

California Gambling Control Commission
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**MINUTES OF THE NOVEMBER 29, 2018
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, Commissioner Gareth Lacy, and Commissioner Trang To present.

3. Approval of Commission Meeting Minutes for:

- A. October 12, 2018 – GCA Hearing
- B. October 26, 2018 – GCA Hearing

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Lacy, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the GCA Hearing Minutes for October 12, 2018, and the GCA Hearing Minutes for October 26, 2018.

4. Graton Mitigation Fund Final Report for Distribution to County of Sonoma and City of Rohnert Park – Quarter Ending September 30, 2018 (Pursuant to Government Code section 12012.56 and Compact section 4.5.1):
Federated Indians of Graton Rancheria

Action:

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

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

A. Golden West Casino: Kern County Associates, L.P.
JLJ2D, Inc.

Action:

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

1. **Legend on Stock Certificate.** *Copies of the certificates evidencing the stock were provided to the Bureau but they do not include a legend as required by California Business and Professions Code section 19882, subdivision (c). Should the Commission approve the completed transfers, approval should be conditioned upon the parties confirming to the Commission, with a copy to the Bureau, within 15 days after approval, that the certificates evidencing the stock are legends in accordance with the provisions of California Business and professions Code section 19882, subdivision (c).*
2. **Additional Legend on Stock Certificate.** *California Business and Professions Code section 19904 voids any purported sale or other disposition of a security issued by a corporate licensee that the Commission did not approve in advance. Should the Commission approve the completed transfers, approval should be conditioned upon the parties confirming to the Commission, with a copy to the Bureau, within 15 days after approval that, unless already included in the legend required under Condition number 1, 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 COMMISSIONOR ITS SUCCESSOR.

B. Golden West Casino Kern County Associates, L.P.
JLJ2D, Inc.

Action:

Upon motion of Commissioner To, seconded by Commissioner Lacy, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner

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LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial State Gambling Licenses through January 31, 2020.

6. Consideration of A) Transfer of Shares; and, B) Initial State Gambling License (Pursuant to Business and Professions Code sections 19850, 19851, 19852, and 19904; CCR, Title 4, sections 12054 and 12342):

A. Commerce Casino: California Commerce Club, Inc.
Revocable Living Trust of Richard J. Ibosh
and Lucia J. Ibosh (Transferor)
Holly Ibosh (Transferee)
Mary Ibosh (Transferee)

Comments Received From:

Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person
Elijah Zuniga, Designated Agent, in person

Commissioner LaBrie requested clarification from the Bureau with regard to Acme Player Services, LLC (Acme), a Third-Party Provider of Proposition Player Services, being included in recommended conditions.

Assistant Director Morrow responded that the Bureau requested to remove the condition involving Acme and that the Bureau will handle licensure of Acme separately when the background investigation concludes.

Commissioner Lacy inquired whether the corporation shareholder's agreement contained a restriction on the transfer of shares.

Designated Agent Zuniga responded that the corporation does have a restriction, and that the transfer of shares comports with the restriction.

Action:

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

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

"THIS CERTIFICATE REPRESENTS SHARES OF STOCK ISSUED BY ACORPORATION THAT HOLDS A GAMBLING LICENSE PURSUANT TOTHE LAWS OF THE STATE OF CALIFORNIA. THE STOCK MAY

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NOT BETRANSFERRED, ASSIGNED, SOLD, PLEDGED, HYPOTHECATED, OR DISPOSED OF WITHOUT THE PRIOR APPROVAL OF THE CALIFORNIA GAMBLING CONTROL COMMISSION OR ITS SUCCESSOR."

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

B. Commerce Casino: California Commerce Club, Inc.
Holly Ibosh, Shareholder
Mary Ibosh, Shareholder

Comments Received From:

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

Commissioner LaBrie asked the Bureau when a debt ratio becomes a concern and how it is monitored.

Assistant Director Morrow responded that if concerns came up again in a renewal, the Bureau would have to complete an updated background investigation to review financial information. Assistant Director Morrow further stated the Bureau can flag the item to ask additional questions within the next renewal period.

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial State Gambling Licenses through March 31, 2019.

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

Commerce Casino: California Commerce Club, Inc.
Harris Revocable Trust of 1988
Leslie Aliotti, Contingent Beneficiary

Comments Received From:

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

Commissioner Lacy asked to confirm that the submitted application is a submittal by the applicant for estate planning purposes, and if the contingency is met and the applicant becomes a beneficiary, it expedites their estate succession; however is not required at this time. Commissioner Lacy further asked the Bureau to confirm licensure is not a requirement at this time.

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Assistant Director Morrow replied that the contingent beneficiary applies ahead of time so when the contingency happens, the applicant will not need to submit an application and wait for a background investigation to be conducted.

Action:

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

8. Consideration of A) Approval of New Interim Renewal State Gambling License; and, B) Renewal of State Gambling License (Pursuant to Business and Professions Code sections 19850, 19852, and 19876; CCR, Title 4, sections 12035(b)(2), 12054 and 12345):

A. Hawaiian Gardens Casino: Hawaiian Gardens Casino (a California Corporation)
The Moskowitz Joint Revocable Living Trust, Shareholder
Cherna Moskowitz, Trustor, Trustee, Beneficiary, President, Secretary, Treasurer, and Director
Gary Kramer, Successor Trustee
David Moskowitz, Chief Executive Officer

Comments Received From:

Keith Sharp, Attorney and Designated Agent, in person

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

Chairman Evans noted that an APA Hearing has not been scheduled and asked if the Bureau could provide an update.

Assistant Director Morrow responded that the item is in negotiations between IGLS and the Hawaiian Gardens' counsel to either settle the matter or schedule the hearing.

Mr. Sharp concurred with Assistant Director Morrow and also stated that Hawaiian Gardens is in active discussions with the Bureau through IGLS regrading settlement. Further, Mr. Sharp confirmed that Ms. Hirsch's licensure (successor trustee of The Moskowitz Joint Revocable Living Trust, Item 8B) was subsequent to the referral of an APA Hearing.

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved an additional Interim Renewal State Gambling License through November 30, 2020.

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B. Hawaiian Gardens Casino: Hawaiian Gardens Casino (a California Corporation)
The Moskowitz Joint Revocable Living Trust
Laurie Hirsch, Successor Trustee

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Renewal State Gambling License through November 30, 2020.

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):

Napa Valley Casino: BVK Gaming, Inc.
Brian Altizer, Secretary, Director,
Shareholder
Von Altizer, President, Chief Financial
Officer, Director, Shareholder

Comments Received From:

John Maloney, Attorney, in person
John Galvin, Investigative Auditor Supervisor, Bureau of Gambling Control, in person
Matthew Liu, Investigative Auditor Specialist, Bureau of Gambling Control, in person
Keith Sharp, Attorney, in person
Jason Kim, Representative from Knighted Ventures, via telephone
Stephen Rybar, Private Investigator and former FBI Agent, in person
Lloyd Carter, Investigative Auditor, Bureau of Gambling Control, in person
Jeff Smith, Special Agent Supervisor, Department of Justice, in person
Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person
Todd Vlaanderen, Chief Counsel, Gambling Control Commission, in person
Adrianna Alcala-Beshara, Deputy Director, Gambling Control Commission, in person
Stacey Luna Baxter, Executive Director, Gambling Control Commission, in person

Commissioner Lacy expressed concerns with regard to the extension of loans from the owner to a patron on the casino premises. Commissioner Lacy further indicated he interpreted the situation to be a personal loan from Mr. Altizer; however, he sees both sides of the issue at hand and believes many questions still need to be answered.

Commissioner LaBrie also noted her viewpoint as a personal loan and not as an extension of credit as Mr. Altizer reimbursed the Napa Valley Casino and deposited the checks into his personal account.

Commissioner Lacy and Commissioner LaBrie expressed concerns or raised questions regarding the use of markers by the Cardroom shareholder.

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Chairman Evans raised concerns with regard to the patron who was provided credit from Mr. Altizer and asked the Bureau if any Currency Transaction Reports (CTR) were filed and/or examined, if a Suspicious Activity Report (SAR) was filed, and if surveillance of the patron was obtained from the casino.

Assistant Director Morrow responded that by the time the Bureau was made aware of the incident, surveillance was unavailable.

Attorney Maloney provided a brief history of the patron that Mr. Altizer provided credit to. Attorney Maloney further discussed that the patron was well-known in the gaming industry as a "whale" (a person known to gamble very large amounts) and Mr. Altizer made a calculated business decision to provide credit to the patron, which backfired. Attorney Maloney provided a history of the transactions that occurred with regard to the patron. Further, in an effort to clean up the situation, Attorney Maloney stated that there have been meetings with the Bureau and conditions have been drafted in order to prevent this situation from occurring again.

Chairman Evans expressed concern that the Bureau and Commission do not have enough information for a vote on the item and stated, if Napa Valley Casino agrees, he would like to see this matter come back in a couple of months so the Bureau can go there and investigate from an Anti-Money Laundering (AML) perspective. Chairman Evans then asked if the item can be held over in order for the Bureau to investigate the issue further.

Deputy Director Alcalá-Beshara confirmed that the item cannot be held over any longer as the 180-day extension has been exhausted.

Chairman Evans asked the Bureau if the Bureau has investigated the issue from an AML perspective.

Investigative Auditor Supervisor Galvin stated CTR's were filed, but the Bureau can't confirm if it was a complete reporting of all transactions.

Chairman Evans asked the Bureau if everything was filed that should have been filed from Napa Valley Casino.

Investigative Auditor Specialist Liu stated the Bureau requested information from the FinCEN database and confirmed CTRs had been filed; however, based on the information received, Bureau investigative staff was unable to conclude if the CTRs were filed correctly per AML regulations.

Commissioner Lacy inquired if the patron's \$300,000.00 used on March 30, 2016, was in chips or cash, and if the money was gambled and lost.

Investigative Auditor Specialist Liu stated the cage records were reviewed and the \$300,000 ended up in chips.

Commissioner Lacy asked how the patron fared gambling that evening.

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Investigative Auditor Specialist Liu responded that based on their records; there is no reporting of cash out that would equate to \$300,000. The player-book account was also reviewed and concluded there are no transactions subsequent to March 29, 2016. Investigative Auditor Specialist Liu opined three scenarios or possibilities, a cash out where a CTR would have needed to be filed, the money was deposited into her player bank account which they confirmed did not occur, or the patron could have lost all of the money gambling.

The Bureau confirmed they cannot comment on Suspicious Activity Reports (SAR) filings.

Mr. Sharp stated that 21 CTRs were filed in 2016. Further, CTRs are only required to be filed for cash transactions, and there were no cash transactions regarding the incidents in question. Mr. Sharp discussed whether a SAR should have been filed.

Commissioner Lacy asked Knighted Ventures Representative Kim what happened to the chips in question on March 30, 2016.

Mr. Kim responded that he was the manager during the timeframe in question. Mr. Kim responded that around that time the patron won \$300,000 off the company and over the course of three days to a week the patron lost all of those winnings and an additional \$300,000. Mr. Kim indicated that Mr. Altizer asked if Knighted Ventures could provide the playing books. Mr. Kim confirmed that he would be able to, but the request was on short notice and he could if given additional time.

Commissioner Lacy expressed concern that no police report was filed and it does not seem like there is an aggressive pursuit of the person.

Chairman Evans noted that even though the patron does not have many assets, she can still do this kind of activity at another cardroom.

Commissioner Lacy asked if a picture of the patron has been posted in a law enforcement alert that is shared in other jurisdictions.

Assistant Director Morrow responded not to her knowledge.

Commissioner LaBrie inquired if there was a personal relationship between Mr. Altizer and the patron.

Mr. Sharp responded that the patron was well known as a big money gambler and the relationship was that of a customer/owner relationship.

Chairman Evans inquired if the patron has been excluded from the cardroom.

Mr. Sharp responded that the patron has been barred from the cardroom.

Chairman Evans asked if the patron has been excluded from any other cardroom.

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Assistant Director Morrow confirmed that the patron, Ms. Dy, has not been excluded from other cardrooms; however, the patron did self-exclude herself.

Private Investigator Rybar, former Federal Bureau of Investigation Investigator, noted that he was hired to evaluate the situation as best he could with available information and make a determination what might be the best approach to recover the funds. Mr. Rybar stated that they put a great deal of effort into asset searches for Ms. Dy and confirmed it was very little. Further, there was difficulty locating a residence; however, she has not surfaced since the investigation.

Commissioner Lacy asked if there was consideration of cooperation with Law Enforcement.

Mr. Rybar responded that it was discussed with regard to contacting Law Enforcement; however, his primary objective was to recover the funds for his client.

Commissioner To asked if Mr. Rybar made a recommendation to Mr. Altizer to get Ms. Dy into the Law Enforcement system.

Mr. Rybar responded it was not up to him to make that decision as his duty was to his client, and he was tasked to attempt to try and make efforts to see how his client could recoup the funds.

Commissioner Lacy asked Mr. Sharp if there were rules that govern the withdrawal of owner's equity.

Mr. Sharp replied that there are no formal rules with regard to distributions for owner draws.

Commissioner Lacy asked if the owners had an agreement with regard to the owner draws to reimburse the cardroom.

Mr. Sharp replied there was an agreement to make the owner draws.

Attorney Maloney provided a brief history of the owner draw and expressed that no violations occurred with the transaction.

Commissioner Lacy asked if it was possible to summarize what steps could be taken to prevent the situation from reoccurring.

Mr. Sharp read the proposed conditions that Napa Valley Casino and the Bureau drafted for the record.

Commissioner To asked the Bureau if they believe AML is an issue.

Investigative Auditor Carter stated the AML issue was not a concern.

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Commissioner Lacy asked if the proposed conditions were drafted with loans in mind, or if they covered gifts or comps to patrons. Further, Commissioner Lacy stated that since there was not an aggressive pursuit of law enforcement and the money went directly to the patron, it could be considered a gift.

The Commissioners, Bureau staff, and Executive Director reviewed and discussed amendments to the proposed conditions provided by Mr. Sharp.

Commissioner To urged Napa Valley Casino to be more aggressive in the potential criminal elements in the future.

Commissioner Lacy asked the Bureau what would be involved to notify gambling establishments to receive an alert about someone who does improper things in a Cardroom.

Assistant Director Morrow stated the Bureau sends an email to all Casinos and Cardrooms when improper things are done.

Assistant Director Morrow requested Special Agent Supervisor Smith to attend the meeting because he initially interviewed Mr. Altizer about the checks in question.

Special Agent Supervisor Smith provided a brief history regarding his interview with Mr. Altizer.

Commissioner Lacy inquired what Von Altizer's position is regarding the course of events in question and the proposed conditions.

Mr. Sharp responded that Ms. Altizer stated that the events in question were the result of a poor business decision. Further, Ms. Altizer is agreeable to the proposed conditions.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Lacy, and carried in a vote by roll call with Commissioner LaBrie, Commissioner Lacy, Commissioner To voting yes, and Chairman Evans voting no; the Commission approved the Renewal State Gambling License through May 31, 2020, with the conditions noted below:

1. *Beginning January 1, 2019, and every 90 days thereafter, Napa Valley Casino must send unaudited financials to the Bureau every 90 days covering the three previous monthly periods.*
2. *No owner shall loan or extend credit to any customer.*
3. *Beginning January 1, 2019, and every 90 days thereafter, each Napa Valley Casino owner must certify to the **Bureau** every 90 days that no owner has made any loans or extended credit to any customer in the previous 90 day period.*

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4. *No loans or credit may be extended by Napa Valley Casino unless and until internal policies & procedures are changed to comply with the Minimum Internal Control Standards (MICS) and Napa Valley Casino sends notification of the update to the Bureau with Napa Valley Casino's updated policies & procedures regarding the extension of loans or credit.*
5. *If credit policies are changed to allow for loans or credit, Napa Valley Casino must send the Bureau a report of all outstanding credit within thirty days of the adoption of the new credit policies that allow for loans or credit, and every 90 days thereafter.*
6. *If any owner is extended credit, that owner shall only use the subject chips for his or her own play and shall not lend or give such chips to any other player.*

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

Philip Fang

Action:

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

11. Consideration of Approval of New Interim Renewal Portable Personal Key Employee License (Pursuant to CCR, Title 4, section 12035(b)(2)):

Leon Bernardi

Action:

Upon motion of Chairman Evans, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved an additional Interim Renewal Key Employee License through November 30, 2020, removing the existing condition noted below:

~~*Mr. Leon Bernardi must submit a Portable Personal Key Employee License application to the Bureau of Gambling Control within 30 days of approval.*~~

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

Parkwest Casino Sonoma: Long Le

Comments Received From:

Long Le, via telephone

Commissioner Lacy asked Long Le why he left his job without notice.

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Mr. Le stated he did not want to deal with his supervisor (pit manager) anymore. Further, at the time of the incident, Mr. Le admitted he was angry, left without notice, and would not do it again.

Action:

Upon motion of Commissioner To, seconded by Commissioner Lacy, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Work Permit through April 30, 2020.

13. 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: Jimena Mejia

Deputy Director Alcalá-Beshara informed the Commission that Commission staff provided notice of the meeting to the applicant and made multiple attempts to confirm the applicant's attendance, however the applicant did not confirm attendance. The applicant did not announce herself at the meeting.

No action was taken and the item will be tabled for a future Commission Meeting.

B. Blackstone Gaming, LLC:

Player: Maria Pantoja-Rincon

Deputy Director Alcalá-Beshara informed the Commission that Commission staff provided notice of the meeting to the applicant and made multiple attempts to confirm the applicant's attendance, however the applicant did not confirm attendance. The applicant did not announce herself at the meeting.

Commissioner LaBrie discussed why she was inclined to grant Ms. Pantoja-Rincon's application.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Lacy, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Conversion License through November 30, 2020.

C. Metis TPS, LLC:

Player: Long Luong

Commissioner To discussed why he was inclined to grant Mr. Luong's application.

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Action:

Upon motion of Commissioner To, seconded by Commissioner Lacy, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Conversion License through November 30, 2020.

D. Pacific United Service, Inc.:

Players: i) Kenneth Ngau

Comments Received From:

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

Kenneth Ngau, via telephone

Chau On, Designated Agent, via telephone

Commissioner Lacy expressed concerns with regard to “Cellonet” (Mr. Ngau’s marketing company) and the written responses Mr. Ngau provided to the Bureau and Commission.

Assistant Director Morrow responded that Mr. Ngau provided a copy of the pay scale from the agreement and confirmed payment was not percentage based but was based on a scale of revenue generated from the table.

Commissioner Lacy asked Mr. Ngau if “Cellonet” is still operating.

Mr. Ngau responded that “Cellonet” has defaulted and is no longer operating.

Commissioner Lacy asked Mr. Ngau to explain the response provided to the Bureau and Commission with regard to the payments being calculated according to the table collection.

Mr. Ngau confirmed that Normandie Casino drafted the contract.

Chairman Evans confirmed that Normandie Casino is no longer a licensed entity.

Mr. Ngau confirmed that “Cellonet” operated for two months in 2015, and accrued approximately \$3,000.00.

Ms. On stated that Mr. Ngau submitted tax returns for 2015 for “Cellonet”.

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner To, and carried in a vote by roll call with and Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes, and Chairman Evans voting no; the Commission approved the Conversion License through November 30, 2020.

ii) Kieoshaey Scales

Comments Received From:

Kieoshaey Scales, via telephone

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Chau On, Designated Agent, via telephone
Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person

Commissioner LaBrie asked Ms. Scales why she is having a hard time complying with the court-ordered violation.

Ms. Scales responded that working two jobs and dealing with life struggles have caused difficulties complying with the terms of her probation. However, Ms. Scales confirmed she is currently re-enrolled, is attending classes, and confirmed her classes will be completed by her next court date.

Commissioner LaBrie then asked Ms. Scales if she can comply with the condition now and every 60 days.

Ms. Scales responded she will comply with the condition.

Commissioner Lacy stated that he would like to see proof of compliance every 30 days.

Assistant Director Morrow stated that due to Ms. Scales' lack of response to questions, the Bureau came very close to changing their recommendation to a denial. Further, Assistant Director Morrow stated that if Ms. Scales' license is approved with a condition, and does not comply with the condition, the Bureau has the option to file an Accusation to revoke the license during the licensure period.

Commissioner LaBrie initially made a motion and amended her motion, that the proposed the recommended condition be amended to reflect reporting to the Bureau every 30 days.

Ms. Scales confirmed that she understood the condition.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Lacy, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Conversion License through November 30, 2020, with the condition noted below:

Beginning 30 days after issuance of the license, and every 30 days thereafter, Kieoshaey Scales must submit to the Bureau of Gambling Control proof of her compliance with the terms of her probation until all terms are completed.

14. 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):

Knighted Ventures, LLC:

Player: Success Vang

Chairman Evans called forth the applicant to ask if he was present. The applicant was not present in person or by telephone.

Action:

Upon motion of Chairman Evans, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Renewal License through November 30, 2020, with the condition noted below:

Beginning January 1, 2019 and every 90 days thereafter, Success Vang must provide the Bureau of Gambling Control with proof of ongoing efforts to satisfy his outstanding court fines until satisfied.

15. Consideration of Tribal-State Compact Renewal Finding of Suitability as a Gaming Resource Supplier (Pursuant to the Tribal-State Gaming Compacts):

A. Ainsworth Game Technology Limited

Senior Vice President and General Counsel, Daren Dorsey, appeared to respond to any questions from the Commission.

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Renewal Finding of Suitability through November 30, 2020.

B. Tekworks, Inc.:

William Bourgeois, President,
Secretary, Shareholder, Director
Michael Barber, Chief Financial Officer

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Renewal Finding of Suitability through November 30, 2020.

16. Consideration of Request to Withdraw Application(s) for A) Renewal Finding of Suitability as a Gaming Resource Supplier; and, B) Initial Finding of Suitability as a Gaming Resource Supplier (Pursuant to Business and Professions Code section 19869; CCR Title 4, section 12015):

A. SUZOHAPP Gaming Solutions, LLC: SUZOHAPP Gaming Solutions, LLC

Comments Received From:

Donna More, Attorney, via telephone

Julie Montana, President, via telephone

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

Commissioner Lacy expressed concerns regarding the \$2.7 million dollar loan from one company to another that was not disclosed to the Bureau, a contract that Mr. Brown could not make or sell distributions that was also not disclosed, and the Indiana Gaming Commission's concerns regarding how the new Company was created. Further, Commissioner Lacy stated he understands the desire to withdraw the applications; however, in balancing with the company's ability to reenter the industry and become a vendor, moving forward may be prudent.

Commissioner Lacy asked who is the loan holder is, and why can't the loan holder submit the required disclosures that would allow the background investigation to continue.

Ms. More responded that the loan holder is SUZOHAPP, Inc., and provided a brief history of the ownership of SUZOHAPP Gaming Solutions, LLC. Further, Ms. More confirmed that since the regulations in Indiana differ slightly from California, the company has withdrawn their applications with the Indiana Gaming Commission; however, as SUZOHAPP Gaming Solutions, LLC, sells non-gaming products that do not require a license to sell, the company is able to continue doing business in Indiana.

Commissioner Lacy asked if SUZOHAPP, Inc., has applied for a State Gambling License.

Ms. More responded that to date, SUZOHAPP, Inc. is still the loan holder and has not applied for a State Gambling License. Further, Ms. More stated the Ms. Montana's withdraw request is to internally address some issues that regulators have raised to come into full compliance prior to submission of new applications.

Chairman Evans asked the Bureau how far along they are with their background Investigation.

Assistant Director Morrow indicated that due to the timeline and expiration date, the Bureau considered the background investigation complete; however, Assistant Director Morrow stated that if the request to withdraw is denied, the Bureau can look into the issues further.

Ms. Montana explained that SUZOHAPP Inc. primarily sells replacement parts purchased from other companies and is focused on manufacturing cash solutions for point of sale customers.

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Commissioner LaBrie expressed concern for SUZOHAPP, Inc., being a separate entity controlling SUZOHAPP Gaming Solutions, LLC, and not applying for a Finding of Suitability in California.

Ms. More provided a brief history of the products SUZOHAPP Gaming Solutions, LLC, sold and the reasoning behind the request to withdraw the pending applications.

Commissioner LaBrie asked if Ms. Montana, since the ownership has changed from Matthew Brown to Ms. Montana, is bound by the Put Right Agreement signed by Mr. Brown.

Ms. Montana responded that she is bound by the Put Right Agreement and explained that she does not have the authority to sell the company without approval.

Ms. More explained that Ms. Montana is in control of the day to day operations.

Chairman Evans asked if SUZOHAPP Gaming Solutions, LLC sells anything that requires a finding of suitability by the Commission.

Assistant Director Morrow stated that in discussions Ms. Montana intends to do less than \$25,000 in sales per year, which is the threshold to require an application for a Finding of Suitability.

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission denied the request to withdraw the Renewal Finding of Suitability application and allow the Bureau of Gambling Control to complete their background investigation.

B. SUZOHAPP Gaming Solutions, LLC:

SUZOHAPP Gaming Solutions, LLC
Matthew Brown, Owner, Vice
President
Julie Montana, President, Secretary,
Treasurer

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission denied the request to withdraw the Initial Finding of Suitability applications and allow the Bureau of Gambling Control to complete their background investigation.

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

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

Commissioner LaBrie called forth the applicant to ask if he was present. The applicant was not present in person or by telephone.

Commissioner LaBrie asked the Bureau if Mr. Ho has made any payments have been made towards his outstanding charge-off account since September 28, 2018.

Assistant Director Morrow confirmed Mr. Ho has made payments for October and November.

Action:

Upon motion of Chairman Evans, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Finding of Suitability through July 1, 2020, with the condition noted below:

Beginning January 1, 2018 and every 180 days thereafter, Huy Ho shall provide to the Bureau of Gambling Control proof of ongoing efforts to satisfy his outstanding charge-off account until completed.

- B. Chukchansi Gold Resort and Casino - Picayune Rancheria of Chukchansi Indians of California:
Michelle Cadamy

Comments Received From:

Michelle Cadamy, via telephone

Chairman Evans asked Ms. Cadamy if she understood the condition to be placed on her license.

Ms. Cadamy confirmed that she understood the condition.

Action:

Upon motion of Chairman Evans, seconded by Commissioner Lacy, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Finding of Suitability through February 9, 2020 with the condition noted below:

Beginning January 1, 2019, and every 180 days thereafter, Michelle Cadamy must provide to the Bureau of Gambling Control proof of efforts to satisfy her outstanding debt.

- C. Morongo Casino Resort and Spa - Morongo Band of Mission Indians:
i) Robert Homeyer

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner To, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Finding of Suitability through November 6, 2019.

- ii) Christopher Ng

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner LaBrie, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Finding of Suitability through January 24, 2019.

- D. Spa Resort Casino - Agua Caliente Band of Cahuilla Indians:
Carlos Embuscado

Comments Received From:

Sol, Interpreter ID# 10449, via telephone
Carlos Embuscado, via telephone

Commissioner Lacy asked if Mr. Embuscado's former employment.

Mr. Embuscado responded that his current employer, Spa Resort Casino, is aware of his employment history at The Golden Nugget.

Action:

Upon motion of Chairman Evans, seconded by Commissioner Lacy, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Finding of Suitability through September 1, 2019.

CONSENT CALENDAR ITEMS:

18. Consideration of Reduction of Permanent Authorized Tables (Pursuant to Business and Professions Code section 19824(c)):

Hollywood Park Casino: Hollywood Park Casino Company, Inc.

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

A. Casino Merced: Daisy Xiong
B. Empire Sportsmen's Association : Phillip Corzine

20. 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. Blackstone Gaming, LLC:
Players: Sabrina Hernandez John Saelee
 - B. Knighted Ventures, LLC:
Players: Taylor Ashlock Alfonso Espinoza Portillo Tou Her
Jimmy Jordan Victor Rivera Pina Thomas Selich
Shivanshu Singh
21. 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):
- A. Acme Player Services, LLC
Player: Nathan Seth
 - B. Knighted Ventures, LLC:
Players: Blanca Rodriguez Yany Sin
22. Consideration of Initial Tribal-State Compact Key Employee Finding of Suitability (Pursuant to the Tribal-State Gaming Compacts):
- A. Agua Caliente Casino Resort Spa - Agua Caliente Band of Cahuilla Indians:
David Hsu
 - B. Augustine Casino - Augustine Band of Cahuilla Indians:
Angelo Wilson Jr.
 - C. Barona Resort and Casino - Barona Group of Capitan Grande Band of Mission Indians:
Yongchong Clugston Tiffany Fitzpatrick Mark Rojas
Anthony Sitz Jr.
 - D. Bear River Casino Hotel - Bear River Band of the Rohnerville Rancheria:
Cheyenne Carter Rachel Mason
 - E. Cache Creek Casino Resort - Yocha Dehe Wintun Nation:
Adrian Espinoza Xor Thao
 - F. Chumash Casino Resort - Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Muhuahwit Huaute Kaylin Rentschler Matthew Sailors
 - G. Colusa Casino Resort - Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria:
Marbella Juarez
 - H. Eagle Mountain Casino - Tule River Indian Tribe of the Tule River Reservation:
Luz Andrade
 - I. Graton Resort & Casino - Federated Indians of Graton Rancheria:
Jonathan Viale
 - J. Harrah's Resort Southern California - Rincon Band of Luiseno Mission Indians of the Rincon Reservation:
Joanne Prince
 - K. Jackson Rancheria Casino Resort - Jackson Rancheria of Me-Wuk Indians:
Adrian Miley Jennifer Urjevich
 - L. Jamul Casino - Jamul Indian Village:

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Jenny Tran

- M. Morongo Casino Resort and Spa - Morongo Band of Mission Indians:
Shian Huang Anthony Pierce II
- N. Pala Casino Spa and Resort - Pala Band of Luiseno Mission Indians of the Pala Reservation:
Ernest Wayne Freeman Jr.
- O. Pechanga Resort & Casino - Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Brandon Barnette Nazan Carr Cecilia Jimenez
Jeffrey Johnson Jack Lambert Corazon Leonida
- P. Rain Rock Casino - Karuk Tribe:
Gabriel Burge
- Q. Red Earth Casino - Torres Martinez Desert Cahuilla Indians:
Bennie Touchton
- R. Red Hawk Casino - Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria:
Tyler Bila Paul Waldow IV
- S. Running Creek Casino - Habematolel Pomo of Upper Lake:
Samantha Carrillo Dulce Ortega
- T. Spa Resort Casino - Agua Caliente Band of Cahuilla Indians:
Nathan Garrett
- U. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:
Rosalba Isidoro Carlos Sotelo
- V. Sycuan Casino and Resort - Sycuan Band of the Kumeyaay Nation:
John Foster Denton Linn Welat Mohammad
Lalaine Smalley
- W. Tachi Palace Hotel and Casino - Santa Rosa Indian Community:
Christopher Ospital
- X. Thunder Valley Casino Resort - United Auburn Indian Community of the Auburn Rancheria:
Israel Alvarez Brian Barnett Kerry Kiefer
Christopher Leon Bianca Puccio Pha Yang
- Y. Valley View Casino & Hotel - San Pasqual Band of Diegueno Mission Indians:
Todd Jackson
- Z. Viejas Casino and Resort - Viejas Group of Capitan Grande Band of Mission Indians of the Viejas Reservation:
Eric Wooten Jr.
- AA. Win-River Casino - Redding Rancheria:
James Arnold Isacread Wilkes Jr.

23. Consideration of Renewal Tribal-State Compact Key Employee Finding of Suitability (Pursuant to the Tribal-State Gaming Compacts):

- A. Coyote Valley Casino - Coyote Valley Band of Pomo Indians:
Victoria Large
- B. Running Creek Casino - Habematolel Pomo of Upper Lake:
Russell Pyzer

Action:

Upon motion of Commissioner To, seconded by Commissioner Lacy, and unanimously carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Consent Calendar items 18 through 23.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:

None.

CLOSED SESSION:

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

- A. *Stand Up For California, et al. v. State of California, et al.*, Madera County Superior Court (MCV062850)
- B. *Eric G. Swallow v. California Gambling Control Commission*, Sacramento County Superior Court (34-2016-800002402)
- C. *Garden City, Inc. v. Eric Swallow*, Sacramento County Superior Court (34-2016-00198132)
- D. *Lucky Chances, Inc. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2017-80002549)
- E. *Rene Medina v. Xavier Becerra, Jim Evans, et al.*; United States District Court, Northern District of California (17-cv-03293 KAW)
- F. *California Valley Miwok Tribe v. California Gambling Control Commission et al.*; San Diego County Superior Court (37-2017-00050038-MU-CO-CTL)
- G. *Tongtoug Yang v. California Gambling Control Commission et al.*; Sacramento County Superior Court (34-2017-80002744)
- H. *Callaye Jo Strauss v. California Gambling Control Commission*, Sacramento County Superior Court (34-2018-80002882)
- I. *Yavapai-Apache Nation v. La Posta Band of Diegueno Mission Indians and California Gambling Control Commission*, Sacramento Superior Court (34-2018-00238711)

II. Hearing Deliberations Pursuant to Government Code Section 11126(c)(3):

- A. In the Matter of the Accusation and Statement of Issues Against Lucky Chances, Inc., Rommel Medina, Ruell Medina, (OAH No.2015110463)
- B. In the Matter of the Application for Renewal of Third Party Providers of Proposition Players Services Player License and the Statement of Issues for Joseph Capps, (TPPL-006948; OAH No. 2016100308)
- C. In the Matter of the Application for Approval of Gambling Establishment Key Employee License for Sai Fo Saechao, (CGCC-2018-0111-8C)
- D. In the Matter of the Application for Approval of Initial Regular Work Permit for Sai Fo Saechao, (CGCC-2018-0111-10B)
- E. In the Matter of the. Application for Approval of Initial Key Employee License for Callaye Strauss, (CGCC-2017-0713-7G)
- F. In the Matter of the Application for Approval of Gambling Establishment Key Employee License for Danny Liv, (CGCC-2017-1207-5F)
- G. In the Matter of the Application for Approval of State Gambling License for Kris Kat, LLC, and Steven C. Ayers, (CGCC-2018-0111-5A)

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- H. In the Matter of the Application for Approval of Gambling Establishment Key Employee License for Robert Henry Ezzell, (CGCC-2017-1207-5D)
- I. In the Matter of the Application for Approval of Third-Party Proposition Player Services License for Liqin Qian, (CGCC-2018-01111-11D)
- J. In the Matter of the Application for Approval of Gambling Establishment Key Employee License for Tom Willis Bowling, Jr., (CGCC-2018-0125-6A)

III. Personnel Matters (Government Code Section 11126(a)(1))

Action

Chairman Evans disclosed that the Commissioners would meet in Closed Session on closed session items II (B), II (F), II (G), II (H), and III.

ADJOURNMENT:

Chairman Evans adjourned the Commission Meeting into Closed Session at 12:40 PM. No further information was given.