

California Gambling Control Commission
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**MINUTES OF THE APRIL 29, 2019
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. December 7, 2018 – GCA Hearing
 - B. March 12, 2019 – GCA Hearing
 - C. March 15, 2019 – GCA Hearing
 - D. March 20, 2019 – GCA Hearing
 - E. March 21, 2019 – GCA Hearing
 - F. March 27, 2019 – GCA Hearing

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner LaBrie, and 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 December 7, 2018, March 12, 2019, March 15, 2019, March 20, 2019, March 21, 2019, and March 27 2019.

4. Revenue Sharing Trust Fund Final Report for Distribution to Eligible Recipient Indian Tribes for Quarter Ending March 31, 2019 - Quarterly License Revenue Received and Shortfall (Pursuant to Government Code section 12012.75)

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 distribution payments as listed in the reports.

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

- A. Hawaiian Gardens Casino: Hawaiian Gardens Casino (a California Corporation)
The Moskowitz Joint Revocable Living Trust, dated
September 9, 2005 Restatement, dated February 1, 2013
(Transferor)
Moskowitz Irrevocable Business Management Trust No. 4
(Transferee)

Comment Received From:

Keith Sharp, Attorney, Designated Agent/Attorney, via telephone
William Torngren, Deputy Attorney General (DAG), Indian and Gaming Law Section (IGLS), in person

Commissioner LaBrie asked Designated Agent Sharp if his client would assent to taking no action until the Commission received the results of the APA hearing.

Designated Agent Sharp provided a brief background of the applicants and suggested temporary licenses be issued as an alternative.

Commissioner Lacy discussed why he believed that the issuance of licenses while pending APA did not seem to be a pragmatic solution and that tabling the item would be the best option at this time.

Chairman Evans inquired about the status of the settlement negotiations between Hawaiian Gardens Casino and the Bureau.

DAG Torngren stated the Bureau has had discussions with Hawaiian Gardens Casino and the parties are exploring settlement alternatives.

Chairman Evans asked Designated Agent Sharp if the parties assent to taking no action.

Designated Agent Sharp confirmed the parties' assent.

No action taken on this item.

- B. Hawaiian Gardens Casino: Hawaiian Gardens Casino (a California Corporation)
The Moskowitz Joint Revocable Living Trust, dated
September 9, 2005 Restatement, dated February 1, 2013,
Shareholder
David Moskowitz, Successor Trustee
Moskowitz Irrevocable Business Management Trust No. 4,
Contingent Beneficiary
David Moskowitz, Contingent Beneficiary
Judith Moskowitz-Schultz, Contingent Beneficiary

No action taken on this item.

6. Consideration of a) Renewal State Gambling License and b) Temporary State Gambling License (Pursuant to Business and Professions Code sections 19823, 19850, 19851, 19852, and 19876; CCR, Title 4, sections 12054, 12342, and 12345):
 - A. Hollywood Park Casino: Hollywood Park Casino Company, Inc.

Comments Received From:

Harlan Goodson, Designated Agent, Attorney, in person

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

Stacey Luna Baxter, Executive Director, Gambling Control Commission, in person

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

Commissioner Lacy expressed that the conversation is much more than Hollywood Park, and is about marketing contracts industry-wide.

Chairman Evans asked if the Bureau could confirm their current stance as the last time the matter was discussed the Bureau expressed that the marketing contracts are currently consistent with the Gambling Control Act.

Assistant Director Morrow stated she does not think that's what the Bureau intended to relay to the Commission. Assistant Director Morrow noted at the last meeting when the discussion of marketing agreement was discussed the Bureau intended to state they had not determined yet if there were any violations with the particular agreements for that particular cardroom. Assistant Director Morrow further stated at this point the Bureau has not issued any letters of warning and has not taken a position whether they are or are not consistent with the Gambling Control Act.

Chairman Evans asked if the Bureau will be issuing a general statement that could come within a reasonable amount of time, or if the intention of the Bureau was to take the matter on a case-by-case basis.

Assistant Director Morrow responded the Bureau's intention is to take it on a case-by-case basis pending some regulations to govern the marketing agreements. Assistant Director Morrow further noted there is not a present plan to send an industry-wide communication with regard to this matter.

Chairman Evans inquired if it would be reasonable to say the Commission should not expect to see a Legal opinion or memorandum come up within the near future.

Assistant Director Morrow stated it may be possible; however, there is no plan for the Bureau to submit a Legal opinion or memorandum.

Commissioner Lacy stated everybody has been working in good faith to try and understand the statutes, and further noted some challenges because Business and Professions Code (B&P) section 19850 has slightly different text of B&P section 19852(h) and the Penal Code. Commissioner Lacy further noted ambiguity in the statutes and expressed the ability to reach an agreement, but it seems fair to do it all at once so there is an understanding with everyone.

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Chairman Evans stated that if an agreement is reached it has to be in regulations and cannot be piecemealed, unless a certain case warrants it. Chairman Evans then provided a brief history of the issue and noted that it has been discussed in the Gaming Policy Advisory Committee (GPAC).

Assistant Director Morrow stated concerns have been raised in GPAC. Assistant Director Morrow further explained there are businesses operating inside the card rooms which are becoming more and more common. The Bureau does not know who the owners of these businesses are and their criminal history, likely in most cases, have not been checked unless the locals have required them to get work permitted, which varies by jurisdiction. Assistant Director Morrow also stated the biggest issue is who the owners of these companies are, and where the money is coming from. Assistant Director Morrow states the Bureau believes they should, at a minimum, be fingerprinted or licensed but something like that would have to come from regulation.

Chairman Evans noted that the Commission could address the issue in an action by the Commission; however, that would be on an individual basis based on one specific entity.

Assistant Director Morrow agreed with Chairman Evans and noted the agreements appear to be fairly consistent with the way they are being written and what the contracts look like between the parties; however, if an agreement is reviewed that displays a clear violation, the Bureau would bring this to the attention of the Commission by issuing a recommendation or Accusation.

Commissioner Lacy raised concern about the correct way the marketing agreements issue should be handled and questioned if the Commission must address the issue through the licensing process now because the statute is mandatory, or if it should be addressed through a regulatory package.

Chairman Evans noted concerns about what does or doesn't become an underground regulation. Chairman Evans further states if the Commission conditions licenses on a case by case basis, one could argue that the Commission is acting on an underground regulation. Chairman Evans stated his preference for a more holistic approach where the Commission takes time to give everybody a chance to collect data and come up with something that is strong enough for the Commission to be satisfied. Further, Chairman Evans stated his preference for more certainty in regulation and would opt to let the regulatory process happen.

Commissioner Lacy agreed with Chairman Evans and then noted that he sees a lot of grey area in what is and is not considered a defacto percentage and states the regulatory process could make sense to sort out the issue.

Chairman Evans stated the skill and legal fire-power of the Department of Justice (DOJ) would be very helpful in the regulatory process because the Commission needs regulations backed by solid analysis and legal opinion that could be, if not enforceable, a final word on

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the subject. Chairman Evans further noted the source of funds and affiliations of the marketing professionals are his prime concerns and provided examples of his concerns.

Commissioner Lacy noted that Marketing Professionals or Junkets are licensed in other jurisdictions because of the reasons stated by Chairman Evans.

Commissioner To stated he shares the Bureau's concern of where the money is coming from and who the owners of the marketing companies are. Commissioner To also stated he agrees the Bureau should have to do backgrounds on these individuals and companies. Commissioner To then asked if Executive Director Luna Baxter could share with the Commission what was discussed at GPAC.

Executive Director Luna Baxter stated at the last GPAC meeting that they received proposed regulatory language and the members of GPAC haven't had an opportunity to comment on those publicly. Executive Director Luna Baxter noted the issue will be discussed for the first time at the next GPAC meeting. Executive Director Luna Baxter explained that after a conversation within GPAC and the suggested edits are made to the proposed regulatory language, and GPAC finalizes that portion of the proposed language, the Commission will then have to analyze how the proposed language affects the Gambling Control Act and the regulations as a whole. Executive Director Luna Baxter further stated the possibilities of how this regulation can affect other regulations that are currently in play or effective right now.

Commissioner To thanked Executive Director Luna Baxter and noted it would be prudent to allow time for all parties to look into the issues to arrive at the best solution.

Chief Counsel Vlaanderen indicated the regulatory process will not be completed within 90 days and if the Commission is looking at a 90-day extension, the process absolutely would not be completed with effective regulations within that period.

Commissioner LaBrie stated that there is still a dilemma because applications are before us. If the Commission approves them, the Commission would be doing so with some unclarity with respect to the marketing agreements. Commissioner LaBrie asked if the Bureau is saying there are findings of violations of the Gambling Control Act (Act), or if the Bureau is saying they don't know just yet.

Assistant Director Morrow responded that the Bureau doesn't know just yet. Assistant Director Morrow further states there are different statutes that may apply that have slightly different language. Assistant Director Morrow notes the Bureau is analyzing whether or not the language in the statutes constitutes a violation or whether or not they fit into a different statute where the Commission can call them forward by order or regulation.

Commissioner Lacy stated that due to the way the statutes are written, there will be strong arguments for both sides with regard to defacto percentages.

Chairman Evans stated the issues will likely be the same in 90 days.

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Designated Agent Goodson stated that a 90-day extension would not do much in terms of resolution to the issue. Designated Agent Goodson further expressed the need for clarity in regulation and noted Hollywood Park's willingness to help the Bureau and Commission with the formulation and adoption of the regulations.

Designated Agent Goodson updated the Commission that Darren Drake is a Member, not a Managing Member of Stockbridge Capital Partners, LLC and Stockbridge Real Estate Partners II, LLC, as Terrence Fancher is the only Managing Member.

Chairman Evans asked Designated Agent Goodson if the current conditions are still fine for Mr. Pilch.

Designated Agent Goodson confirmed current conditions are still fine.

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 Renewal State Gambling License through April 30, 2021, continuing with the existing conditions noted below:

1. Mr. Pilch must not have a substantial influence nor participate in any decisions that affect the operations of the Hollywood Park Casino until he receives an Initial State Gambling License by the Commission.

2. Profits from the gambling operations intended for Mr. Pilch must be placed in an escrow account if and until Mr. Pilch obtains an Initial State Gambling License by the Commission.

B. Hollywood Park Casino: Stockbridge Capital Partners, LLC
Steven Pilch, Managing Member

Stockbridge Real Estate Partners II, LLC
Steven Pilch, Managing Member

Comments Received From:

Harlan Goodson, Designated Agent/ Attorney, in person

Adrianna Alcala-Beshara, Deputy Director, Gambling Control Commission, in person

Chairman Evans asked Designated Agent Goodson if he understood and accepted the condition to be placed on the License.

Designated Agent Goodson confirmed his client accepts the conditions.

Designated Agent Goodson advised the Commission that Stephen Pilch is a Member, not a Managing Member of Stockbridge Capital Partners, LLC and Stockbridge Real Estate Partners II, LLC, as Terrence Fancher is the only Managing Member.

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Deputy Director Alcalá-Beshara confirmed the updated ownership information can be handled administratively.

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 a Temporary State Gambling License through April 30, 2020, continuing with the existing conditions noted below:

- 1. Mr. Pilch must not have a substantial influence nor participate in any decisions that affect the operations of the Hollywood Park Casino until he receives an Initial State Gambling License by the Commission.*
- 2. Profits from the gambling operations intended for Mr. Pilch must be placed in an escrow account if and until Mr. Pilch obtains an Initial State Gambling License by the Commission.*
- 3. The temporary license takes effect on the date that the Commission approves the request and expires April 30, 2020.*
- 4. Issuance of a temporary license does not obligate the Commission to grant a permanent license.*
- 5. Issuance of a temporary license does not create a vested right in the holder to either extension of the temporary license or to a regular license.*
- 6. Issuance of this temporary license does not in any way change the legal requirement that the applicant bears the burden of establishing that the applicant is suitable pursuant to Business and Professions (B&P) Code Section 19856(a) for a regular license.*
- 7. Issuance of this temporary license does not change the license qualification requirements of the Gambling Control Act, including but not limited to B&P Code sections 19856, 19857, 19858, and 19859.*
- 8. The applicant has pending applications for regular state gambling licenses. A regular license may or may not be issued, depending upon the results of the complete background investigation and upon the conduct of the applicant and its employees during the term of the temporary license.*
- 9. If, during the term of the temporary license, the Executive Director determines that any particular applicant is disqualified for any of the reasons set forth in B&P Code section 19859, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available*

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noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting. The applicant may request an evidentiary hearing either in writing not less than five days prior to the meeting or at the meeting itself.

10. If, during the term of the temporary license, the Executive Director determines that any particular applicant may have violated one or more of the conditions under which the temporary license was issued, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting. Either in writing not less than five days prior to the meeting or at the meeting itself, the applicant may request an evidentiary hearing.

7. 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 Chico: Richard Scott, Sole Proprietor

Comments Received From:

Richard Scott, in person

Jacklyn Vu, Designated Agent/Attorney, in person

Attorney Vu appeared in person to respond to any questions from the Commission.

Commissioner Lacy asked how the market rate for the rent of the Casino was determined.

Mr. Scott stated since the cardroom is part of a shared space with a restaurant (Quackers Fire Grill and Bar), Mr. Scott and the owner of the restaurant came to an agreement of rent per table.

Commissioner Lacy responded that in the future he would like to see more assessment of fair market value with regard to rent.

Commissioner To asked how they came to an agreement of a specific amount per table.

Mr. Scott responded he and the owner of the restaurant negotiated and arrived with an agreement of the specific amount per table.

Commissioner LaBrie expressed slight concern that the fair market value for rent seems a bit arbitrary and stated in the future she would like to see more analysis provided for how they concluded on a final rent amount.

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Mr. Scott indicated he understood.

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 Renewal State Gambling License through April 30, 2021, removing the existing conditions noted below:

~~1. The Owner-Licensee may not open or offer controlled games until the Bureau of Gambling Control has inspected the cardroom and determined that the cardroom is in compliance with all pertinent regulatory standards, which also includes compliance with Conditional Use Permit 16-02.~~

~~2. Prior to operating, Mr. Scott must submit the following documentation to the Bureau of Gambling Control:~~

- ~~• A copy of the Security and Surveillance Plan~~
- ~~• A copy of the Emergency Preparedness and Evacuation Plan~~
- ~~• A copy of the Chips-in-Use Account~~
- ~~• A copy of the Players' Bank Account, if applicable~~

B. Hotel Del Rio & Casino: Hand Family Trust
Charline Hand, Trustee
Ralph Hand, Trustee

Comments Received From:

Charline Hand, via telephone

Commissioner Lacy noted a letter from the City of Isleton (City) stating they have been unable to receive a response from the applicant or landlord to facilitate an inspection for their annual license. Commissioner Lacy asked Ms. Hand for her response to the City's letter.

Ms. Hand responded she has spoken to the City explained to them that they needed to speak with the building owner to get access to the building. Further, Ms. Hand admitted she is winding down the business.

Commissioner Lacy asked what the City would be looking for if they obtained access to the building.

Ms. Hand responded the City would be looking at room capacity, location of fire extinguishers, and if the doorways are unblocked.

Chairman Evans asked Ms. Hand if she understood and accepted the conditions to be placed on her License.

Ms. Hand confirmed that she understands and accepts the conditions.

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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 Renewal State Gambling License through April 30, 2021, with the conditions noted below:

1. The Owner-Licensee may not open or offer controlled games until the Bureau of Gambling Control has inspected the cardroom and determined that the cardroom is in compliance with all pertinent regulatory standards.

2. Beginning June 1, 2019 and every 90 days thereafter, the Owner-Licensee shall submit to the Bureau of Gambling Control a status update regarding all outstanding tax liens, including but not limited to, satisfaction of all tax obligations, proof of payment, documentation of a payment plan for unpaid obligations or proof of ongoing efforts to satisfy the outstanding liens.

3. Beginning June 1, 2019 and every 30 days thereafter, the Owner-Licensee shall submit to the Bureau of Gambling Control a status update regarding efforts to resolve the annual license inspection requested by the City of Isleton.

C. The Bicycle Hotel & Casino: The Bicycle Casino, L.P.

Comments Received From:

Joy Harn, Designated Agent/ Attorney, in person

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

Nate DaValle, Assistant Director, Department of Justice, Bureau of Gambling Control, in person

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

Commissioner LaBrie asked about the status of the ongoing investigation.

Assistant Director Morrow responded she does not have an update on the investigation.

Assistant Director DaValle stated the investigation is still ongoing.

Chairman Evans noted concerns with regard to marketing agreements and noted the Bicycle Casino should be handled similarly to Hollywood Park Casino and other cardrooms having similar marketing agreements.

Commissioner Lacy noted similar concerns and asked Deputy Director Alcalá-Beshara if Galaxy Promoter, Inc. is still a contractor for the casino.

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Deputy Director Alcalá-Beshara responded that Galaxy Promoter, Inc., and Ramona Holdings, LLC are still contractors for the casino. Further, Deputy Director Alcalá-Bashara stated the Commission received information from both contractors, which was reviewed by staff and advised regarding the ranges analyzed.

Chairman Evans asked Designated Agent Harn if she assents to the conditions on the License.

Designated Agent Harn confirmed the casino accepts the condition.

Commissioner Lacy asked Designated Agent Harn if any of the marketing companies offer or provide credit to the players that are brought into the casino.

Designated Agent Harn replied that credit is not offered or provided and further stated she is fairly certain it is prohibited in the contract. Further, Designated Agent Harn noted the contract with Ramona Holdings, LLC, was terminated on April 1, 2019.

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 Renewal State Gambling License through April 30, 2021, with the existing condition noted below:

In the event that any investigation into The Bicycle Casino, L.P. dba The Bicycle Hotel & Casino results in any action on The Bicycle Casino, L.P. dba The Bicycle Hotel & Casino, its key employees, or its owners including but not limited to any criminal, civil, or administrative action, filed by a governmental authority, the Commission and the Bureau must be notified within 5 days of the action.

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

By concurrence of the Commissioners, items 8A through 8D were heard as a group.

- A. Caleb Alonzo
- B. Zheng Chen
- C. Ted Nakano
- D. Manuel Rito, Jr.

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 Key Employee Licenses 8A and 8B through December 31, 2019, and 8C and 8D through July 31, 2019.

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

Stephan Sowell

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 Renewal Key Employee License through April 30, 2021, removing the existing condition noted below:

~~*Beginning June 1, 2017 and every 180 days thereafter, Mr. Sowell must provide the Bureau of Gambling Control proof of ongoing efforts to resolve or establish a payment plan to satisfy the civil judgement with Capital One Bank USA.*~~

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

A. Club San Rafael: Thomas Rawlins

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 Work Permit through January 31, 2021.

B. Lake Bowl Cardroom: Brian Knoll

Brian Knoll was in attendance to answer any questions the Commissioners had.

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 Initial Work Permit through August 31, 2020.

C. Parkwest Casino Sonoma: Brett Lagerman

Comments Received From:

Brett Lagerman, via telephone

Commissioner Lacy asked Mr. Lagerman if he used or still uses cannabis while at work.

Mr. Lagerman confirmed that he does not use cannabis while at work.

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 Work Permit through August 31, 2020.

11. 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):

L.E. Gaming, Inc.:

Players: i) Odyleo Divina

Comments Received From:

Odyleo Divina, via telephone

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

Commissioner LaBrie asked the dollar amount of the chip that he loaned to the patron.

Mr. Divina responded it was tip money received in the amount of \$100.00.

Commissioner Lacy asked what the company policy was regarding providing tip money to a player.

Mr. Divina responded he never saw a policy and is unaware if a policy exists.

Commissioner Lacy asked if the Bureau is aware of the company policy that would prohibit providing tip money to a patron and if so, if the applicant had access to it or not.

Assistant Director Morrow stated the Bureau was informed there was a violation in policy; however, the Bureau did not see a copy of the policy.

Chairman Evan asked if the item can be tabled to allow the Bureau/applicant to provide a copy of the policy & procedure at issue.

Deputy Director Alcalá-Beshara responded the item may be tabled if Mr. Divina assents to the 120-Day deadline to have his application heard.

Mr. Divina assented to allow the item to be heard on a future Commission Meeting.

Commissioner LaBrie asked Mr. Divina if he received a letter from Delta Casino explaining his termination of employment.

Mr. Divina responded there was a meeting discussing his tardiness and violations regarding the incident in question; however, a letter was not issued.

No action taken. The Item will be placed on a future Commission meeting.

ii) Lyonel Santos

Comments Received From:

Lyonel Santos, via telephone

Commissioner Lacy asked Mr. Santos why he put “voluntary” and “relocation” as the reason for leaving his job at AP Wireless on his application when it was an involuntary termination and there was no relocation.

Mr. Santos stated the error was due to copying and pasting from a previous job on his application and admitted it was a mistake.

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 Conversion License through April 30, 2021.

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

A. Knighted Ventures, LLC:

Player: Andrea Sanchez

Comments Received From:

Andrea Sanchez, via telephone

Chairman Evans asked Ms. Sanchez if she agreed to the condition to be placed on her License.

Andrea Sanchez confirmed she agreed with the condition.

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 Third Party License through April 30, 2021, with the condition noted below:

Beginning June 1, 2019 and every 90 days thereafter, Ms. Sanchez must provide the Bureau of Gambling Control with proof of efforts to resolve her outstanding fines and Failure to Appear

B. PT Gaming, LLC:

Player: Sandra Ramirez

Comments Received From:

Sandra Ramirez, via telephone

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Commissioner LaBrie asked Ms. Ramirez if she understood and accepted the amended condition to be placed on her License. Further, Commissioner LaBrie explained the amended condition to Ms. Ramirez.

Sandra Ramirez confirmed she understood the condition.

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 Renewal Third Party License through April 30, 2021 amending the condition noted below:

Beginning May 1, 2017 2019, and every 18090 days thereafter, Ms. Ramirez must provide ~~submit proof of payments to the Bureau of Gambling Control with proof of efforts to satisfy regarding her outstanding balance in collections owed to Alliance One~~

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

- A. Aruze Gaming America, Inc.: Aruze Gaming America, Inc.
Kazuo Okada, Shareholder
Richard Pennington, Director and Vice Chairman
Robert Ziems, Global Chief Officer, Global Chief
Legal Officer, President, Secretary, Director

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 Finding of Suitability through April 30, 2021, removing the existing condition noted below:

~~In the event that any investigation into Aruze Gaming America, Inc., Kazuo Okada, Universal Entertainment Corporation, or its subsidiaries or affiliates, results in any action, including but not limited to any criminal, civil, or administrative action, filed by a governmental authority, the Commission and the Bureau must be notified within 10 days of the action.~~

- B. IGT: International Game Technology, Parent Corporation
Paget Alves, III, Independent Director
Patti Hart, Vice Chairman of the Board
Vincent Sandusky, Independent Director
IGT

Comments Received From:

Christine Masino, Designated Agent, in person

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Chairman Evans asked Designated Agent Masino if she understood and accepted the amended condition to be placed on the License.

Designated Agent Masino confirmed she understood and agreed to the condition.

Action:

Upon motion of Commissioner To, seconded by Chairman Evans, 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 April 30, 2021, amending the existing condition noted below:

Beginning ~~May 1, 2017~~ June 1, 2019, and occurring every 90 days thereafter until the matter is resolved, IGT must provide the Bureau of Gambling Control with an update regarding the status of the Rome Public Prosecutor's criminal tax investigation into the three representatives of International Game Technology PLC.

C. PDS Gaming, LLC: PDS Holding, LLC, Parent Company
 Peter Cleary, Member of the Board of Managers
 PDS Gaming LLC
 Peter Cleary, President, Chief Operating Officer

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 Finding of Suitability through April 30, 2021.

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

Agua Caliente Casino Resort Spa - Agua Caliente Band of Cahuilla Indians:
Jenny Zhu

Action:

Upon motion of Commissioner Lacy, seconded by Chairman Evans, 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 April 1, 2020.

Items 15 through 18 will be presented by the Commissions Legal Division.

15. Hearing Pursuant to Business and Professions Code Sections 19870 and 19871 and CCR, Title 4, section 12060:

A. Default Decision and Order In the Matter of the Application for Approval of Third-Party Proposition Player Services License for Antonio Leonido, (CGCC-2018-1213-14G)

Comments Received From:

Jason Pope, Staff Counsel III, Gambling Control Commission, in person

Staff Counsel III Pope stated that item 15A is a default decision and order in the amount of the application for approval of third-party position player services license for Antonio Leonido case number CGCC–2018–1213–14G. Mr. Leonido submitted an application on or around October 27, 2016, the Commission considered that application on December 13, 2018 and referred it to an evidentiary hearing. The applicant received notice of that hearing from Commission staff with a hearing referral letter on December 14, 2018, which included a blank notice of defense form with instructions to return within 15 days or else the Commission may issue a default decision. Commission staff received no response. Applicant thereafter received notice of this hearing through a hearing notice sent on February 15, 2019, and again Commission staff received no response from applicant. The draft Default Decision and Order before you is a draft default decision was standard terms which reflect Mr. Leonido failed to meet his burden under 19856.

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 Default Decision and Order.

B. Default Decision and Order In the Matter of the Application for Third-Party Proposition Player Services License for Lola Walker-Marcia, (CGCC-2018-1101-10C)

Comments Received From:

Jason Pope, Staff Counsel III, Gambling Control Commission, in person

Staff Counsel III Pope stated that Item 15B is a Default Decision and Order in the matter of the application for third-party position player services license for Lola Walker-Marcia case number CGCC–2018–1101–10C. Ms. Walker-Marcia submitted an application on or around October 12, 2017. The Commission considered that application on November 1, 2018 and referred the matter to an evidentiary hearing. Applicant received notice of the hearing process from Commission staff when they sent out evidentiary hearing referral letter on November 2, 2018, which included a blank notice of defense form with instructions to return to the Commission with 15 days or else the Commission may issue a Default Decision. Commission staff received no response from the applicant thereafter received notice of this hearing through a hearing notice sent on February 15, 2019, and again Commission staff received no response. Before you is another Default Decision was standard terms, which reflect Ms. Walker-Marcia failed to meet her burden under business and professions code section 19856.

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

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 Default Decision and Order.

Executive Director Stacey Luna Baxter recused herself from items 16, 17, and 18 and left the dais.

Chief Counsel Todd Vlaanderen provided a brief history stated that items 16, 17, and 18 will be taken one at a time and deliberated in Closed Session.

16. Consideration of Stipulated Settlement: Decision and Order (Pursuant to Business and Professions Code section 19854; CCR, Title 4, sections 12054 and 12350): In the Matter of the Application for Gambling Establishment Key Employee License for Leon Bernardi, (CGCC-2013-0426-1)

Comments Received From:

William Torngren, Deputy Attorney General (DAG), IGLS, in person

Joe Davis, Attorney, via telephone

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

Chairman Evans provided a brief history of the item and asked DAG Torngren how the Commission can be satisfied that the applicant is qualified for licensure based on the incident in question when the Commission doesn't have all the information and it hasn't been adjudicated in front of us.

DAG Torngren responded that the parties elected to settle the case. DAG Torngren further referenced the cover letter submitted which explained the reasons why a settlement had been reached. DAG Torngren concludes IGLS does not agree with the (Joseph) Capps Decision.

Commissioner Lacy asked what the rationale is for settling an application that is pending with a Statement of Issues as opposed filing an Accusation.

DAG Torngren stated this is an Office of Administrative Hearings (OAH) case and the Statement of Issues is what the settlement Judge was addressing, which is why the parties settled. Further, DAG Torngren noted that filing an Accusation as part of the settlement process, appears to be somewhat of a waste of assets.

Attorney Davis concurred with DAG Torngren's assessment and stated it has been a long matter and hopes the Commission will accept the Settlement.

Chairman Evans asked if the item was bifurcated by the Administrative Law Judge (ALJ) because the facts were similar to other cases.

DAG Torngren then stated the concept of the bifurcation, which ultimately did not work, was due to a common issue with a number of applicants.

No action was taken on the item.

By concurrence of the Commissioners, items 17 and 18 were heard together.

17. Consideration of Stipulated Settlement: Decision and Order (Pursuant to Business and Professions Code section 19854; CCR, Title 4, sections 12054 and 12350): In the Matter of the Application for Gambling Establishment Key Employee License for Edward Glen Mason, (CGCC-2016-1119-9B)

18. Consideration of Stipulated Settlement: Decision and Order (Pursuant to Business and Professions Code section 19854; CCR, Title 4, sections 12054 and 12350): In the Matter of the Application for Gambling Establishment Key Employee License for Jon Strecker, (CGCC-2016-1119-9D)

No action was taken on items 17 and 18.

CONSENT CALENDAR ITEMS:

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

A. Acme Player Services, LLC:

Players: Mert Demiral Moninet Kessa

B. Blackstone Gaming, LLC:

Players: Stephanie Del Rio Zavala Lenette Delgadillo Cynthia Gonzalez
Awoke Sheferaw Bradley Steffen

C. Fortune Players Group, Inc.:

Player: Mei Jing Wen

D. Knighted Ventures, LLC:

Players: Christian Fager Gladys Fernandez Alesha Henry
Oswaldo Huizar Morales Richard Vincent Libatique
Cesar Perez Hayden Slaugh Channa Thornton
Tepora Utu Angelica Mae Visande
Angie Yang Pa Kou Yang

E. L.E. Gaming, Inc.:

Player: Linda Xiong

F. Majesty Partners, LLC:

Player: Gustavo Contreras-Martinez

G. Metis TPS, LLC:

Players: Xiulan Kong Wai Yuk Ng Phat Tsan
Huizhen Yang

H. PT Gaming, LLC:

Players: Leuanlaivanh Maopraseuth Vanthuy Nguyen

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

- A. Agua Caliente Casino Resort Spa - Agua Caliente Band of Cahuilla Indians:
Kathleen Finnegan Siriwan Kamonwatin Carolina Magdael
Alva Perez Richard Sabac Guadalupe Salas
Glendy Sosa Enriquez Cesar Vizcarra
- B. Barona Resort and Casino - Barona Group of Capitan Grande Band of Mission Indians:
Bewar Alzakholy Damian Garcia Tracie Lavenant
Gail Mello Karina Murga Dung Phan
Kurt Ulm Garrett Williams
- C. Black Oak Casino - Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:
Jason Czito Tammy Gutierrez Christopher Harrison
- D. Blue Lake Casino and Hotel - Blue Lake Rancheria:
Angela Bennett Trisha Gihlstrom Amber Massey
- E. Cache Creek Casino Resort - Yocha Dehe Wintun Nation:
Janardan Adhikari David Au Sanjeeb Bhattarai
Heather Corcoran Sabrina Jones Diem Le
Lengkear Mar Rebecca Saeteun Visal Taing
Scott Tomlin Richard Tyler
- F. Casino Pauma - Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation:
Ane Inthavhong Yolanda Piedra
- G. Chicken Ranch Casino - Chicken Ranch Rancheria of Me-Wuk Indians:
Ryan Atwater
- H. Chukchansi Gold Resort and Casino - Picayune Rancheria of Chukchansi Indians:
Roberto Medina Robert Ramos
- I. Chumash Casino Resort - Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Adrianna Albarran Garry Ashbrook Enjoli Bjork
Lucy Estrada Danean Fenske Asri Gordon
Jeffrey Kase Marcos Torres Elizabeth Ventura
- J. Coyote Valley Casino - Coyote Valley Band of Porno Indians:
Ashley Ricci Jacob Yearwood
- K. Eagle Mountain Casino - Tule River Indian Tribe of the Tule River Reservation:
Maria Cordova
- L. Fantasy Springs Resort Casino - Cabazon Band of Mission Indians:
Betty George Jose Granado III Thongbay Khamvilaythong
Daniel London Tomas Zavala
- M. Garcia River Casino - Manchester Band of Porno Indians of the Manchester Rancheria:
Carl Gonzales Martin Linker
- N. Graton Resort & Casino - Federated Indians of Graton Rancheria:
Mary Ann Banayat Daniel Biondi Beverly Carmichael
Frank Endert Nga Ly Kord Nichols
- O. Harrah's Resort Southern California - Rincon Band of Luiseno Mission Indians of the Rincon Reservation:

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- Alejandro Galvez Thomas Mendenhall
- P. Jackson Rancheria Casino Resort - Jackson Rancheria of Me-Wuk Indians:
Timoteo Asper II Robert Coats David Kuehn
Colleen McCarthy Jeremy Sweet Chad Williams
- Q. Pala Casino Spa and Resort - Pala Band of Luiseno Mission Indians of the Pala Reservation:
Claudia Alfaro CardenasGeorge Andrews Tuyet Cao
Alicia Dieffenbacher Sal Enriquez Jr Mario Ferro
Oliva Ho Vivian Imai Alenefer Jaimes
Alvin Monzon Romeo Pasquariello Jonathan Rolstad
Kevin Thompsen
- R. Pechanga Resort & Casino - Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Baby Ivy Babatid Queena Chan Daniel Dascomb
Joe Martinez Jr.
- S. San Manuel Casino - San Manuel Band of Mission Indians:
Brian Booze Christopher Brown Paul Butrakunha
Frank Catalano Taunya Dodson Tanek Escatel
Erwin Guevarra Josephine Hoang Shirley Knight
Samez Lim Nancy Nieto Patricia Ramirez
Ryan Vandermer Melvin Young
- T. Soboba Casino - Soboba Band of Luiseno Indians:
Frank Cruz Jr. Melissa Gates Mindy Gates
Su Lee William Roach Eugene Whitman
- U. Spa Resort Casino - Agua Caliente Band of Cahuilla Indians:
Bienvenida Agbayani-Yahut Paulita Agresor
Joydellyne Balanay William Oliver Jack Schultz Jr.
Cornelio Soria
- V. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:
Modesta Garcia Lazarus Smith
- W. Sycuan Casino and Resort - Sycuan Band of the Kumeyaay Nation:
Timothy Briggs Romeo Buensuceso Jr. Rafi Butres
Elmer Caintic Bill Inthamala Ketkeo Inthavong
Richard Jewell Mittaphone Khansourivong Neil Lambert
Dorothy Madsen Nicolas Marcon Mary Meier
Mai Nguyen Ricardo Orosco III David Penn
Sherwin Perez Toni Peters Angela Scantling
Souksamay Sengthong Maria Swinford
- X. Table Mountain Casino - Table Mountain Rancheria:
Denise Andrade Naif Bin Hasan Allen Cha
Taunya Cramer Kalaket Her Jesenia Lizarraga
Hossein Pourshafie Michelle Reid Victor Young Jr.
- Y. Tachi Palace Hotel and Casino - Santa Rosa Indian Community:
Lee Bustamante Pedro Gomez Jr. Xochitl Luna
Karen Mendez
- Z. Thunder Valley Casino Resort - United Auburn Indian Community of the Auburn Rancheria:
Israel Alvarez Julie Bradbury David Burns
Christopher Carpenter John Duarte Austin Gaeta

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| Valentin Hernandez | Julie Kim | Minh Le |
| Dai Luong | Lai Saechao | Nai Saechao |
| Stephenie Schildroth | Stephen Thornton | |
- AA. Twin Pine Casino & Hotel - Middletown Rancheria of Pomo Indians:
Chante Little Robin Looper
- BB. Valley View Casino & Hotel - San Pasqua! Band of Diegueno Mission Indians:
Tammy Cowing Michael Withers
- CC. Viejas Casino and Resort - Viejas Group of Capitan Grande Band of Mission Indians of the Viejas Reservation:
Tania Deleon-Maxey Isidro Fernandez Mark Moussa
Maria Joan Paje Roberto Rizo Vicky Tehan
Brian Werner Jr.

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner LaBrie, and 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 19 through 20.

The Commissioner's went into Closed Session at **11:50 AM** to deliberate on Items 16, 17, and 18.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:

None.

CLOSED SESSION DISCLOSURE:

Chairman Evans disclosed that the Commissioners would meet in Closed Session on the following:

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

- D. In the Matter of the Application for Approval of Third-Party Proposition Players Services License for Aleksey V. Tkach, (CGCC-2018-0712-9B)
- L. In the Matter of the Application for Gambling Establishment Key Employee License for Leon Bernardi, (CGCC-2013-0426-1)
- M. In the Matter of the Application for Gambling Establishment Key Employee License for Edward Glen Mason, (CGCC-2016-1119-9B)
- N. In the Matter of the Application for Gambling Establishment Key Employee License for Jon Strecker, (CGCC-2016-1119-9D)
- P. In the Matter of the Application for Approval of Third-Party Proposition Players Services License for Ian Aengus Riley, (CGCC-2017-1218-17E)

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)

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- 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. *Tongtousa 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)
- J. *Manuel Corrales, Jr. v. California Gambling Control Commission*, San Diego County Superior Court (37-2019-00019079-CU-MC-CTL)

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.201511046)
- B. In the Matter of the Application for Approval of Initial Regular Work Permit for Linh Ngo, (GCADS-GEWP-002630)
- C. In the Matter of the Application for Approval of Gambling Establishment Key Employee License for Christopher Stigers, (CGCC-2018-0823-8A)
- D. In the Matter of the Application for Approval of Third-Party Proposition Players Services License for Aleksey V. Tkach, (CGCC-2018-0712-9B)
- E. In the Matter of the Application for Approval of Third-Party Proposition Players Services License for Derek M. Gaxiola, (CGCC-2018-0111-11C)
- L. In the Matter of the Application for Gambling Establishment Key Employee License for Leon Bernardi, (CGCC-2013-0426-1)
- M. In the Matter of the Application for Gambling Establishment Key Employee License for Edward Glen Mason, (CGCC-2016-1119-9B)
- N. In the Matter of the Application for Gambling Establishment Key Employee License for Jon Strecker, (CGCC-2016-1119-9D)
- O. In the Matter of the Application for Approval of State Gambling License for Kris Kat, LLC, and Steven C. Ayers, (CGCC-2018-0111-5A)
- P. In the Matter of the Application for Approval of Third-Party Proposition Players Services License for Ian Aengus Riley, (CGCC-2017-1218-17E)
- Q. In the Matter of the Application for Approval of State Gambling License for Sahara Dunes Casino, LP, dba Lake Elsinore Hotel and Casino; Ted Kingston; Joseph Kingston; and Sahara Dunes Management, Inc. (OAH No.2017070210)

III. Final Draft Audit Report from the Bureau of State Audits Pursuant to Government Code section 11126.2(a)

RECONVENE TO OPEN SESSION: 12:44 PM

Mr. Strecker was on the phone.

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Chairman Evans stated these were very complicated cases and appreciates the time Commission Counsel, Counsel for the applicants, and DAG Torngren put into the settlements and thanked them for their efforts.

Chairman Evans confirmed the Commission approved settlements for Mr. Strecker and Mr. Mason. Chairman Evans further stated the Commission approved the settlement for Mr. Bernardi, and acknowledged that the suspension will start on the 13th of May for Mr. Bernardi and continue for 37 days, but under Business and Professions Code Section 19878 (b) it is the Commission's understanding that the cardroom employing Mr. Bernardi will have to come before the Commission with the individual and request him to be able to work as he will be suspended.

ADJOURNMENT: 12:45 PM

Chairman Evans adjourned the Commission Meeting back into Closed Session. No further information was given.