they fully understand and agree: (a) interests held in gambling establishments cannot be transferred to any person who is not licensed or registered under the Act; (b) interests held in gambling establishments cannot be sold, assigned, transferred, pledged, or otherwise disposed of, or options granted to do so, without the Commission's prior approval; and (c) as a holder of interests in gambling establishments, the Buyer and Mr. Flynt must comply with the Act in all respects.*
4. *Final Transaction Documents - Both the Buyer and Mr. Flynt must provide copies of all executed transaction documents, including final schedules and exhibits, to the Commission and to the Bureau within 15 days after closing.*

5. *No Material Change in the Contemplated Transactions – The Buyer and Mr. Flynt must provide written confirmation to the Commission and the Bureau, that the parties made no material changes to the transactions and the transactions were consummated as approved by the Commission.*

Real Property Purchase Agreement:

1. *Review of the Lease Agreement by the Commission and Bureau - Cudahy LF must provide written confirmation to the Commission and the Bureau, within 15 days after the closing that it will not enter into a lease agreement allowing a person to operate a gambling establishment on the Property, unless the Bureau has approved any such lease agreement. The Commission reserves the right to approve any such lease agreement and require Cudahy LF to apply for and obtain a state gambling license.*
2. *All parties must provide copies of all executed transaction documents to the Commission and the Bureau, within 15 days after closing.*
3. *No Material Change in the Contemplated Transactions - Cudahy LF must confirm in writing, to the Commission and to the Bureau, that the parties made no material changes to the transactions and the transactions were consummated as approved by the Commission.*

B. Hacienda Casino: Hacienda LF, LLC
Larry Flynt Revocable Trust, Member
Larry Flynt, Managing Member, Trustor, Trustee

Comments Received From:

Keith Sharp, Attorney/Designated Agent, in person

Action:

Upon motion of Chairman Evans, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through December 31, 2019, with the conditions noted below:

1. *Hacienda LF, LLC must not operate Club Caribe until proof of a business license has been submitted to the Bureau and Commission.*
2. *Hacienda LF, LLC must not operate Club Caribe until the Bureau has complete a building inspection and the Bureau has submitted*

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applicable documents recommending approval of operation at the proposed location and the following:

- (a) *Patron Security and Safety Plan*
- (b) *Emergency Preparedness and Evacuation Plan*
- (c) *Chart of Accounts*

Upon consent of the Commission, items 8A, 8B, and 8C were called concurrently.

8. Consideration of A) Transfer of Ownership Interest; B) Consideration of Loan; and, C) Application(s) for Initial State Gambling License (Pursuant to Business and Professions Code sections 19824(c), 19850, 19852, 19900, 19901, and 19904; CCR, Title 4, sections 12054 and 12342):

- A. Star's Casino: Joseph Melech, Transferor
Monica Melech, Transferor
Stars Gaming, Inc., Transferee

- B. Star's Casino: Emmanuel Macalino, Lender
Joseph Melech, Borrower
Monica Melech, Borrower

- C. Star's Casino: Stars Gaming, Inc.
Emmanuel Macalino, Chief Executive Officer,
Chief Financial Officer, Secretary, Director,
Shareholder
Joseph Melech, Director, Shareholder
Monica Melech, Director, Shareholder

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission referred the Initial Licenses to an evidentiary Administrative Procedure Act (APA) hearing to be consolidated with the current Accusation on the Renewal Applications for Joseph and Monica Melech.

No action taken on Item 8.A. or 8.B. as Item 8.C. was referred to an evidentiary hearing.

9. Consideration of A) Transfer of Interest; and, B) Application(s) for Initial State Gambling License (Pursuant to Business and Professions Code sections 19824(c), 19850, 19852, 19892, and 19900; CCR, Title 4, sections 12054 and 12342):

- A. The Bicycle Hotel & Casino: The Bicycle Casino, LP
Bicycle Casino Trust U/D/T 2007, Transferor
Jamie Cornish, Transferee
Linda Polkinghorne, Transferee

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Commissioner To voting yes; the Commission approved the Initial License through April 30, 2019.

10. Consideration of A) Transfer of Shares; and, B) Application(s) for Initial State Gambling License (Pursuant to Business and Professions Code sections 19824(c), 19850, 19852, and 19904; CCR, Title 4, sections 12054 and 12342):

A. Commerce Casino: California Commerce Club, Inc.
Victor Pankey, Transferor
Victor S. Pankey Living Trust Dated October 19, 2006,
Transferee

Action:

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

1. *Legend on Stock Certificate. Approval is to be conditioned upon Victor Pankey confirming to the Commission, with a copy to the Bureau, within 30 days after the closing that any certificate evidencing the Stock is legended in accordance with the provisions of Business and Professions Code 19882, subdivision (c).*
2. *Additional Legend on Stock Certificate. Within 30 days after the closing, Victor Pankey shall provide, to the Bureau and Commission, 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.

3. *Statement of Closing Transactions. Within 30 days of Commission approval, Victor Pankey shall provide to the Bureau and the Commission written confirmation that no material change was made to the transaction and that the transaction is substantially the same as approved by the Commission.*

B. Commerce Casino: California Commerce Club, Inc.
Victor S. Pankey Living Trust Dated October 19, 2006
Victor Pankey, Trustor, Trustee,
Beneficiary
Elena Pankey, Contingent Beneficiary

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Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial Gambling License through March 31, 2019 with the conditions noted below:

1. *Gambling Interest. The Settlor and Trustee acknowledge in writing to the California Gambling Control Commission (Commission), with a copy to the Bureau of Gambling Control (Bureau), that the Victor S. Pankey Living Trust (Trust) includes, or will include ownership interests in a California licensed gambling establishment and Third-Party Provider of Proposition Player Services. Collectively, the ownership interests will be referred to as the "Gambling Interest."*
2. *Gambling Interest Acknowledgement. The Settlor and Trustee acknowledge in writing to the Commission, with a copy to the Bureau, that the Trust includes, or will include, the Gambling Interest, which is subject to the Gambling Control Act (Act) (Bus. & Prof. Code § 19800 et seq.) and is subject to regulation by the Commission, Bureau, or similar agency. The Settlor and Trustee also will acknowledge the following:*
 - A. *The Act and regulations adopted under it require certain individuals and entities to hold licenses or registrations, including, among others, partners, members, shareholders, trusts, and trustees.*
 - B. *The Act and regulations adopted under it provide that licensing or registration of certain persons and entities is necessary for a non-natural person to be eligible for a license or registration.*
 - C. *The Act and regulations adopted under it make void certain dispositions of ownership interests, or prospective rights in ownership interests, in entities such as partnerships, limited liability companies, and corporations without the Commission's prior approval.*
 - D. *The Act prohibits certain persons from holding a position, or engaging in an activity, until he, she, or it secures the required license or registration.*
3. *Gambling Interest Disposition or Holding. The Settlor and the Trustee acknowledge in writing to the Commission, with a copy to the Bureau, that the Gambling Interest shall be distributed only to beneficiaries or other persons, and held only by trustees, who are licensed, or otherwise permitted, by the Commission to hold and receive such interests.*
4. *Compliance with the California Gambling Laws. The Settlor and the Trustee acknowledge in writing to the Commission, with a copy to*

the Bureau, that, notwithstanding any other provision of the Trust and for as long as the Trust holds the Gambling Interest, or an ownership interest in an entity subject to California gambling laws and regulation by the Commission, the Bureau, or similar agency, the Trustee and any successor Trustee shall comply in all respects with California gambling laws and regulations, including, without limitation, Penal Code sections 319 to 337.9 and the Act. The acknowledgment shall include the statement: "Nothing in the Trust shall authorize or otherwise empower the Trustee, or any successor Trustee, to enter into any transaction, acquire or dispose of any interest, or engage in any conduct that violates, or does not comply with, California gambling laws and regulations. Specifically, and by way of example only, the Trustee shall not change the situs or governing law of the Trust, or create additional trusts to hold property, so as to avoid, eliminate, or impede, the application of, or compliance with, California gambling laws. For as long as the Trust holds the Gambling Interest or an ownership interest in an entity subject to California gambling laws and regulations, the Trust's and its Trustee's right, power, or privilege to hold that ownership interest depends upon compliance with such laws and regulations in all material respects."

5. *Shareholder Agreement Signature. Any transfer of shares in the Corporation will not be complete unless and until the Trust, through its Trustee, signs a shareholders agreement signature page and the Corporation accepts his signature. Within 15 days after the transfer, the Trust will confirm in writing to the Commission, with a copy to the Bureau, that the Trust signed, and the Corporation accepted, a shareholders agreement signature page.*

11. Consideration of Renewal of State Gambling License (Pursuant to Business and Professions Code sections 19850, 19852, and 19876; CCR, Title 4, sections 12054 and 12345):

A. Bankers Casino:

Old Town Investments, Inc.

Salvador Jimenez, Jr., Chief Executive Officer,
President, Chief Financial Officer, Director,
Shareholder

Hector Campos, Vice President, Secretary,
Director, Shareholder

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Renewal License through December 31, 2019.

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- B. Casino Marysville: Sau Cung Phong, Inc.
Sau Cung Phong, President, Treasurer,
Secretary, Director, Sole Shareholder

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved a 120-day extension through April 30, 2018.

- C. Empire Sportsmen's Association: Empire Sportsmen's Association, A Non-Profit Corporation
Gary Baird, President, Chief Executive Officer, Chief Financial Officer, Director
Debra Baird, Vice President, Secretary, Director

Commented Received From:

Courtney Baird, Attorney/Designated Agent, in person
Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person
Todd Vlaanderen, Chief Counsel, Gambling Control Commission, in person

Chairman Evans expressed concern regarding the corporate structure compliance with section 6.01 of the corporation's Articles of Incorporation.

Ms. Baird responded that the corporation is a mutual benefit and is formed for its members, not solely for charitable purposes. Ms. Baird further stated that Mr. Baird is amenable to amending the corporate documents to alleviate any concerns.

Commissioner LaBrie asked for clarification regarding the reclassification of the corporation as a mutual benefit.

Ms. Baird responded that the Secretary of State changed the designation from a public benefit to a mutual benefit upon instruction of the Attorney General's Office.

Assistant Director Morrow noted for the record the area within the Attorney General's Office that is being referred to is the Registry of Charitable Trusts and that the Bureau is still attempting to determine whether or not the documentation was properly submitted and what prompted the Attorney General's Office to notify the Secretary of State of a change as her understanding is that would have been from the applicant.

Chief Counsel Vlaanderen qualified his background in this area through his thirteen years of experience at the Secretary of State, and provided the Commissioners with a brief overview of the Secretary of State's historical handling of the nonprofit corporations as it evolved over time.

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Ms. Baird noted for the record that she had confirmed with the Corporation and Mr. Baird, that neither reached out to the Secretary of State regarding the designation.

Chairman Evans noted that although he maintains concern, he also considers the entire history, and believes this matter can be resolved with the Bureau and the cardroom through updates to the corporate documents to alleviate any continued concerns.

Action:

Upon motion of Chairman Evans, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved Renewal License through August 31, 2019, with the conditions noted below:

1. *Empire Sportsmen's Association (Empire) shall submit proposed Amendments for their Articles of Incorporation within fifteen days of the approval to the Bureau of Gambling Control (Bureau) that are consistent with local, state, and federal law. Empire shall remedy any defects found by the Bureau within fifteen days of receipt of the Bureau's correspondence.*
2. *Empire shall submit to and obtain approval from the Bureau for any proposed Amendments to the Articles of Incorporation, prior to adopting said amendments.*

D. Turlock Poker Room:

Central Valley Gaming, LLC
Jose Fernandez, Managing Member
Philip Rheinschild Jr., Managing Member
Deborah Fernandez, Member
Sara Downs, Member

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved Renewal License through December 31, 2019, removing the condition noted below:

Removed Condition:

Beginning January 1, 2016, Central Valley Gaming, LLC must submit to the Bureau of Gambling Control an update on Soto v. Central Valley Gaming, LLC every 90 days until the matter is resolved.

12. Consideration to Withdraw Application for State Gambling License (Pursuant to Business and Professions Code section 19869; CCR, Title 4, sections 12015 and 12054):

Kelly's:

Anthony Keslinke

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the request to withdraw with prejudice.

13. Consideration of A) Initial Portable Key Employee License: and, B) Renewal Portable Key Employee License Pursuant to Business and Professions Code section 19854, CCR Title 4 Sections 12054, 12350, and 12351):

A. Robert Ching

Comments Received From:

Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person

Robert Ching, in person

Todd Vlaanderen, Chief Counsel, Gambling Control Commission, in person

Public Comment:

Kyle Kirkland, President, California Gaming Association, in person

Keith Sharp, on behalf of various clients, in person

Commissioner LaBrie referred to the recommended condition one and inquired how it will be enforced if Mr. Ching simultaneously provides house proposition player services while working as a Key Employee.

Assistant Director Morrow noted that it would be very difficult to verify and recommended that Mr. Ching either be a house proposition player, or work in a key capacity.

Mr. Ching stated that he works as a floor person and only provides house proposition player services as needed while a shift manager is on duty. Further, Mr. Ching stated that he would not have an issue ceasing providing house proposition player services in order to keep his Key Employee License.

Chairman Evans made a motion to approve the Initial Key Employee License with all conditions and Commissioner To seconded.

Mr. Kirkland provided public comment regarding house proposition player services practices and how they work in smaller size cardrooms. Mr. Kirkland noted distinction wherein the individual plays with their own funds and never takes the player-dealer position.

Mr. Sharp noted during public comment that on behalf of the various entities he represents, he encouraged this matter be examined further.

Following public comment, Chairman Evans withdrew his motion, and Commissioner To withdrew his second in order to make a new motion.

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Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through December 31, 2017, with the condition noted below:

Beginning January 1, 2018, and every 180 days thereafter, Mr. Ching must submit to the Bureau of Gambling Control proof of ongoing efforts to resolve the charge-off account owed to Cash Call.

B. Robert Ching

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Renewal License through December 31, 2019, with the condition noted below:

Beginning January 1, 2018, and every 180 days thereafter, Mr. Ching must submit to the Bureau of Gambling Control proof of ongoing efforts to resolve the charge-off account owed to Cash Call.

14. Consideration of Initial Portable Personal Key Employee License (Pursuant to Business and Professions Code section 19854; CCR, Title 4, sections 12054 and 12350):

A. Cecilio Lorenzo

Comments Received From:

Cecilio Lorenzo, via telephone

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through April 30, 2018.

B. Zachary Miramontes

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through May 31, 2018.

C. Erica Palos

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Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through October 31, 2018.

D. Kristen Trexler

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through June 30, 2018.

E. Richard Uecker

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through April 30, 2018.

15. Consideration of Initial Work Permit (Pursuant to Business and Professions Code section 19912; CCR, Title 4, sections 12054 and 12104):

Sundowner Cardroom: Kimberly Slover

Comments Received From:

Kimberly Slover, via telephone

Yolanda Morrow, Assistant Director, Bureau of Gambling Control

Kimberly Slover discussed all the progress she has made since the date of her conviction.

Assistant Director Morrow confirmed that Ms. Slover had provided the Bureau with a history of all of her prior convictions.

Chairman Evans asked Ms. Slover if she understood the conditions to be placed on her license. Ms. Slover confirmed she understood.

Action:

Upon motion of Chairman Evans, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through December 31, 2019, with the conditions noted below:

1. *Beginning February 1, 2018, and every 90 days thereafter, Ms. Slover must provide the Bureau of Gambling Control with status*

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updates regarding her enrollment and completion of the court ordered DUI Program.

2. *Beginning February 1, 2018, and every 90 days thereafter, Ms. Slover must provide proof of efforts to establish a payment plan or resolve her outstanding court fines, and must provide the Bureau of Gambling Control with status updates regarding the payment plan until resolved.*

16. Consideration of Renewal of Third-Party Provider of Proposition Player Services License (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12054 and 12218.8):

Qualified Player Services, LLC: Casey Zolnier, Sole Member, Owner

Comments Received From:

Alexandra Stupple, on behalf of Casey Zolnier, in person
Jarhett Blonien, on behalf of Casey Zolnier, in person
Yolanda Morrow, Assistant Director, Bureau of Gambling Control
Todd Vlaanderen, Chief Counsel, Gambling Control Commission

Ms. Stupple provided additional information and context with regard to Mr. Zolnier owning a satellite wagering/horse racing business, which has been sold, and the status of a rental property that Mr. Zolnier currently has for sale.

Assistant Director Morrow responded to questions from the Commission regarding the Bureau's position on the requirement for contract amendments. Assistant Director Morrow noted that although Mr. Zolnier indicates Grade One OTB does not provide services at Lake Elsinore; however, Grade One OTB's website provides links to Lake Elsinore Hotel and Casino and Commerce Casino implies that Grade One OTB does provide Off Track Betting at Lake Elsinore Hotel and Casino.

Ms. Stupple requested that if this matter was referred to a hearing, that the matter be sent to an APA hearing. Chief Counsel Vlaanderen and Ms. Stupple discussed property interests and appropriate forums a hearing may be heard. Ms. Stupple also discussed burdens of proof as part of her request for an APA hearing. Mr. Blonien noted as there were disputed issues of fact; it was his position that the APA hearing is appropriate.

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission referred the Renewal License to a GCA evidentiary hearing, and will issue an Interim Renewal License through December 31, 2019.

17. Consideration of Conversion of Third-Party Providers of Proposition Player Services Registrations to License (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12054 and 12218):

A. Acme Player Services, LLC:

Player: Dianne Tran

Comments Received From:

Dianne Tran, via telephone

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission referred the Conversion License to a GCA evidentiary hearing.

B. Infinity Gaming, LLC:

Player: Ivett Cordova

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Conversion License through December 31, 2019, with the condition noted below:

Beginning January 1, 2018, Ms. Cordova must provide a status update regarding her fine to the Bureau of Gambling Control every 90 days or until the fine is paid in full.

C. Knighted Ventures, LLC:

Player: Jon Delgado

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Conversion License through December 31, 2019.

D. L.E. Gaming, Inc.:

Player: Fabian Torres

Comments Received From:

Fabian Torres, via telephone
Yolanda Morrow, Assistant Director, Bureau of Gambling Control

Commissioner To noted that although this is a small amount, the principle in this matter is that theft is theft, notwithstanding the amount.

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Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Renewal Finding of Suitability through December 31, 2019.

B. MC Southern California LLC: Robert Henry Miller 2006 Trust
Robert Henry Miller, Trustee, Chief Executive Officer, President, Sole Member, Owner

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Renewal Finding of Suitability through December 31, 2019.

Executive Director, Stacey Luna Baxter Recused herself due to her involvement in the matter while employed with the Bureau from item 20 and left the dais.

20. Consideration of Proposed Stipulated Settlement in the Matter of the Accusations against: Louis Sarantos, Jr., Sole Proprietor, dba Clovis 500 Club, BGC Case Nos. HQ2015-0003AC and HQ2017-00001AC (Pursuant to Title 4, California Code of Regulations section 12552)

Comments Received From:

Bill Torngren, Deputy Attorney General, IGLS

Public Comment:

Krystal Bowen, Special Counsel, Club One Casino

Ms. Bowen requested the Commission deny the proposed settlement based on the information in letters provided to the Commission.

Deputy Attorney General Bill Torngren provided a brief general summary of the points he wished to address in proposed settlement for consideration, and recommended the Commission's approval.

The matter was addressed in Closed Session.

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.)

21. Consideration of Renewal Portable Personal Key Employee License (Pursuant to Business and Professions Code section 19854; CCR, Title 4, sections 12054 and 12351):

Donald Schayltz

22. Consideration of Initial Work Permit (Pursuant to Business and Professions Code section 19912; CCR, Title 4, sections 12054 and 12104):

- | | |
|-------------------------------|-----------------------|
| A. Lake Bowl Cardroom: | Sokheap Main |
| B. Outlaws Card Parlour: | Daniel DeLaney |
| C. Parkwest Casino Sonoma: | Michael Bouchard, Jr. |
| D. The Deuce Lounge & Casino: | Jose Cruz |
| E. Towers Casino: | John Renslow |

23. Consideration of Conversion of Third-Party Providers of Proposition Player Services Registrations to License (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12054 and 12218):

- | | | | |
|------------------------------------|----------------------|------------------|------------------|
| A. Acme Player Services, LLC: | | | |
| Players: | Min Gan | Erik Ortiz | |
| B. Blackstone Gaming, LLC: | | | |
| Players: | Margarito Castro | Minh Ha | Johanna Martinez |
| | Marquis Massie | Bryan Portillo | Gary Turner |
| | Alberto Valenzuela | | Danielle Vera |
| | Charlesetta Wright | | |
| C. Fortune Players Group, Inc.: | | | |
| Player: | Ronald Anand | | |
| D. Gold Gaming Consultants, Inc.: | | | |
| Players: | Jerry Carlton | Sheryl Michael | Ryan Owens |
| | Thuon Sieng | Tara Srey | |
| E. Knighted Ventures, LLC: | | | |
| Players: | Francisco Diaz Nunez | | Evan Farias |
| | Maraya Morgan | | |
| | Jessica Rodriguez | Cecilie Thompson | Zo Yang |
| F. Metis TPS, LLC: | | | |
| Players: | Reasey Rin | Brian Say | Gilbert Soto |
| | Shi Yun Su | | |
| G. PT Gaming, LLC: | | | |
| Player: | Joleen Esposito | | |
| H. Qualified Player Services, LLC: | | | |
| Player: | Robby Lasiter | | |

24. Consideration of Renewal of Third-Party Providers of Proposition Player Services License (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12054 and 12218.8):

- | | |
|-----------------|----------------|
| PT Gaming, LLC: | |
| Player: | Jonathan Silva |

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

- A. Jackson Rancheria Casino Resort - Jackson Rancheria of Me-Wuk Indians:
Donald Helmig
- B. Table Mountain Casino - Table Mountain Rancheria:
Thao Moua

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

- A. Augustine Casino - Augustine Band of Cahuilla Indians:
Juan Lozano
- B. Barona Resort and Casino - Barona Group of Capitan Grande Band of Mission Indians:
Aarron Alvarado Jasmine Blades Afsaneh Dabiry
Brian Moutaw Mike Ngo Jessica Ruiterman
Teresa Williams
- C. Bear River Casino Hotel - Bear River Band of the Rohnerville Rancheria:
Samantha Bachman Benjamen Baldrige Matthew Campbell
Loren Pelley
- D. Black Oak Casino - Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:
Clint Chapel Sandra Hornback
- E. Blue Lake Casino and Hotel - Blue Lake Rancheria:
David Vainuku
- F. Chukchansi Gold Resort and Casino - Picayune Rancheria of Chukchansi Indians:
Wanda Adams Monique Ayers Nang Her
Maychoua Her Page Kumagai George Markarian
Charlisha Mart Jamielind Navarro Rebecca Thompson
Romani Youssef
- G. Fantasy Springs Resort Casino - Cabazon Band of Mission Indians:
Anel Angon Soledad Arguilez Miguel Beltran
Donald Casper Myklen Cotton Jacqueline Delector
Jesse Diaz Corrina Espinosa Joseph Evington
Raymond Fontana Hall-La-Rae Gallagher Christina Heiny
Eileen Hernandez Josue Hernandez Dan Htwe
Heriberto Hurtado Joel Jensen Donald Lindsey
Javier Lopez Maria Malone Linda Moody Clark
- H. Jackson Rancheria Casino Resort - Jackson Rancheria of Me-Wuk Indians:
Rita Burley Thomas Derushe Linda Richardson
Neit Saeteurn
- I. Konocti Vista Casino - Big Valley Band of Pomo Indians of the Big Valley Rancheria:
Lawrence Green
- J. Pala Casino Spa and Resort - Pala Band of Luiseno Mission Indians of the Pala Reservation:
Ray Christopher David Stacy Hoover

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

Steven Beck	Mary Coltharp	Joseph Diaz
Jaquelin Gapczynski	Kenneth Jones	Shashi Patel
Kristin Ramirez	Cassia Trias	Patrick Tuntakit

L. Red Hawk Casino - Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria:

Todd Jones	Anthony Neves	Nikki Ninh
Terri Russell		

M. Running Creek Casino - Habematolel Pomo of Upper Lake:

Amber Fowler

N. San Manuel Casino - San Manuel Band of Mission Indians:

Fidel Castro	Robert Haggerty	Bruce Johnson
Jessiy Leon	Baoqiong Li	Robert Martinez III
Brittany Norrup	Gabriel Rodriguez	

O. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:

Marco Machuca Gonzalez	John Paul Navarro	Jeffrey Petrick
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P. Sycuan Casino and Resort - Sycuan Band of the Kumeyaay Nation:

Marites Asuncion	Alan Buna	Matasaua Case
Travis Elliott	Annette Fermil	Harold Johns
Ana Lopez	Maybelyn Nagtalon	Edward Perle
Steven Peters	April Randle	Fifian Stepho
Faamaopo Villasin		

Q. Table Mountain Casino - Table Mountain Rancheria:

Cynthia Armiento	Carlos Avila	Javier Rincon
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R. Tachi Palace Hotel and Casino - Santa Rosa Indian Community:

Juan Flores	Gricelda Perez	
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S. Tortoise Rock Casino - Twenty-Nine Palms Band of Mission Indians:

Venus Hull	Anthony Pierce II	
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T. Win-River Casino - Redding Rancheria:

Kristy Hand	Teresa Romero	
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27. Consideration of Abandonment of Application (Pursuant to CCR, Title 4, section 12017)

In the Matter of the Application for a Finding of Suitability Tribal Key Employee Re: Mark Edward Kruspe, GCADS-TRKE-015507

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved Consent Calendar items 21 through 27.

CLOSED SESSION DISCLOSURE:

Prior to holding Closed Session, Chief Counsel Vlaanderen disclosed that the Commissioners would meet in Closed Session on item II.C. Consideration of Proposed Stipulated Settlement in the Matter of the Accusations against: Louis Sarantos, Jr., Sole Proprietor, dba Clovis 500 Club, BGC Case Nos. HQ2015-0003AC and HQ2017-00001AC (Pursuant to Title 4, California Code of Regulations section 12552)

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:

None.

CLOSED SESSION:

1:15 PM

- I. Litigation (Government Code section 11126(e)):
 - A. *Robert Saucier, et al. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2013-80001594)
 - B. *Stand Up For California, et al. v. State of California, et al.*, Madera County Superior Court (MCV062850)
 - C. *Eric G. Swallow v. California Gambling Control Commission*, Sacramento County Superior Court (34-2016-800002402)
 - D. *Garden City, Inc. v. Eric Swallow*, Sacramento County Superior Court (34-2016-00198132)
 - E. *Lucky Chances, Inc. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2017-80002549)
 - F. *Rene Medina v. Xavier Becerra, Jim Evans, et al.*; United States District Court, Northern District of California (17-cv-03293 KAW)

- II. Hearing Deliberations Pursuant to Government Code Section 11126(c)(3):
 - A. In the Matter of the Application for Approval of Initial Work Permit for Daniel Mathew Thomas, (CGCC-2017-0608-7B)
 - B. In the Matter of the Application for Approval of Third-Party Proposition Player Services License for Joshua Daniel Betancur, (CGCC-2017-0622-11F)
 - C. Consideration of Proposed Stipulated Settlement in the Matter of the Accusations against: Louis Sarantos, Jr., Sole Proprietor, dba Clovis 500 Club, BGC Case Nos. HQ2015-0003AC and HQ2017-00001AC (Pursuant to Title 4, California Code of Regulations section 12552)

RECONVENE TO OPEN SESSION:

1:20 PM

Chairman Evans announced that the Commissioners voted to approve the settlement on Closed Session item II.C. Consideration of Proposed Stipulated Settlement in the Matter of the Accusations against: Louis Sarantos, Jr., Sole Proprietor, dba Clovis 500 Club, BGC Case Nos. HQ2015-0003AC and HQ2017-00001AC (Pursuant to Title 4, California Code of Regulations section 12552).

On behalf of the Bureau, Mr. Torngren thanked the staff and Commissioners.

Mr. Sharp thanked all involved as well.

ADJOURNMENT:

Chairman Evans adjourned the Commission Meeting at 1:20 PM