

California Gambling Control Commission
2399 GATEWAY OAKS DRIVE, SUITE 100
P.O. BOX 526013, SACRAMENTO, CA 95852-6013
(916) 263-0700 FAX (916) 263-0499
www.cgcc.ca.gov

2399 Gateway Oaks Drive
Sacramento, CA 95833

**MINUTES OF OCTOBER 8, 2003
COMMISSION MEETING**

OPEN SESSION

Acting Chairman Smith called the meeting of October 8, 2003, to order at 1:35 p.m. with Commissioners Palmer and Sasaki present.

Staff Participating: Gary Qualset, Deputy Director, Licensing and Compliance Division, Peter Melnicoe, Chief Counsel and Herb Bolz, Senior Legal Counsel and Regulations Coordinator, Legal Division.

Upon motion of Commissioner Sasaki to approve the September 10, 2003, Commission meeting minutes, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the minutes of the September 10, 2003, Commission meeting.

Upon motion of Commissioner Sasaki to approve the September 24, 2003, Commission meeting minutes, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the minutes of the September 24, 2003, Commission meeting.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Empire Sportsmen Association:
Bounmala, Somchith
Ungchy, Talisa
 - b. Gold Rush Gaming Parlor:
Ludian, Lavonne

- c. Sonoma Joes:
 - Guillen, Antonia
 - Feise, Dale
 - Medlyn, Steven
 - Miller, Ulchalee

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Item 1a, Somchith Bounmala. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the applications for a work permit for Item 1a, Somchith Bounmala.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Item 1a, Talisa Ungchy. Upon motion of Acting Director Smith, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the applications for a work permit for Item 1a, Talisa Ungchy.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for Item 1b, Lavonne Ludian. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for a work permit for Item 1b, Lavonne Ludian.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for Item 1c, Antonia Guillen, Dale Feise, Steven Medlyn and Ulchalee Miller. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for a work permit for Item 1c, Antonia Guillian, Dale Feise, Steven Medlyn and Ulchalee Miller.

- 2. Application for Key Employee License:
 - a. Village Club:
 - Miller, Jack W.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license

for Item 2a, Jack W. Miller. Upon motion of Commissioner Sasaki, seconded by acting Chairman Smith and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for a key employee license for Item 2a, Jack W. Miller.

3. Request for Approval of Articles of Incorporation:

- a. Casino San Pablo: Sand Pebbles II, Inc. a Corporation

Deputy Director Qualset indicated that staff reviewed the Articles of Incorporation for Item 3a, Sand Pebbles II, Inc., and recommends approval of the Articles of Incorporation for filing with the Secretary of State. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the Articles of Incorporation for Item 3a, Sand Pebbles II, Inc.

4. Request for Additional Authorized Tables:

- a. Marina Club: Guy A. Calamia, Sole Proprietor (1 table)

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the request to add one additional authorized table to the license for Item 4a, Marina Club. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the request of Marina Club to add one additional table for a total of four tables authorized under the license.

5. Applications for Renewal of State Gambling License:

- a. Angie's Poker Club: Angela Kaye Harris, Sole Proprietor
- b. California Grand Casino: Lamar Wilkinson, Sole Proprietor
- c. Central Coast Casino (Paso Robles): David Stearns, Sole Proprietor
- d. Gloria's Lounge and Casino: Gloria Gutierrez, Sole Proprietor
- e. Hotel Del Rio and Casino: Ralph and Charlene Hand, Sole Proprietors
- f. Marina Club: Guy A. Calamia, Sole Proprietor
- g. Palace Card Club: Katherine Bousson, Sole Proprietor
- h. Royal Flush Club: Adolfo P. and Hope Martinez, Sole Proprietors
- i. S&K Cardroom: Otho M. Smith, Sole Proprietor
- j. The Cottage: Mickey E. Worley, Sole Proprietor

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5a, Angie's Poker Club. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5a, Angie's Poker Club through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5b, California Grand Casino. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5b, California Grand Casino, through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5c, Central Coast Casino (Paso Robles). Upon motion of Acting Chairman Smith, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5c, Central Coast Casino (Paso Robles), through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5d, Gloria's Lounge and Casino. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5d, Gloria's Lounge and Casino, through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5e, Hotel Del Rio Casino. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5e, Hotel Del Rio and Casino, through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5f, Marina Club. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5f, Marina Club, through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5g, Palace Card Club. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5g, Palace Card Club, through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5h, Royal Flush Club. Upon motion of Commissioner Sasaki, seconded by Acting Chairman Smith and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5h, Royal Flush Club, through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5i, S&K Cardroom. Upon motion of Commissioner Palmer, seconded by Acting Chairman Smith and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5i, S&K Cardroom, through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5j, The Cottage. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 5j, The Cottage, through October 31, 2004.

6. Application for Tribal Key Employee – Request for Withdrawal:
 - a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino:
Priller, Ti S.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for withdrawal of the application for a tribal key employee finding of suitability with prejudice for Item 6a, Ti S. Priller. Upon motion of Acting Chairman Smith, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the request for withdrawal of the application for a tribal key employee finding of suitability with prejudice for Item 6a, Ti S. Priller.

Acting Chairman Smith announced that Item 7 was moved to the end of the Commission calendar and commenced with Item 8.

8. Emergency Regulation Concerning “Initial and Renewal License Applications: Required Forms ” (Gambling Control Act)(Title 4, California Code of Regulations, section 12270). Report on Review by the Office of Administrative Law of the Emergency Regulation Adopted by the Commission on September 24, 2003.

Senior Legal Counsel Bolz presented staff’s recommendation that the Commission adopt the Finding of Emergency for proposed regulations concerning Processing Times – Initial Application, and the proposed regulations Sections 12271 and 12272, Chapter 3, Division 18, Title 4, California Code of Regulations. Counsel Bolz indicated that adoption of the proposed regulations was necessary to obtain Office of Administrative Law approval of the regulation previously adopted by the Commission concerning Initial and Renewal License Application Forms and Supplemental Information Forms. Upon motion of Commissioner Sasaki, seconded by Acting Chairman Smith and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission adopted the Finding of Emergency concerning Processing Times – Initial Application, and the proposed regulations Sections 12271 and 12272, Title 4, California Code of Regulations. A copy of the Finding of Emergency concerning Processing Times – Initial Application and regulations Section 12271 and 12272, as adopted, are incorporated into the minutes respectively as Attachment A and Attachment B.

9. Readoption and Amendment of Emergency Regulation Concerning “Emergency Preparedness and Evacuation Plan” (Gambling Control Act)(Title 4, California Code of Regulations, section 12370).

Senior Legal Counsel Bolz presented staff’s recommendation that the Commission approve (1) emergency re-adoption and amendment of regulations concerning Emergency Preparedness and Evacuation Plan, and (2) the associated Finding of Emergency. Mr. Bolz indicated that staff’s proposal to readopt the emergency regulation was intended to keep the emergency regulation in effect while staff progressed with the rulemaking process to make the regulation permanent.

John Sustaita, Gambling Consultant, commented on the proposed regulations. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission adopted the Finding of Emergency and re-adoption and amendment to the Emergency Regulation concerning Emergency Preparedness and Evacuation Plan. A copy of the Finding of Emergency and the adopted Emergency Regulation, are incorporated into the minutes respectively as Attachment C and Attachment D.

CONSENT CALENDAR

1. Applications for Renewal of Work Permit (Gambling Control Act):
 - a. Central Coast Casino:
 - Kahanu, Bradley
 - b. Empire Sportsmen Association:
 - Men, Samothy
 - c. Outlaws Card Parlour:
 - Ervine, John
 - d. Poker Flats Casino:

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| Espinoza, Martin | Herr, Geraldine |
| Parker, Albert | Sutter, Glendell |
| Vargas, Eddie | |
 - e. River Cardroom:

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|----------------|-------------------|
| Barton, Noelle | Marshall, Leonard |
| Poncia, Andrew | Samaris, David |
 - f. Sonoma Joes:

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|-------------------|-----------------|
| Arango, Juan | Mok, Barry |
| Charp, Marsha | Pastor, Anthony |
| Chavez, Elisabeth | Provolt, Nicole |

| | |
|------------------------|--------------------|
| Clein-Razikov, Jessica | Ryn, Joyce |
| Cornelio, Virgilio | Santellan, Karla |
| Descaro, Gregg | St. Amand, Ima |
| Flores, Florena | Wetherow, William |
| Gallegos, Lisa | Willson, Constance |
| Hughes, Janette | Wolford, Marisa |
| Kelly, Sheree | Xenos, Stan |
| Maciel, Galdina | Yee, Carol |
| McKeay, Michael | |

g. Ven-A-Mexico:
 Silvestre, Carlos

Deputy Director Qualset presented to the Commission, for its consideration of the applications for renewal of work permit, Consent Calendar Items 1a, 1b, 1c, 1d, 1e, 1f, and 1g. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved Consent Calendar Items 1a, 1b, 1c, 1d, 1e, 1f, and 1g.

2. Applications for Tribal-State Compact Key Employee Finding of Suitability:

a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino:

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|------------------|-----------------|
| Berry, David | Hammer, Joseph |
| Brooks, Daniel | King, Raymond |
| Daniels, Kenneth | Lee, Jongik |
| Domingo, Ireneo | Masalta, Virgil |
| Duke, William | Metzger, James |
| Evans, David | Ward, Richard |
| Gamble, David | Williams, James |
| Gussler, Percy | |

b. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation, California - Augustine Casino:

| | |
|-----------------|-----------------|
| Caygill, Stacia | Garcia, Rosario |
|-----------------|-----------------|

c. Campo Band of Diegueno Mission Indians of the Campo Indian Reservation, California – Golden Acorn Casino:

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|-----------------|---------------|
| Brown, Kathleen | Voss, Lucille |
| Wright, David | |

d. Cher-Ae-Heights Indian Community of the Trinidad Rancheria – Cher-Ae Heights Bingo and Casino:

Wanek, Gordon

- e. Elk Valley Rancheria – Elk Valley Casino:
 - Bach, John
 - Lepe, Judy
 - Darnell, Noreen
- f. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria:
 - Abellera, Conrado
 - Albin, Rebecca
 - Briggs, John
 - Clark, Nadine
 - Davis, Sandra
 - Delap, Jimmy
 - Fox, Michelle
 - Hunt, Janette
 - Hunt, Michael
 - Johnson, Richard
 - Klein, Eddie
 - Konecny, Dean
 - Laird, Cory
 - Mercer, Darrell
 - Nieto, Diane
 - Rider, William
 - Tingstrom, Arlen
 - Washburn, Olivia
 - Wheeler, MaryJane
 - Willing, Linda
- g. Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation, California - Casino Pauma:
 - Archuleta, Julian
- h. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation, California – Pechanga Resort and Casino:
 - Garbani, Sandra
 - Thompson, Tim
- i. Redding Rancheria – Win River Casino:
 - Simon, Dawn
- j. Rumsey Indian Rancheria of Wintun Indians – Cache Creek Indian Bingo & Casino:
 - Beauchamp, Joseph
 - Brown, Frank
 - Cellucci, Laurence
 - Douangdara, Vila
 - Heisel, Sompoch
 - Lu, Nhi
 - Nguyen, Danny
 - Plazibat, ante
 - Takemoto, Randall
- k. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:
 - Montesdeoca, Porfirio
- l. Smith River Rancheria – Lucky 7 Casino:
 - Richards, Maria
- m. Sycuan Band of Diegueno Mission Indians of California – Sycuan Casino and Resort:
 - Carlson, Karla
 - Lutau, Tuufaatasi
 - Lang, Kristy
- n. Twenty-Nine Palms Band of Mission Indians of California – Trump 29 Casino:

Carrillo, Joe
Lyon, Rick

Baker, Patricia
Martinez, Anna

- o. Viejas (Baron Long) Group of Capitan Grande of Mission Indians of the Viejas Reservation – Viejas Casino and Turf Club:

Blom, Michael
Joslin, Gary

Hanson, Michael
Romero, Michael

Deputy Director Qualset presented to the Commission, for its consideration of the applications for Tribal-State Compact Key Employee Finding of Suitability, Consent Calendar Items 2a, 2b, 2c, 2d, 2e, 2f, 2g, 2h 2i, 2j, 2k, 2l, 2m, 2n and 2o. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki and voting yes, the Commission approved Consent Calendar Items 2a, 2b, 2c, 2d, 2e, 2f, 2g, 2h 2i, 2j, 2k, 2l, 2m, 2n and 2o.

The Commission recessed at 2:15 p.m.

The Commission reconvened at 3:40 p.m., with Acting Chairman Smith and Commissioners Palmer and Sasaki present.

DECISION ITEM

7. Emergency Regulation Concerning “Third Party Providers of Proposition Player Services: Interim Registration” (Gambling Control Act).

Commissioner Smith announced that consideration of Item 7 would be continued to the October 22 2003, Commission meeting after Commissioner Palmer expressed concerns that the public had not been provided an opportunity to view the latest amendments to the proposed regulation. Commissioner Smith indicated that the final version of the proposed regulation text would be available on the Commission website by October 10, 2003, and gave assurance that the Commission would act on the proposed regulation at its next meeting.

Acting Chairman Smith opened the meeting for discussion of the proposed regulation and Chief Counsel Melnicoe gave an oral progress report on the draft process of the emergency regulation. A copy of the proposed Finding of Emergency and the Emergency Regulation concerning “Third Party Providers of Proposition Player Services: Interim Registration” are incorporated into the minutes as Attachment E and Attachment F respectively.

Michelle Le Beau, Holland & Knight, commented on Section 12200 of the proposed emergency regulation.

Rod Blonien, Commerce Club, commented on proposed emergency regulation Section 12201(g).

Michelle Le Beau, Holland & Knight commented on the definition for "House."

Rod Blonien, Commerce Casino, commented on Sections 12201 and 12212(b), and submitted written comments to the Commission that are incorporated into the minutes as Attachment G.

David Tierney, NetworkM, commented on Section 12212(b), and submitted written comments that are incorporated into the minutes as Attachment H.

John Sustaita, Gambling Consultant, commented on Sections 12202(b)(2) and 12229, and asked the Division of Gambling Control to provide information regarding fees associated with compliance review and enforcement.

Sam Dudkiewiez, Division of Gambling Control, in response to Mr. Sustaita indicated that the Division was not ready to address inquiries pertaining to Compliance fees.

Wally Blem, Gaming Management LLC, commented on Section 12201(g) and 12207(e).

Alan Titus, commented on Section 12207(c), and indicated his objection to Chapter 2.2.

David Fried, California Grand Casino, commented on Section 12212(b) and Chapter 2.2.

PUBLIC COMMENT

There were no comments from the public during this portion of the meeting.

FUTURE AGENDA ITEMS

Commissioner Palmer indicated that he would like to see the three items suggested by him at the September 24, 2003, Commission meeting included on the agenda in the near future.

ADJORNMENT

Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission adjourned its meeting at 4:35 p.m.