

GAMING POLICY ADVISORY COMMITTEE

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**MINUTES OF OCTOBER 12, 2017
GAMING POLICY ADVISORY COMMITTEE MEETING**

OPEN SESSION

1. Call to Order and Welcome – Stacey Luna Baxter, Executive Director

Executive Director Stacey Luna Baxter called the October 11, 2017, meeting of the Gaming Policy Advisory Committee (GPAC), to order at 1:00 p.m.

2. Roll Call of GPAC Members

Roll call of the Committee Members was taken. Joy Harn, Haig Kelegian, Jr., Darrell Miers, Yolanda Morrow, and William Liu were present. Robert Jacobson, Troy Murphy, and Keith Sharp were absent. Tom Hallinan and Art Van Loon arrived to the meeting as noted below.

3. Approval of Meeting Minutes from July 13, 2017

During this portion of the meeting no action was taken to approve the minutes for lack of a quorum. The minutes were approved by the members later in the meeting once a quorum was established.

4. Discussion of Proposed Transactions Regulations

Josh Rosenstein presented GPAC with the August 22, 2017 draft of proposed text for the Approval of Transactions regulations for their review and comments. Mr. Rosenstein solicited comments from the members. Below is a summary of the sections in the proposed regulations that were discussed during the meeting.

Section 12320(d) – Hair Kelegian, Jr. asked for clarification concerning the term “exempt.” Mr. Rosenstein explained that this section does not apply to contracts for Third Party Proposition Player Services.

Section 12324(a) – Joy Harn expressed concerns that the amount of transactions that card rooms would be required to report under this section is voluminous. She suggested a monetary minimum for reporting.

Section 12324(7) – Joy Harn asked for clarification if the “employee” referred to in this section was the employee of a licensee or an employee of the party with whom

the licensee conducts a transaction. Mr. Rosenstein indicated that it is referring to an employee of the licensee.

Section 12324(7) - Haig Kelegian, Jr. suggested changing “beyond those reasonably” to “doing duties out of the scope of one’s job duties or title”.

Art Van Loon arrived to the meeting at 1:18 p.m.

Section 12326 (Option 2, sections 11-14) – Haig Kelegian, Jr. expressed concerns that the approval process would take too much time, indicating that many of the contracts were time-sensitive and need approval in less than 30 days.

Tom Hallinan arrived at the meeting at 1:32 p.m.

There were discussions among the group to consider allowing interim 90-day contracts while the contract is in the approval process; and require language in the contract that it would be cancelled if the Commission or the Bureau determined that it was unsuitable.

Joy Harn indicated concerns that a licensee that has a contract cancelled under such a provision should not be subject to disciplinary action.

Haig Kelegian, Jr. agreed to provide Josh Rosenstein with a list of contracts that cannot wait for Commission approval. Yolanda Morrow asked that the list also include the reason why these contracts can’t wait for approval, such as safety issues, etc.

Section 12326 (Option 2 (b)) – Haig Kelegian, Jr. indicated that this section needed to clarify the time-frame (i.e. annual) in determining the contract monetary values.

3. Approval of Meeting Minutes from July 13, 2017

Art Van Loon moved to approve the July 13, 2017 meeting minutes. Joy Harn seconded the motion and by consensus the Committee Members approved the minutes.

5. New Projects:

A. Marketing Groups

- Discussion of Project Scope
- Request for Sub-Committee Members

Stacey Luna Baxter provided a brief explanation of the marketing group project. She indicated that the sub-committee would be tasked with outlining parameters for marketing groups in the cardroom gaming industry through regulation. She also announced that Keith Sharp has volunteered to take on the project as a sub-committee member. Yolanda Morrow volunteered to assist Keith Sharp as a sub-committee member.

Discussions of the project scope involved developing a regulatory scheme that included a licensing or registration process for marketing groups.

6. Update and Discussion of Current Projects

A. Surveillance Requirements for Video Clarity and Format (Sub-Committee Members: Darrell Miers and Troy Murphy)

Stacey Luna Baxter stated that revised language for the proposed surveillance regulations was distributed to GPAC members and they received one clean-up comment from Robert Jacobson.

There were discussions on section 12396(d)(4)(A) concerning whether this provision should be limited to allow use of a key employee only, or if other staff could be utilized to fulfill the surveillance employee requirement during unforeseen emergencies. It was also discussed that the regulation was to include a provision that allowed tier 4 cardrooms to submit a contingency plan for Bureau approval that would allow an alternate employee to replace a surveillance employee on an emergency staffing basis. Further discussion included providing an “either/or” approach in the regulation in that a tier 4 licensee could either utilize a key employee or submit a contingency plan for Bureau approval that specified another alternate employee.

It was decided, based on the discussions, that the regulation would be revised and sent back out to the members for their review. If there are no significant issues the proposed regulation will not be brought back to GPAC, it will be forwarded to Commission staff to go through the eternal process.

B. Review of the Licensing Structure (Sub-Committee Members: Haig Kelegian, Jr. & Yolanda Morrow)

Stacey Luna Baxter indicated that she received the draft regulation language from Haig Kelegian, Jr. She indicated that staff is looking into possibly combining this regulation project with the regulatory clean-up project and she will get back to GPAC with staff’s determination of which approach would be best. Stacey also stated that she would send out the draft regulatory language to the GPAC group for their review.

C. GPAC Outreach (Sub-Committee Members: Art Van Loon and Tom Hallinan)

Art Van Loon provided a sample of the GPAC pamphlet that was created to be distributed at the California Gaming Association (CGA) annual meeting in October. He indicated that both he and Stacey will be providing a brief overview of GPAC at the CGA’s introduction meeting. He further stated that the pamphlet will also be sent out with the CGA newsletter.

E. Regulatory Clean-Up (Sub-Committee Members: Joy Harn and Keith Sharp)

Stacey Luna Baxter indicated that a proposed draft of the regulatory clean-up was submitted by the sub-committee members and is currently being reviewed by Commission staff. She further indicated that the draft regulations will be sent out to the GPAC members for their review prior to the next GPAC meeting.

7. 2017 Term Expirations: Renewal of GPAC Members

A. Discussion and Vote to Recommend Renewal of the Following GPAC Members:

- i. Category C: TPPPS Representative – Darrell Miers
- ii. Category D: Large Cardroom Representative – Haig Kelegian, Jr.
- iii. Category E: Small Cardroom Representative – Keith Sharp
- iv. Category G: Accounting Professional: William Liu
- v. Category H: Public Member – Tom Hallinan

Stacey Luna Baxter announced that the terms for GPAC members serving in categories C, D, E, G, and H will be expiring at the end of the year and GPAC needed to vote on whether there was any opposition to any of the expiring members serving another term. Stacey indicated that these positions will also be advertised in December. Any applicants wishing to fill one of the available categories and the incumbent member of that category will be interviewed. Recommendations for appointments to fill the GPAC categories will be made to the Commission in January.

Category C: There was no opposition from the GPAC member for Darrell Miers serving another term.

Category D: There was no opposition from the GPAC members for Haig Kelegian, Jr. serving another term.

Category E: There was no opposition from the GPAC members for Keith Sharp serving another term.

Category G: There was no opposition from the GPAC members for William Liu serving another term.

Category D: There was no opposition from the GPAC members for Tom Hallinan serving another term.

8. Discussion of Future Agenda Item Topics

None.

9. Next Meeting

It was decided that the next GPAC meeting would be scheduled on November 16, 2017 at 1:30 p.m.

10. Public Comment

None.

Adjournment

The meeting adjourned at 2:40 p.m.