

California Gambling Control Commission
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**MINUTES OF SEPTEMBER 21, 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 and Commissioner Lauren Hammond, Commissioner Paula LaBrie, and Commissioner Trang To present.

3. Consideration of A) Rescission of APA Evidentiary Hearing Referral; and B) State Gambling License Renewal Application; (Pursuant to Business and Professions Code sections 19824 (b), 19850, 19851, and 19852; CCR, Title 4, sections 12017(c), 12035(b)(4), 12054, and 12342):

A. Club One Casino: Club One Casino, Inc.
Haig Kelegian, Sr., Former Shareholder
George Sarantos, Former Shareholder

Chairman Evans confirmed that this item only included Haig Kelegian, Sr., and George Sarantos and that they both are both former shareholders.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Hammond, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved to rescind the referral of Haig Kelegian, Sr. and George Sarantos' 2015 renewal license applications from the evidentiary hearing process, currently referred to as an APA hearing.

B. Club One Casino: Club One Casino, Inc.
Haig Kelegian, Sr., Former Shareholder
George Sarantos, Former Shareholder

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Action:

Upon motion of Commissioner Hammond, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved to abandon the 2015 Renewal State Gambling License applications.

4. Consideration of A) Rescission of APA Evidentiary Hearing Referral; B) State Gambling License Renewal Application; and C) Initial State Gambling License (Pursuant to Business and Professions Code sections 19824 (b), 19850, 19851, and 19852; CCR, Title 4, sections 12017(c), 12035(b)(4), 12054, and 12342):

- A. Club One Casino: Club One Casino, Inc.
Kyle Kirkland, President, Chief Financial Officer, Treasurer, Secretary, Director, Shareholder
Dana Messina, Shareholder

Comments Received From:

Kyle Kirkland, in person
Dana Messina, in person
Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person
Bill Torngren, Deputy Attorney General, IGLS, in person
Bill Williams, Deputy Attorney General, IGLS. In person
Todd Vlaanderen, Chief Counsel, Gambling Control Commission, in person
Stacey Luna Baxter, Executive Director, Gambling Control Commission, in person

Commissioner Hammond asked Dana Messina if he was content with the results from the proceedings over the last four years. Mr. Messina stated that it has not been a pleasant process, but is resolved there seems to be reaching conclusion.

Chairman Evans asked the Bureau of Gambling Control (Bureau) why the Bureau asked for the Commission to rescind the hearing referral. Assistant Director Yolanda Morrow (Assistant Director Morrow) responded that they asked for the hearing recession because the bankruptcy was resolved. The Chairman noted the New York court case that involved Mr. Kirkland and Mr. Messina with its negative implications, and asked what precisely was the Bureau recommending. Assistant Director Morrow responded that it did not believe an evidentiary hearing was warranted to address the concerns that arose from the New York decision and in the future, the Bureau could recommend conditions to address the concerns that may stem from the New York decision.

Commissioner To asked if any violations of the law occurred throughout the process. Deputy Attorney General (DAG) for the Indian and Gaming Law Section (IGLS) , Bill Williams, confirmed for Commissioner To that there were no criminal allegations but contained what the Bureau describes as “sharp business practices”. Mr. Williams noted the language of the Bureau report came out of the New York decision which has been vacated, but not to say did not happen. Mr. Williams commented that IGLS believes that this matter can be resolved with input of conditions on the license.

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Chairman Evans asked Mr. Williams if he could recall an instance wherein the Commission had exercised its discretion for a finding for licensure based on “sharp business practices”. Mr. Williams responded that in his approximate ten years at IGLS, he could not recall a time, but that did not preclude the Commission from exercising their discretion. Commissioner To commented that there were complicated transactions and strong language in the New York case, but given the fact that the Commission approved the prior transactions, the Bureau did not recommend denial, and the parties have settled their financial dispute, his inclination was to move on.

Commissioner LaBrie noted that after the bankruptcy settlement, the New York court dismissed the action with prejudice, and asked Mr. Williams if there were any circumstances that would cause this case to be reopened. Mr. Williams qualified his answer in responding that he was not involved in that case, but he was highly doubtful it could be reopened, and again noted the fact that the case was vacated did not mean the acts didn't occur, simply that it could not be relied upon which would require findings on the same issues previously heard in the New York courts and arbitration; which could certainly be performed.

Chairman Evans asked Mr. Kirkland to detail any remaining legal entanglements related to Mr. Sarantos and Elaine Long. Mr. Kirkland stated that the litigation with Elaine Long and Mr. Sarantos is completely resolved but there is still ongoing litigation against Clovis 500 and the Sarantos family. Mr. Kirkland stated that it was his contention at Club One Casino that the expansion and relocation of Clovis 500 in 2012 was done illegally without proper disclosures which led to serious financial distress to Club One Casino, Inc., which was a primary factor in their bankruptcy filed, and cost the city \$1.5 million in lost tax revenue. Mr. Kirkland stated that a RICO civil suit in federal court to address these issues which is currently pending and in the discovery stage.

Commissioner Hammond asked Dana Messina to has attest to his suitability for licensure. Mr. Messina stated that the financial situation was greatly simplified, and the New York decision was vacated. Mr. Messina elaborated on the rarity of a court vacating its own decision. Further, that he asserted the litigation stemmed from that they perceived as a wrong wherein they stood up for themselves. The arbitrator ruled against them, the New York court also ruled against them, however later set aside that decision. Mr. Messina asserted that the Bureau, Commission, local municipality, and their employees have never asserted to this Commission anything that would debase or denounce their character. The only individuals may be the Clovis 500 Club or Sarantos family. Mr. Torngren approached the podium and asked Mr. Messina to refrain from discussing specific allegations against Clovis 500 since there is a pending case and a settlement proposal before the Commission. Chief Counsel Vlaanderen noted that the Commissioners did not discuss the accusation or settlement themselves.

Mr. Kirkland added that for the past eight to ten years he has dealt with this matter. During this time he has tried to be very candid and straightforward and responsive to staff questions. Mr. Kirkland stated that he believed that the language in the New York decision was very disturbing to him and notated the factual inaccuracies in

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depth to arrive at that ruling such as mixed up testimony. He stated they were certainly going to appeal it, based on the inconsistencies within the facts and the law. The judge ultimately vacated the ruling in its entirety. He stated he felt very comfortable coming before the Commission with his own integrity and things he has done before the Commission and regulators. He is not happy with the decisions, however he does not believe that that is at all reflective of the way they run the cardroom, or acted within this industry. He mentioned that he would however continue to pursue the current litigation.

Upon request by Chairman Evans, the Bureau indicated that they may be able to arrive at appropriate conditions for agenda item 4.B today if it could be tabled for a bit. Chief Counsel Vlaanderen noted that the Commission's legal team has concluded that the interim renewal license would continue notwithstanding a rescission of the hearing referral. Chief Counsel concluded the Commission could legally take action on the application at a later date if the hearing was rescinded today, but it is his preference that the Commission act on the license the same day it was to rescind the hearing referral. The Bureau and Mr. Williams expressed a desire for taking more time to draft conditions.

Commissioner Hammond moved to rescind the evidentiary hearing referral of the 2015 and 2017 applications for Club One Casino, Inc., Dana Messina, and Kyle Kirkland and to allow time to draft conditions. Commissioner To seconded the motion. Chief Counsel reminded the Commission that the preference was to wait and act on the rescission request at the same time and suggested taking no action. Commissioners Hammond and To withdrew their motion and second.

B. Club One Casino:

Club One Casino, Inc.
Kyle Kirkland, President, Chief Financial
Officer, Treasurer, Secretary, Director,
Shareholder
Dana Messina, Shareholder

No action was taken on the 2015 and 2017 Renewal State Gambling License applications.

C. Club One Casino:

Club One Casino, Inc.
William Zender, Director

Action:

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

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5. Consideration of A) Stock Option Agreement; and, B) Initial State Gambling License (Pursuant to Business and Professions Code sections 19824, 19850, 19851, 19852, and 19904; CCR, Title 4, sections 12054 and 12342):

A. Commerce Casino: California Commerce Club, Inc.
Ralph Wong

Action:

Upon motion of Chairman Evans, seconded by Commissioner Hammond, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Stock Option Agreement.

B. Commerce Casino: California Commerce Club, Inc.
Ralph Wong, Financial Interest Holder

Comments Received From:

Elijah Zuniga, Designated Agent, in person

Designated Agent Elijah Zuniga confirmed that Ralph Wong understands the condition placed on his license.

Action:

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

Mr. Wong may not execute the Stock Option Agreement until the transactional documents for the purchase and all supporting documents are reviewed by the Bureau of Gambling Control and approved by the Commission.

6. Consideration of A) Membership Interest Purchase Agreement; B) Stock Purchase Agreement; and, C) Initial State Gambling License (Pursuant to Business and Professions Code sections 19824, 19850, 19851, 19852, 19892, and 19904; CCR, Title 4, sections 12054 and 12342):

A. The Saloon at Stones Gambling Hall: King's Casino, LLC
Ryan Stone (Seller)
Rodney Stone (Buyer)

Action:

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

1. **Legend on Certificates Evidencing Membership Interest in King's Casino, LLC.** Approval is be conditioned upon Rodney Stone confirming to the Commission, with a copy to the Bureau, within 30 days after the issuance of the certificates evidencing membership interest, that any certificate evidencing the membership interest transferred has been legended in accordance with the provisions of Business and Professions Code 19892, subdivision (d).
2. **Additional Legend on Certificate Evidencing Membership Interests in King's Casino, LLC.** Within 30 days after the issuance of the certificates evidencing membership interest, that Rodney Stone shall provide, to the Bureau and Commission, the certificates evidencing the include 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. **Statement of Closing Transactions.** Within 30 days of Commission approval, Rodney Stone 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. The Saloon at Stones Gambling Hall: King's Casino Management Corp., Operator
Ryan Stone (Seller)
Rodney Stone (Buyer)

Action:

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

1. **Legend on Stock Certificate.** Approval is be conditioned upon Rodney Stone 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, Rodney Stone 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, Rodney Stone 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.*

C. The Saloon at Stones Gambling Hall: King's Casino, LLC
Rodney Stone, Member
King's Casino Management Corp., Operator
Rodney Stone, Chairman of the Board,
Shareholder

Comments Received From:

Heather Guerena, Designated Agent, in person

Chairman Evans asked Heather Guerena what the duties will be for Rodney Stone as Chairman of the Board. Ms. Guerena responded Mr. Rodney Stone has the ability to vote and make additional recommendations, but has no special or additional authority in this board; he is equal to all of the other members.

Action:

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

7. Consideration of A) Membership Interest Purchase Agreement; B) Stock Purchase Agreement; and, C) Initial State Gambling License (Pursuant to Business and Professions Code sections 19824, 19850, 19851, 19852, 19892, and 19904; CCR, Title 4, sections 12054 and 12342):

A. The Tavern at Stones Gambling Hall: King's Casino, LLC
Ryan Stone (Seller)
Rodney Stone (Buyer)

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the

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Commission approved the Membership Interest Purchase Agreement with the conditions listed below:

1. **Legend on Certificates Evidencing Membership Interest in King's Casino, LLC.** Approval is be conditioned upon Rodney Stone confirming to the Commission, with a copy to the Bureau, within 30 days after the issuance of the certificates evidencing membership interest, that any certificate evidencing the membership interest transferred has been legended in accordance with the provisions of Business and Professions Code 19892, subdivision (d).
2. **Additional Legend on Certificate Evidencing Membership Interests in King's Casino, LLC.** Within 30 days after the issuance of the certificates evidencing membership interest, that Rodney Stone shall provide, to the Bureau and Commission, the certificates evidencing the include 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. **Statement of Closing Transactions.** Within 30 days of Commission approval, Rodney Stone 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. The Tavern at Stones Gambling Hall: King's Casino Management Corp., Operator
Ryan Stone (Seller)
Rodney Stone (Buyer)

Action:

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

1. **Legend on Stock Certificate.** Approval is be conditioned upon Rodney Stone 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, Rodney Stone 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, Rodney Stone 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.*

C. The Tavern at Stones Gambling Hall: King's Casino, LLC
Rodney Stone, Member
King's Casino Management Corp., Operator
Rodney Stone, Chairman of the Board,
Shareholder

Action:

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

8. Consideration of Initial State Gambling License (Pursuant to Business and Professions Code sections 19850, 19851, and 19852; CCR, Title 4, sections 12054 and 12342):

Seven Mile Casino:

Stones South Bay Corporation
Rodney Stone, Chairman of the Board,
Director, Shareholder, Financial Interest
Holder
Ryan Stone, President, Chief Executive
Officer, Assistant Secretary, Director,
Shareholder
Masis Kevorkian, Executive Vice
President, Secretary, Chief Financial
Officer, Director, Shareholder
Kermit Schayltz, Shareholder

Comments Received From:

Heather Guerena, Designated Agent, in person

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

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Commissioner LeBrie asked designated agent, Heather Guerena, if she had any thoughts with regard to the proposed condition.

Ms. Guerena expressed that there is a lot of paperwork with the applications and inquired if it is necessary to endorse the employee numerous times and suggested if they only need to be endorsed one time; it would save on time and paperwork with the Bureau and the Commission. Chairman Evans responded that he believed that something could be worked out in regulations to alleviate any redundancies. Assistant Director, Yolanda Morrow confirmed that the applications have been received and are pending with the Bureau.

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner LeBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial State Gambling License through September 30, 2019, with the condition noted below:

Elevation Entertainment Group, and in their capacities with Elevation Entertainment Group, Rodney Stone, Ryan Stone, Masis Kevorkian, and Kermit Schayltz must apply for, and upon approval maintain a State Gambling License.

9. 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. Casino Real:

Casino Real, Inc.
Ernest Schmiadt, President, Treasurer,
Director, Shareholder
Julie Baron, Secretary, Director,
Shareholder
Ted Bui, Shareholder
Phuong Nguyen, Community Property
Interest Holder
Dennis Williams, Shareholder
Gigi Williams, Community Property
Interest Holder

Commissioner LeBrie thanked Mr. Williams for complying with the condition and for his attendance at the Commission meeting.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Hammond, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Renewal State Gambling License through September 30, 2019, continuing with the existing condition noted below:

Mr. Dennis Williams shall not cash his payroll checks at Casino Real.

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B. Commerce Casino: California Commerce Club Inc.
Sonia Adelshian, Shareholder
Zephyr Mosikian, Shareholder

No action was taken on this matter to allow the licenses to expire.

C. Diamond Jim's Casino: Wizard Gaming, Inc.
George Hardie Jr., President, Chief
Executive Officer, Director, Shareholder
Sigifredo Revuelta, Secretary, Treasurer,
Director, Shareholder
Margarita Revuelta, Community Property
Interest Holder
George Deitch, Shareholder
Darold Shirwo, Shareholder

Comments Received From:

Michael Murphy, Attorney, in person
Steve Schreiner, Attorney, in person
Todd Vlaanderen, Chief Counsel, Gambling Control Commission, in person

Designated Agent, Steve Schreiner, stated for the record that he would hope to see the Commission consider a GCA hearing instead of an APA hearing.

Commissioner Hammond noted that she would like to consolidate all matters into an APA hearing.

Chief Counsel Todd Vlaanderen confirmed that the Commission has the authority to vote on a GCA or an APA hearing.

Michael Murphy, counsel for George Deitch, introduced himself and stated that there are reasonable avenues for a stipulated settlement and is open and eager to engage in discussions.

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission referred the Renewal Applications to an evidentiary APA hearing, consolidating the renewal with the pending accusation; and, issue an Interim Renewal License valid through March 31, 2019.

D. Lucky Chances Casino: Lucky Chances, Inc.
Rommel Medina, Chief Executive Officer,
Chairman, Director, Shareholder

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Ruell Medina, Chief Financial Officer,
President, Secretary, Director,
Shareholder
Rene and Mila Medina 2009 Irrevocable
Blind Trust Agreement, Financial Interest
Holder
Marino Gueco, Trustee

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved an extension through January 31, 2018, continuing with the existing conditions noted below:

- 1. Rene Medina shall be prohibited from entering, being present in, or in any way patronizing any areas on Lucky Chances's property.*
- 2. All future shareholders, corporate officers, key employees, and work permit holders shall be informed of the prohibition (as identified in condition number one) by the General Manager within three business days of their start date and shall maintain a record of this notification while they are affiliated with the cardroom.*
- 3. Ruell Medina and Rommell Medina, licensed as shareholders in Lucky Chances, Inc. shall each be individually responsible for ensuring that all conditions placed on the Lucky Chances license are fully complied with, including but not limited to duties placed upon the General Manager.*
- 4. If Rene Medina is observed at any time by any employee entering, or being present in, or in any way patronizing any areas on Lucky Chances's property, the General Manager or manager in charge shall within 30 minutes telephone (1) the California Gambling Control Commission (Commission), and (2) the Department of Justice, Bureau of Gambling Control (Bureau). The call to the Commission shall be made to the Executive Director at (916) 263-0700. The call to the Bureau shall be made to the Bureau Chief at (916) 227-2377.*
- 5. Rene Medina shall not have any communication, directly or indirectly, with any employee or owner of Lucky Chances, except that Rene medina may communicate with his immediate family members provided the communication does not relate to any part of Lucky Chances, Inc.'s business.*
- 6. Any communication between Rene Medina and any shareholder or employee of Lucky Chances concerning the operation of the Lucky Chances cardroom business shall be disclosed to the Executive Director and the Bureau Chief within one business day of the of the communication. This disclosures requirement applies to both oral and written communications. This disclosure must be made in writing. The General Manager shall maintain records documenting each disclosure for four years following the disclosure.*

10. Consideration of New Interim Renewal State Gambling License (Pursuant to CCR, Title 4, section 12035(b)(2)):

Clovis 500 Club:

Louis Sarantos Jr., Sole Proprietor
George Sarantos, Financial Interest Holder

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved to issue a new Interim Renewal License valid through September 30, 2019.

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

Tsz Ning Schoster

Commissioner LeBrie stated that given the applicant's past discrepancy and that the applicant has held numerous positions thereafter in financial employment situations, she felt comfortable approving the initial application.

Action:

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

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

A. Evan Dangc

Comments Received From:

Evan Dangc, in person

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

Commissioner LaBrie and Commissioner To thanked Mr. Dangc for complying with the conditions on his license.

Commissioner LaBrie made a motion to approve and Commissioner To seconded.

Assistant Director, Yolanda Morrow, stated that with the conditions she feels that an extension would be better to gauge Mr. Dangc's progress and to hear the matter again to see subsequent reports.

Commissioner LaBrie and Commissioner To both withdrew their motions.

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Commissioner To asked Mr. Dangc if he accepts and understands both the extension and amended conditions that the Commissioners are voting on. Mr. Dangc confirmed that he understands and accepts the extension and amended conditions.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved to extend the Key Employee License for 180 days through March 31, 2018, amending the existing conditions noted below:

1. *Beginning October 1, 2017 and every 60 days thereafter, Mr. Dangc must provide the Bureau of Gambling Control proof of ongoing efforts to resolve or establish a payment plan to satisfy his collection and charge-off accounts.*
2. *The Bureau of Gambling Control shall provide an update to the Commission within the 10 days following Mr. Dangc's first 60-day reporting period regarding the condition on the Key Employee License.*

B. Beau VanSickel

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved to extend the Key Employee License through February 28, 2018, to allow time for the Bureau to complete their background investigation.

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

Napa Valley Casino: Duangmanee Charoensuk

Comments Received From:

Duangmanee Charoensuk, in person

Malai (Last name not disclosed, ID #14691), State-contacted Interpreter

Brian Altizer, Owner, Napa Valley Casino, in person

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

Stacey Luna Baxter, Executive Director, Gambling Control Commission

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

Adrianna Alcalá-Beshara, Deputy Director, Licensing, Gambling Control Commission, in person

Commissioner Hammond asked through the interpreter if Ms. Charoensuk understood the options that have been placed on the on her license today.

Commissioner Hammond explained the two options and Ms. Charoensuk stated through her interpreter that she understood the options.

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Commissioner To asked Ms. Charoensuk if she spoke English at work. Ms. Charoensuk responded in English that she can speak English but cannot go too “deep”.

Mr. Brian Altizer, owner of Napa Valley Casino, stated on behalf of Ms. Charoensuk that she has a lot of integrity and her non-disclosure was just a mistake and she did not understand the non-disclosure when filling out her application.

Commissioner To stated that going to an evidentiary hearing gives Ms. Charoensuk the chance to tell her story and to show that she had not had bad intent.

Ms. Luna Baxter stated the Commissioners do have an option to suspend her work permit if the Commissioners decide to send the item to an evidentiary hearing.

Commissioner To made the motion to refer the item to an evidentiary hearing and issue an Interim Renewal License through September 30, 2019.

Commissioner Hammond seconded the motion and stated the Mr. Altizer should be prepared to support Ms. Charoensuk through the process.

Ms. Morrow stated that the Bureau received additional information on Monday that affects Ms. Charoensuk’s suitability and more serious issue non-disclosure and suggests that the Commissioners vote to refer the item to an evidentiary hearing.

Ms. Alcalá-Beshara confirmed for the record that Ms. Charoensuk will be issued an Interim Renewal Work Permit through September 30, 2019.

Action:

Upon motion of Commissioner To, seconded by Commissioner Hammond, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission referred the Renewal application to an evidentiary hearing and issued an Interim Renewal License through September 30, 2019.

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

A. Acme Player Services, LLC:

Player: Marc Pajaud

Comments Received From:

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

Ms. Morrow stated that the Bureau has received an update and confirmed that Mr. Pajaud has cleared his FTA; however, he has not made any payments towards his fine.

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Action:

Upon motion of Commissioner Hammond, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Conversion License through September 30, 2019, with the condition noted below:

Beginning November 1, 2017, and every 90 days thereafter, as needed, Marc Pajaud must submit to the Bureau of Gambling Control proof of payment in accordance with the payment plan for the fees owed for the outstanding court fines.

B. Blackstone Gaming, LLC:

Player: Phefattini Adams

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Conversion License through September 30, 2019, with the condition noted below:

Ms. Adams must provide a status update regarding her fine to the Commission, with a copy to the Bureau of Gambling Control, every 90 days or until the fine is paid in full.

C. Knighted Ventures, LLC:

Players: i) Randall Forney ii) Christian Morales iii) James Smith

i) Randall Forney

Comments Received From:

Tyler Sexton, HR Supervisor, Knight Ventures, in person

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

Commissioner Hammond asked Mr. Sexton if Mr. Forney understands the condition to be placed on his license. Mr. Sexton stated that Mr. Forney is aware and accepts the condition.

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Conversion License through September 30, 2019, with the condition noted below:

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Beginning October 1, 2017, and every 90 days thereafter, as needed, Randall Forney must submit to the Bureau of Gambling Control (Bureau) proof of full payment or efforts to resolve the outstanding fees owed for his March 2017 conviction.

ii) Christian Morales

No action taken. Will be heard on the October 19, 2017 Commission Meeting.

iii) James Smith

Action:

Upon motion of Chairman Evans, seconded by Commissioner Hammond, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Conversion License through September 30, 2019.

D. Metis TPS, LLC:

Players: i) Dennis Alona ii) Julius Constantine Engreso
 iii) Rendy Som

i) Dennis Alona

No action taken. Mr. Alona is no longer employed with Metis TPS, LLC.

ii) Julius Constantine Engreso

Comments Received From:

Julius Constantine Engreso, via telephone

Mr. Engreso appeared telephonically to respond to any questions from the Commission.

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Conversion License through September 30, 2019.

iii) Rendy Som

Comments Received From:

Rendy Som

Commissioner Hammond thanked Mr. Som for his explanation for his previous job.

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Action:

Upon motion of Commissioner Hammond, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Conversion License through September 30, 2019.

E. Pacific United Service, Inc.:

Player: Banprak Cheav

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Hammond, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Conversion License through September 30, 2019.

15. Consideration of Request to Withdraw Application to Convert Third-Party Proposition Player Registration to a License (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12015 and 12054):

A. Arise, LLC:

Supervisor: Tyler Lintemuth

Action:

Upon motion of Chairman Evans, seconded by Commissioner Hammond, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the request to withdraw the Conversion Application without prejudice.

B. Knighted Ventures, LLC:

Player: Gregory Tatom

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans and Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the request to withdraw the Conversion Application without prejudice.

16. Consideration of Tribal-State Compact Renewal Gaming Resource Supplier Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.5):

Integrated Systems Design, Inc.: Jonathan Hafezi, President, Chief Financial Officer, 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

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Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Renewal Licenses through September 30, 2019.

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

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

Dominique Hudson

No action taken. Item will be heard at the October 5, 2017 Commission Meeting.

B. Chicken Ranch Casino - Chicken Ranch Rancheria of Me-Wuk Indians of California:

i) James Petty ii) Susan Roman

i) James Petty

Comments Received From:

James Petty, via telephone

Chairman Evans asked Mr. Petty if he understands the condition to be placed on his license. Mr. Petty stated that he understood.

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through September 27, 2018 with the condition noted below:

Beginning October 1, 2017 and every 180 days thereafter, Mr. Petty must provide the Bureau of Gambling Control with status updates regarding his pending bankruptcy until resolved.

ii) Susan Roman

Comments Received From:

Susan Roman, via telephone

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

Adrianna Alcalá-Beshara, Deputy Director, California Gambling Control Commission, in person

Commissioner Hammond asked Ms. Roman if she understands the condition and will make an effort to pay off charge off accounts. Ms. Roman responded yes she would.

Commissioner Hammond made a motion to approve with the condition.

Ms. Morrow asked the Commission to rephrase the condition to include FTP and collection accounts. Ms. Alcalá-Beshara concurred.

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Commissioner Hammond withdrew her motion and then made a motion to include FTP, and collection accounts in the condition.

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through January 27, 2018 with the updated condition noted below:

Beginning November 1, 2017 and every 180 days thereafter, Ms. Roman must provide the Bureau of Gambling Control proof of ongoing efforts to resolve or establish a payment plan to satisfy her charge off accounts, FTP, and collection accounts.

C. Eagle Mountain Casino - Tule River Indian Tribe of the Tule River Reservation:
Maria Loretta Tapia

Comments Received From:

Maria Loretta Tapia, via telephone

Commissioner LaBrie asked Ms. Tapia why she did not disclose information to the Bureau on her application. Ms. Tapia stated that she thought she had taken care of it and understands that she should have disclosed the information on her application. Commissioner LaBrie stated the importance of disclosure and to be mindful of the Bureau and to always disclose.

Chairman Evans asked Ms. Tapia if she understands the condition to be placed on her license. Ms. Tapia confirmed she did.

Action:

Upon motion of Commissioner To, seconded by Commissioner Hammond, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through April 27, 2018, with the condition noted below:

Beginning November 1, 2017 and every 90 days thereafter, Ms. Tapia must provide the Bureau of Gambling Control proof of ongoing efforts to resolve or establish a payment plan to satisfy her civil judgments and judgment lien.

D. Elk Valley Casino-Elk Valley Rancheria:
Stacy McClafin

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Comments Received From:

Stacy McClafin, via telephone

Commissioner Hammond asked Mr. McClafin if he understands the condition to be placed on his license. Mr. McClafin confirmed that he understands the condition.

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through November 22, 2018, with the condition noted below:

Beginning November 1, 2017, and every 90 days thereafter, Mr. McClafin must provide the Bureau of Gambling Control proof of ongoing efforts to resolve or establish a payment plan with the Internal Revenue Service to satisfy his outstanding Federal Tax Liens.

- E. Graton Resort & Casino - Federated Indians of Graton Rancheria:
Gary Kirby, Sr.

Action:

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

- F. Pechanga Resort & Casino - Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
i) Romulos Enriquez ii) Charles Williams

i) Romulos Enriquez

Comments Received From:

Romulos Enriquez, via telephone

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

Commissioner Hammond asked Mr. Enriquez understands the condition is to provide proof on his charge off and collection account. Mr. Enriquez stated that he did.

Commissioner Hammond made a motion to approve with the condition.

Ms. Morrow asked if there not be a condition as the dollar amount owed was so low.

Commissioner Hammond withdrew her motion and made a new motion to approve without the condition.

Action:

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

ii) Charles Williams

Comments Received From:

Charles Williams, via telephone

Commissioner Hammond asked Mr. Williams if he has completed a course and if he is still partaking in his past behavior. Mr. Williams stated he took a one year course and has does not engage in the conduct of his past behavior any longer.

Action:

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

G. Redwood Hotel & Casino - Yurok Tribe of the Yurok Reservation:
Terri Colton

Comments Received From:

Terri Colton, via telephone

Chairman Evans asked Ms. Colton if she understands the condition to be placed on her license. Ms. Colton confirmed that she understands the condition.

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through May 1, 2018, with the condition noted below:

Beginning October 1, 2017 and every 180 days thereafter, Ms. Colton must provide the Bureau of Gambling Control with status updates regarding her bankruptcy until resolved.

H. River Rock Casino - Dry Creek Rancheria Band of Pomo Indians:
Nathaniel Klug

Action:

Upon motion of Commissioner Hammond, seconded by Chairman Evans, and unanimously carried in a vote by roll call with Chairman Evans, , Commissioner Hammond, Commissioner LaBrie, and Commissioner To voting yes; the Commission approved the Initial License through June 20, 2019.

CONSENT CALENDAR ITEMS:

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

A. Acme Player Services, LLC:

Players:	Jayson Guloy	Leon Lam	Tuyen Pham
Other Employee:		Marian Johnson	

B. Arise, LLC:

Players:	Anita Acosta	Marisa Chaoui	Sarom Nhan
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C. Blackstone Gaming, LLC:

Players:	Jesus Alvarado Magana		Karina Amezcua
	Albert Arzate	Henry Ayala	Federico Bajeneta
	Emilinda Barbachano		Edward James Belleza
	Brian Bloom	Bryan Bonilla	Patrick Burke
	Richard Cano	Britney Cooper	Steven Corona
	Lorimer Correa	Johnrex Dacara	Michael De Guzman
	Paul Brian Deleon	Jean-Alain Dikongue	Ngoc Duong
	Glen Eames	Anand Gangal	Jennifer Garcia
	Nathaniel Garcia	Ivan Garcia Sanchez	Bereket Ghebregabher
	Alejandra Gonzalez	Eugenio Gonzalez	Jose Guillen Hernandez
	Dominique Guzman	Hoeum Hen	Raksmey Heng
	Anabell Hernandez	William Hoesan	Rodney Jones
	John Slatvko	JunsayLiVier Kirkland	Guillermo Lara
	A'Aitui Lasalo	Linh Le	Qashuan Leflore
	Pazau Lor	Andy Luong	Thuan Luong
	Ashley Mehan	John Melchor	Jenica Mendoza
	Blanca Navarro	Melissa Nguyen	Nam Nguyen
	Trang Nguyen	Vinh Nguyen	Ariel Odulio
	Jessica Oh	Luis Oztzy	Adrian Ozuna
	Nicolas Palomino	Glidell Perucho	Ada Prasad
	Deysi Ramirez	Matthew Ramirez	Victor Ramirez
	Gladys Rodriguez	Jorge Rodriguez	Jose Rodriguez
	Rosa Rosales	Michael Rupe	Jillian Sangria
	Resureccion Schwartz	Brandon Seak	Alexus Shallowhorn
	Camilla Smith	Austin Speer	Jesus Tejada
	Guadalupe Tellez-Alejandre		Fuzhen Teng
	Erin Thomas	Julian Torres	Ricky Valenzuela
	Francisco Vallardares	Natalie Vega	Junelane Yumang

D. Certified Players, Inc.:

Players:	Shelby Medeiros	Francisca Reynoso	Steven Sory
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E. Fortune Players Group, Inc.:

Players:	Haishan She	Calvin Wu	
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F. Gaming Fund Group, Inc.:

Players:	Lai Ying Fong	Marlena Jennings	Melissa Martin
	Jennifer Reece		

G. Global Player Services, Inc.:

CLOSED SESSION:

None.

- 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. *Larry C. Flynt, et al., v. Xavier Becerra, Jim Evans, et al.*, United States District Court, Eastern District of California (16 CV 02831 JAM EFB)
 - F. *Lucky Chances, Inc. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2017-80002549)
 - G. *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 Tribal Key Employee Finding of Suitability for Mark Edward Kruspe, (GCADS-TRKE-015507)
 - B. In the Matter of the Application for Approval of Initial Key Employee License for Rhea Alana Motley, (GCADS-GEKE-002182)

IMPORTANT NOTICES TO THE PUBLIC:

None.

ADJOURNMENT

Chairman Evans adjourned the Commission meeting at 12:27 PM.