

GAMING POLICY ADVISORY COMMITTEE

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**MINUTES OF DECEMBER 12, 2019
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 December 12, 2019 meeting of the Gaming Policy Advisory Committee (GPAC) to order at 10:00 a.m.

2. Roll Call of GPAC Members

Roll call of the Committee Members was taken. Luis Jaramillo, Haig Kelegian, Jr., William Liu, Cyndi Maivia, Darrell Miers, Yolanda Morrow, Keith Sharp, and Art Van Loon were present. David Fried was not present for rollcall; however, he arrived later, as indicated below, at approximately 10:13 a.m. Tom Hallinan was absent.

3. Introduction of California Gambling Control Commissioners

Stacey introduced Chairman Jim Evans and Commissioners Paula LaBrie, Gareth Lacy, and Trang To who were present at the meeting.

4. Presentation to and Discussion with the California Gambling Control Commissioners regarding GPAC's Proposed Regulations on Marketing Group/Independent Promoter Regulations

Keith Sharp highlighted the significant areas for the proposed regulation package. He explained that there are three intended license categories which include the independent promoter, owners and funding sources, and authorized promoters (employees).

Commissioner Lacy mentioned that the definitions could be clearer to distinguish between the separate promoter types.

David Fried arrived to the meeting at 10:13 a.m.

There were discussions concerning section 12600.7 subdivision (b)(6) with regards to the prohibition of providing loans, possible loan sharking, and FinCEN requirements. David Fried suggested the prohibition in this section should also be put in another section of the regulation that affirmatively states that giving loans or

transferring currency is prohibited in addition to including this as an item that prohibited it in a contract.

Commissioner LaBrie mentioned that the merit piece in section 12600.7 subdivision (b)(9) does not appear to require Bureau approval as it is currently drafted in the proposed language.

Chairman Evans expressed concerns regarding whether stronger language is needed to ensure marketing groups cooperate with the cardrooms Title 31 compliance program. He suggested requiring the promoter to provide the cardroom with player information especially for certain players that have large transactions.

The Commissioners left the meeting following discussions on Item 4.

5. Review and Approval of September 12, 2019 Meeting Minutes

By consensus GPAC unanimously approved the September 12, 2019 meeting minutes.

6. Update and Discussion of Current Projects:

A. Marketing Group Review (Sub-Committee members: Keith Sharp and Yolanda Morrow)

Keith Sharp indicated that he will make revisions based on the discussion at this meeting and will bring it back for GPAC review at the next scheduled meeting.

B. Licensing Renewal (Sub-Committee Members: David Fried and Art Van Loon)

David Fried presented an outline for discussion of legislative proposal changes for licensing, work permit, and hearing and discipline.

Section 1. The members were in agreement that they preferred option 2 for licensing renewals and that the initial license term would be for a two year period and subsequent renewal license would be every five years. Annual compliance reports would be required to be filed with the Bureau.

Section 2. There was a general consensus that an expedited revocation under this section was a good idea.

Section 3. There was discussion on whether owners could continue to hold a license after they no longer have an ownership interest in a cardroom. There was a general consensus among the members that this should be allowed because the licensee would still be required to submit an annual report to the Bureau. Concerns were raised that key employee license not being tied to a cardroom could lead to employees and the cardroom all coming before the Commission at different times. There was a suggestion that regardless of when a key employee is licensed initially,

they would have to renew at the same time as the cardroom so they would be on the same renewal track as their current employer.

Section 4. This section was not widely supported by the members. Concerns were raised about the difficulties in finding companies to do audits and the high costs involved.

Section 5. The members supported this section.

Section 6. The members supported this section; however, concerns were raised that this section may cause a license entity to continue to be licensed without there being an owner in cases where the sole owner dies.

Section 7 & 8. It appeared that these sections were not supported by the members following the discussions on background investigation requirements and fees for work permits.

Section 10. The members supported providing more flexibility for approving licenses when dealing with felonies.

Section 11. The members did not support the options provided under this section.

It was decided that the sub-committee would move forward with completing a summary outline for the sections that were discussed for further review by GPAC.

7. 2019 Term Expirations: GPAC Vote for Recommendation of Renewal of Terms for Eligible Members

A. Category D: Haig Kelegian, Jr.

By consensus the members unanimously approved recommending to the Commissioner's for Haig Kelegian, Jr. to serve another term in Category D.

B. Category E: Keith Sharp

By consensus the members unanimously approved recommending to the Commissioner's for Keith Sharp to serve another term in Category E.

C. Category G: William Liu

By consensus the members unanimously approved recommending to the Commissioner's for William Liu to serve another term in Category G.

Stacey announced that for Category C, Darrell Miers is termed out and not eligible for reappointment. Stacey also thanked Mr. Miers for his service on GPAC. For Category H, Tom Hallinan is not seeking reappointment to another term. Interviews are being conducted to fill vacancies.

8. Review and Discussion on the Proposed Regulations on Incident Reports (Time Permitting)

There was no discussion on this item which was held over to the next GPAC meeting.

9. Discussion of Possible New GPAC Projects

a. Open Discussion for Committee Members to Propose Project Topics

None.

8. Next Meeting

February 27, 2020, at 1:30 p.m.

9. Public Comment

None

ADJOURNMENT

GPAC adjourned at 12:45 a.m.