

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

Hiram Johnson State Office Building
455 Golden Gate Avenue,
Milton Marks Conference Center Benecia Rooms A&B
San Francisco, CA 94102

MINUTES OF OCTOBER 22, 2003 COMMISSION MEETING

OPEN SESSION

Acting Chairman Smith called the meeting of October 22, 2003, to order at 1:35 p.m. with Commissioners Palmer and Sasaki present.

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

Upon motion of Commissioner Sasaki to approve the October 8, 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 October 8, 2003, Commission meeting.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Empire Sportsmen Association:
Pek, Savonn
Sok, Roeun
 - b. Napa Valley Casino:
Stan, Michael

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, Savonn Pek and Roeun Sok. 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 applications for a work permit for Item 1a, Savonn Pek and Roeun Sok.

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 2a, Michael Stan. 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 a work permit for Item 2a, Michael Stan.

2. Application for Work Permit – Request for Withdrawal:
 - a. Empire Sportsmen Association:
Gonsalves, Larry

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend an approval with prejudice of the request for withdrawal of the application for a work permit for Item 2a, Larry Gonsalves. 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 with prejudice the request to withdraw the application for a work permit for Item 2a, Larry Gonsalves.

3. Applications for State Gambling License:
 - a. Hustler Casino: Larry Flynt, Sole Proprietor
 - b. LA Casino: LA Casino, Inc., Corporation

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 3a, Hustler 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 3a, Hustler Casino through October 31, 2004.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend that the application for a state gambling license for Item 3b, LA Casino, be denied under Business and Professions Code sections 19857(a) and (b) and 19859(c). Deputy Director Qualset further indicated that the applicant did not respond to the notices sent by staff informing applicant of the right to an evidentiary hearing. 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 denied the application for a state gambling license for Item 3b, LA Casino.

4. Applications for Renewal of State Gambling License:
 - a. Oasis Card Room: Chieko Epstein, Sole Proprietor
 - b. Comstock Card Room: Joseph A. and Monica M. Melech, 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 4a, Oasis Card Room. 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 4a, Oasis Card Room.

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 4b, Comstock Card Room. 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 4b, Comstock Card Room.

Acting Chairman Smith announced a change to the order of agenda items and indicated that the items would be heard in the following order: Consent Calendar Items, Decision Items 5, 7, 8, 6, Public Comment, Future Agenda Items and Adjournment.

CONSENT CALENDAR

1. Applications for Renewal of Work Permit (Gambling Control Act):
 - a. Caesar's Club:
Corona-Ruiz, Margarito Melgoza-Ramirez, Abel
 - b. Poker Flats Casino:
Tam, Tom
 - c. Phillipine Gardens:
Garcia, Alicia
 - d. Sonoma Joes:
Meex, Maureen
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:
Reyes, Richard
 - b. Augustine Band of Cahuilla Mission Indians of the Augustine

Reservation, California - Augustine Casino:

Cabrera, Amabeli	Muro, Juana
Garcia, Oscar	Ramirez, Marisol
Kelley, Janette	Rodriguez, Alejandro
Lopez, Ellen	Salas, Adrian
Mortensen, Maury	Steptoe, Jack

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

Luz, James

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

McLearn, William	Vizenor, Susan
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e. Elk Valley Rancheria – Elk Valley Casino:

Aton, Robert	Morrow, Maggie
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f. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria:

Clift, Lawrence	Mullarney, Alicia
Cole, Johnnie	Murdock, Heather
De La Cruz, Anthony	Penrose, Judith
Farr, Steven	Rasmusson, Rachelle
Francia, Daniel	Rice, Cody
Gibbs, Alice	Robles, Patricia
Gochanour, Marie	Summers, Darylin
Leatherman, Rebekah	Teague, David
Meeker, Edward	Yettner, Lawrence
Miller, Edgar	Zanetta, Jacob

g. Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation, California - Casino Pauma:

Cartwright, Lisa	Ramuno, Steve
Negrete, Jose	Toler, Kenneth

h. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation, California – Pechanga Resort and Casino:

Johnson, Bradley	Nguyen, Thuy
Kaffer, Chyna	Pearce, Deborah
Krohn, Stefan	Warkenstein, John

i. Quenchan Tribe of the Fort Yuma Indian Reservation, California and Arizona – Paradise Casino of California:

McCoy, Patrick	Sweeney, Patricia
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j. Redding Rancheria – Win River Casino:

Freeman, Regenia

k. Rumsey Indian Rancheria of Wintun Indians – Cache Creek Indian Bingo & Casino:

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| | Khiev, Vanthan | Reach, Pha |
| | Simons, Jason | |
| i. | San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino: | |
| | Caputto, Michael | Montesdeoca, Gina |
| m. | Smith River Rancheria – Lucky 7 Casino: | |
| | James, Carl | Precour, Shawn-Tay |
| | Westrivk, Terry | |
| n. | Soboba Band of Luiseno Indians, California – Soboba Legends Casino: | |
| | MacDonald, William | McGlynn, Timothy |
| o. | Sycuan Band of Diegueno Mission Indians of California – Sycuan Casino and Resort: | |
| | Briggs, Timothy | Dinius, John |
| | Dominix, Norberto | Hadenfeldt, Michael |
| | Mandy, Mark | Parker, Terrance |
| p. | Twenty-Nine Palms Band of Mission Indians of California – Trump 29 Casino: | |
| | Caudill, Terry | Culhane, Sharon |
| q. | Viejas (Baron Long) Group of Capitan Grande of Mission Indians of the Viejas Reservation – Viejas Casino and Turf Club: | |
| | Amescua, Shanna | Gewarges, Marshal |
| | Pina, Zulema | Wierman, Julie |

Deputy Director Qualset presented to the Commission, for its consideration of the applications for renewal of work permit, Consent Calendar Items 1a, 1b, 1c and 1d, and 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, 2o, 2p and 2q. 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 and 1d. 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 Consent Calendar Items 2a, 2b, 2c, 2d, 2e, 2f, 2g, 2h 2i, 2j, 2k, 2l, 2m, 2n, 2o, 2p and 2q.

DECISION ITEMS

5. Revenue Sharing Trust Fund Report of Distribution to Non-Compact Tribes.

Deputy Director Qualset presented the Revenue Sharing Trust Fund Report of Distribution of Funds to Non-Compact Tribes for the Quarter Ended September 30, 2003, to the Commission for its consideration of the following recommendation:

It is recommended that:

- 1) *the Commission approve the current full quarterly distribution of approximately \$8.4 million of all payments made by tribes and any interest income received by the Indian Gaming Revenue Sharing Trust Fund during the most recent quarter ended September 30, 2003, to the listed tribes that are determined to be eligible Non-Compact Tribes in accordance with the Commission's identified methodology for determining a Non-Compact Tribe as shown in Exhibit 1 attached to the report, and*
- 2) *approval of distributions shall be made on a conditional basis subject to receipt of any required eligibility certification of the maximum number of gaming devices operated during the quarter by each tribe that is required to submit a completed certification form.*

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 recommendation as presented by staff. A copy of the Revenue Sharing Trust Fund Report of Distribution of Funds to Non-Compact Tribes for the Quarter Ended September 30, 2003, is incorporated into the minutes as Attachment A.

7. Emergency Regulation Concerning License Applications and Processing Times (Gambling Control Act)(Title 4, California Code of Regulations, sections 12270-12272). Report on Review by the Office of Administrative Law of the Emergency Regulations Adopted by the Commission on September 24, 2003 and October 8, 2003.

Senior Legal Counsel Bolz presented staffs recommendation that the Commission adopt the revised Finding of Emergency and the proposed Emergency Regulation Sections 12270-12272 concerning license applications and license renewals processing times.

Deborah Dunn, Division of Gambling Control, stated that the Division of Gambling Control supports the proposed emergency 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: 1) adopted Sections 12271 and 12272, and 2) directed

staff to make conforming changes to the previously approved Finding of Emergency concerning Section 12270 and to re-file Section 12270 with the Office of Administrative Law, along with Sections 12271 and 12272. Copies of Regulation Sections 12271 and 12272, as adopted by the Commission, are incorporated into the minutes as Attachment B and C respectively.

8. Emergency Regulation Concerning "Emergency Preparedness and Evacuation Plan" Gambling Control Act(Title 4, California Code of Regulations, sections 12370 and 12371). Report on Review by the Office of Administrative Law of the Emergency Regulation Adopted by the Commission on October 8, 2003.

Senior Legal Counsel Bolz provided an oral report on the status of the emergency regulation concerning Emergency Preparedness and Evacuation Plan. Mr. Bolz indicated that the Office of Administrative Law approved the emergency regulation and that the regulation was filed with the Secretary of State and took effect on October 14, 2003.

6. Emergency Regulation Concerning (1) "Third Party Providers of Proposition Player Services: Interim Registration" and (2) "Gambling Businesses: Registration" (Gambling Control Act).

Chief Counsel Melnicoe presented Commission staff's recommendation that the Commission adopt the Finding of Emergency and the proposed Emergency Regulation concerning Third Party Providers of Proposition Player Services: Interim Registration and Gambling Business Registration, under the Gambling Control Act.

Haig Kelegian, Bicycle Casino, commented on the Proposition Player Service Providers application fee amount and Section 12201(d) of the regulation.

David Fried, California Grand, commented on Section 12229(c) and (e).

Andrew Schneiderman, Commerce Casino, commented on the proposed regulation and indicated his support of the proposed regulation excluding Sections 12212(b) and 12229.

Upon motion of Commissioner Sasaki and seconded by Acting Chairman Smith, Commissioners Smith, Palmer and Sasaki voted to adopt the Finding of Emergency and the proposed Emergency Regulation concerning Third Party Providers of Proposition Player Services: Interim Registration and Gambling Business Registration without the alternative provision Section 12201(g). A copy of the Finding of Emergency and a copy of the Emergency Regulation as adopted by the Commission, are incorporated into the minutes as Attachment D and E respectively.

PUBLIC COMMENT

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

FUTURE AGENDA ITEMS

No discussions took place concerning future agenda items.

ADJOURNMENT

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 2:45 p.m.