

California Gambling Control Commission
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**MINUTES OF AUGUST 22, 2013
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Lopes 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 Richard Lopes and Commissioners Lauren Hammond and Richard Schuetz present. Commissioner Tiffany Conklin was not present.

Chairman Lopes acknowledged Joe Dhillon, as this was his last Commission Meeting as Chief Counsel of the California Gambling Control Commission and congratulated him on his appointment to Senior Advisor for Tribal Negotiations in the Office of the Governor. Commissioner Hammond and Deputy Director Estes also recognized and thanked Joe Dhillon for his dedicated service to the California Gambling Control Commission.

3. Approval of Commission Meeting Minutes for:
July 25, 2013

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the minutes for the July 25, 2013 Commission Meeting.

By concurrence of the Commissioners, agenda item No. 14, Stipulated Settlement for Haig Kelegian, Jr., will be rescheduled to the first Commission Meeting scheduled in September. In addition, agenda item No. 15.E., Outlaws Card Parlour – Michael Porter, was removed from the Consent Calendar to be considered in Open Session.

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4. Applications for Approval of A) Assignment of Interest and, B) Initial State Gambling License (Pursuant to Business and Professions Code sections 19824(c), 19851, 19852 & 19892 and 19904; CCR Title 4 12342):

A. Cordova Restaurant and Casino: Cal-Pac Rancho Cordova, LLC (Assignor)
Park West Casinos, Inc. (Assignee)

Comments Received From:

Mike Vasey, via telephone
Francis Asuncion, Bureau of Gambling Control

By concurrence of the Commissioners, this item was continued to a future Commission Meeting to allow time for the Bureau to provide perform a risk assessment of this type of transaction as well as the business purpose of the entity restructuring.

B. Cordova Restaurant and Casino: Park West Casinos, Inc.
John Park, President, Treasurer,
Secretary, Shareholder

By concurrence of the Commissioners, this item was continued to a future meeting as previously noted.

5. Applications for Approval of Renewal of State Gambling Licenses (Pursuant to Business and Professions Code section 19876; CCR, Title 4 section 12345):

A. Club One Casino, Inc.: Club One Acquisition Corporation
Kyle Kirkland, President, Shareholder
Dana Messina, Chief Financial Officer,
Shareholder
Haig Kelegian, Sr., Shareholder
George Sarantos, Shareholder

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission extended the renewal state gambling license for a 30-day period valid through September 30, 2013.

B. Normandie Club: The Normandie Club, A General
Partnership
Gregory Miller, Partner
Lawrence Miller, Partner
Russell Miller, Partner
Stephen Miller, Partner

Comments Received From:

Michelle Miller-Wahler
Lauren Miller, via telephone
Cheryl Kau, Bureau of Gambling Control, via telephone
Robert Burge, Bureau of Gambling Control, via telephone
Francis Asuncion, Bureau of Gambling Control

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Nate DeValle, Bureau of Gambling Control
Wayne Quint, Bureau of Gambling Control

Action:

Upon motion of Commissioner Schuetz, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission extended the renewal state gambling license for a 90-day period valid through November 30, 2013 with the conditions noted below:

1. *Within 30 days, state gambling license applications and required fees must be submitted to the Bureau of Gambling Control (Bureau) from Normandie Club, L.P. and Normandie Club, Inc. and associated shareholders. In addition, a transaction document must be submitted to the Bureau which transfers ownership interest from Normandie Club, A General Partnership to Normandie Club, L.P. and Normandie Club, Inc., subject to approval by the Commission.*
2. *Within 30 days, Michelle Miller-Wahler must submit to the Bureau of Gambling Control an application for a State Gambling License as an owner of Normandie Club.*
3. *Beginning September 15, 2013, and on a weekly basis thereafter, Normandie Club shall submit to the Bureau of Gambling Control a detail accounting demonstrating adequate financial backing for all chips in use.*
4. *By September 15, 2013, Normandie Club shall develop a compliance committee that includes the following:*
 - a) *An outside member that is from a certified public accounting business with experience in controlled gambling in the State of California*
 - b) *An outside member that has demonstrable credentials and experience in California gaming law*
5. *The compliance committee, as noted in Condition 4, must agree to any contracts, agreements, and transactions of \$10,000 or more. Further, the compliance committee shall meet on a weekly basis to review the daily logs, internal audit reports, or any other internal or external reports from the previous week that address potential failures in the internal control systems and any real or potential compliance issues related to the statutes and regulations governing controlled gambling in the State of California.*
6. *By September 15, 2013, Normandie Club shall hire a consultant with demonstrable credentials in the policies and procedures governing the operation of California or Asian games. Further, the consultant shall spend a minimum of 30 hours per week observing the operation of these games and provide a written report to the compliance committee and to the Bureau of Gambling Control recording the following:*

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- a) *Any witnessed violations of Normandie Club's existing policies and procedures*
- b) *Any recommended changes to Normandie Club's policies and procedures*
- c) *Any unusual or suspicious circumstances concerning the operation of the facility*

BREAK: 12:03 PM – 1:00 PM

C. Village Club:

Harvey Souza, Sole Proprietor
Elizabeth Souza, Community Property
Interest Holder
Maile Lee, Financial Interest Holder
Francis Burger, Lien Holder

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the renewal state gambling license application for the licensure period of September 1, 2013 through August 31, 2015.

6. Applications for Approval of Initial Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854; CCR Title 4, section 12350):

A. Stanley Gresham

Comments Received From:

Stanley Gresham, via telephone

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial key employee license application valid through September 30, 2013 with the condition noted below:

Within 10 days, Mr. Stanley Gresham must submit to the Bureau of Gambling Control an application for renewal key employee license with applicable fees.

B. Thamir Hanna

Comments Received From:

Elijah Zuinga

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Action:

Upon motion of Chairman Lopes, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial key employee license application valid through May 31, 2014.

C. Donald Helmig

Comments Received From:

Donald Helmig, via telephone

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial key employee license application valid through May 31, 2014.

D. Jordan Kergan

Upon motion of Commissioner Hammond, seconded by Chairman Lopes and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial key employee license application valid through February 28, 2014.

E. Sylvia Maravillo

Comments Received From:

Elijah Zuniga

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial key employee license application valid through March 31, 2014.

F. Manuel Navarro

Comments Received From:

Manuel Navarro

Action:

Upon motion of Commissioner Hammond, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial key employee license application valid through February 28, 2014.

G. Samuel Quinto

Comments Received From:
Samuel Quinto

Action:

Upon motion of Commissioner Schuetz, seconded by Chairman Lopes and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial key employee license application valid through July 31, 2014.

H. Wil Sako

Action:

Upon motion of Commissioner Hammond, seconded by Chairman Lopes and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial key employee license application valid through May 1, 2014.

I. Khonglai Yang

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial key employee license application valid through June 30, 2014.

7. Applications for Approval of Renewal Key Employee Portable Personal License (Pursuant to Business and Professions Code section 19854; CCR Title 4, section 12351):

A. Michelle Miller-Wahler

Action:

Upon motion of Commissioner Schuetz, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission extended the renewal key employee license for a 90-day period valid through November 30, 2013 to coincide with the license extension of Normandie Cardroom.

B. Jeffrey Robles

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the renewal key employee license application for the licensure period of September 1, 2013 through July 31, 2015, and the removal of the following condition:

Removed Condition:

Mr. Robles shall provide a copy of the local work permit issued by the appropriate jurisdiction prior to assuming employment as a key employee.

C. Brian Turpin

Comments Received From:

Francis Asuncion, Bureau of Gambling Control

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission extended the renewal key employee license application valid through September 30, 2013, continuing with the existing condition as noted below:

Licensee shall inform the Bureau of Gambling Control and the Commission within ten days should his duties or responsibilities change to include involvement with food and beverage contracts.

8. **Application for Approval of Initial Work Permit (Pursuant to Business and Professions Code section 19912):**

Nineteenth Hole:

Diana Lane

Comments Received From:

Diana Lane, via telephone

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial work permit application valid through November 30, 2014.

Moved From Consent to Open Session:

15. **Application for Approval of Initial Work Permit (Pursuant to Business and Professions Code section 19912):**

E. Outlaws Card Parlour:

Michael Porter

Comments Received From:

Michael Porter, via telephone

Francis Asuncion, Bureau of Gambling Control

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Action:

Upon motion of Commissioner Hammond, seconded by Chairman Lopes and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial work permit application valid through March 31, 2015.

9. Applications for Approval of Conversion of Third-Party Providers of Proposition Player Services /Gambling Business Supervisor/Player Registrations to Licenses (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12218 and 12233):

A. California Gaming Consultants:

Player: Tara Srey

B. Pacific Gaming Services, LLC:

Player: Thomes Phomphakdy - **Continued**

C. PT Gaming, LLC:

Players:	Ashley Banks	Romy Dorasamy	Angelica Francisco
	Estasha Goodwin	Brittney Lee	Brandy Marrs
	Max Nguyen	Ma Sarah Reyes	Richard Vang
	Christine Werner	Frank Xiong	

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the conversion applications valid through August 31, 2015, with the exception of Item 9.B. - Thomes Phomphakdy, who was continued and will be placed on the September 12, 2013 Commission Meeting for consideration.

10. Application for Approval of Initial Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.5): Spielo International USA, LLC*

Comments Received From:

Todd Gerber

Aisha Martin-Walton, Bureau of Gambling Control

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial finding of suitability as gaming resource supplier principals of Spielo International USA, LLC for the principals as listed in Attachment A of the agenda valid through February 28, 2014.

11. Application for Approval of Renewal of Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.5):

Lakes Entertainment, Inc.:

Lyle Berman, Chief Executive Officer,
Chairman of the Board and Shareholder

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Timothy Cope, President, Chief Financial Officer,
Secretary, Treasurer, Member of the Board of
Directors and Shareholder
Neil Sell, Independent Director and Shareholder
Ray Moberg, Independent Director
Larry Barenbaum, Independent Director

Comments Received From:

Damon Schramm, via telephone

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the renewal finding of suitability application as a financial source and management contractor for Lakes Entertainment, Inc. and its principals, for the licensure period of September 1, 2013 through August 31, 2015.

12. Applications for Approval of Initial Tribal-State Compact Key Employee Findings of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

A. Barona Resort and Casino - Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation:

Jeffty Connelly

Comments Received From:

Jeffty Connelly, via telephone

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial finding of suitability application valid through April 7, 2015.

B. Running Creek Casino – Habematolel Pomo Of Upper Lake:

Linda West

Comments Received From:

Linda West, via telephone

Aisha Martin-Walton, Bureau of Gambling Control

Action:

Upon motion of Commissioner Schuetz, seconded by Chairman Lopes and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved the initial finding of suitability application valid through December 21, 2014.

13. Consideration of Request to Apply for Reinstatement of License (Business and Professions Code sections 19824 and 19963):

Richard Jonathan Scott (Casino Chico)

Comments Received From:

Robert McWhorter, Legal Counsel for Richard Scott

Failed Motion:

Upon motion of Commissioner Schuetz, seconded by Chairman Lopes and carried in a vote by roll call with Chairman Lopes and Commissioner Schuetz voting yes and Commissioner Hammond voting no, the motion to approve Mr. Scott's request to submit an application to reactivate his state gambling license failed.

At the request of Mr. McWhorter and with concurrence of the Commissioners, this item will be continued to the first Commission Meeting scheduled in September whereby all Commissioners are present.

14. Applications for Approval of Renewal of State Gambling Licenses (Pursuant to Business and Professions Code section 19876; CCR, Title 4 section 12345):
- A. Stipulated Settlement; Decision and Order in Matter of the Statement of Issues Against:
Haig Kelegian, Jr., shareholder, Crystal Casino & Hotel (BGC Case No. BGC-HQ2011-00007AL)
 - B. Stipulated Settlement; Decision and Order in the Matter of the Statement of Issues Against:
Haig Kelegian, Jr., partner, Ocean's Eleven Casino (BGC Case No. BGC-HQ2011-0001)

By concurrence of the Commissioners, this item was continued and will be considered at the first Commission Meeting scheduled in September.

CONSENT CALENDAR ITEMS:

15. Applications for Approval of Initial Work Permit (Pursuant to Business and Professions Code section 19912):
- A. Central Coast Casino (GB):
Alexandra Halland
 - B. Lake Bowl Card Room:
Reanna Petroski
 - C. Merced Poker Room:
Phatseluck Yang
 - D. Napa Valley Casino:
Angela Hwang Jared Kwong Pamela Mean
 - E. Outlaws Card Parlour:
Michael Porter – **Moved to Open Session**
 - F. The 101 Casino:
Joel Buehler Yoot Goh Brogan Lee
Lucie Mai
 - G. The Deuce Lounge and Casino:
Eric Capello Earl Harper Alvin Saelee
 - H. Towers Casino:
Maxwell Kilgore

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- K. Pechanga Resort & Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Anthony Goode
 - L. Red Hawk Casino – Shingle Springs Band of Miwok Indians:
Rene Vaucresson
 - M. River Rock Casino - Dry Creek Rancheria Band of Pomo Indians:
Gregory Bentall
 - N. Running Creek Casino – Habematolel Pomo Of Upper Lake:
Lamont Brown
 - O. San Manuel Indian Bingo and Casino – San Manuel Band of Serrano Mission Indians of the San Manuel Reservation:
Cynthia Blakefield
 - P. Santa Ysabel Casino – Santa Ysabel Band of Digueno Indians:
Steven Craft Yasuko Williams
 - Q. Sho-Ka-Wah Casino – Hopland Band of Pomo Indians:
Anthony Ayala
 - R. Soboba Casino – Soboba Band of Luiseno Indians:
Andreanna Smith
 - S. Spotlight 29 Casino – Twenty-Nine Palms Band of Mission Indians:
Nayelly Ceron Richard Kothlow, III
 - T. Sycuan Casino & Resort – Sycuan Band of the Kumeyaay Nation:
Jia Zhao
 - U. Tachi Palace Hotel and Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
Pedro Gomez, Jr.
 - V. Thunder Valley Casino Resort – United Auburn Indian Community of the Auburn Rancheria:
Joshua Hambly
 - W. Twin Pine Casino & Hotel – Middletown Rancheria Band of Pomo Indians:
Stacy Arson
 - X. Valley View Casino & Hotel – San Pasqual Band of Diegueno Mission Indians:
Travis Whitehair
 - Y. Viejas Casino – Viejas Band of Kumeyaay Indians:
Ronny Mikha
19. Applications for Approval of Renewal Tribal-State Compact Key Employee Findings of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Bear River Casino – Bear River Band of the Rohnerville Rancheria:
Catherine Churchill Sarah Patterson
 - B. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:
Kathryn Gallno Melanie Garcia Radke
 - C. Chumash Casino Resort – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Joanna Arriola Lucy Estrada Michael Hackett
 - D. Eagle Mountain Casino – Tule River Indian Tribe of the Tule River Reservation:
Deanna Gonzales Samuel Winters
 - E. Feather Falls Casino & Lodge – Mooretown Rancheria of Maidu Indians:
Donna Anderson

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- F. Pala Casino Spa Resort – Pala Band of Mission Indians:
 - George Arsenis Roberta Cunningham Michael Hines
 - George Kypros Timothy Sheehan III
- G. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
 - Joseph Callahan Roy McNabb Aaron Want
- H. Robinson Rancheria Resort & Casino – Robinson Rancheria Band of Pomo Indians:
 - Urbano Rubalcava Jr.
- I. Soboba Casino – Soboba Band of Luiseno Indians:
 - Teri Hale Kele Slevcove
- J. Sycuan Casino & Resort – Sycuan Band of the Kumeyaay Nation:
 - Jeffrey Bueller Alex Favor Lance Goode
 - Robert Kasawdish Kevin Lang Feu Lutau
 - Travis Ly Balagtas Mendoza
- K. Tachi Palace Hotel and Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
 - Faye Estrada Ophelia Lopez Xochitl Luna
- L. Thunder Valley Casino Resort – United Auburn Indian Community of the Auburn Rancheria:
 - Julie Bradbury David Burns David Bushman
 - Christopher Carpenter John Duarte Joshua Edwards

Action:

Upon motion of Chairman Lopes, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairman Lopes and Commissioners Hammond and Schuetz voting yes, the Commission approved Consent Calendar items 15 through 19, with the exception of Item 15.E. – Michael Porter, who was removed from Consent and considered in Open Session.

CLOSED SESSION: None.

- 1. Litigation: (Government Code section 11126(e)):
 - A. *Pauma Band of Luiseno Mission Indians v. Gambling Control Commission; and Arnold Schwarzenegger*, U.S. Dist Court S. D. California (09 CV01955 LAB AJB)
 - B. *San Pasqual Band of Mission Indians v. State of California, et al.*, Los Angeles County Superior Court (BC431469)
 - C. *Bingo Innovations of California, Inc. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2012-80001139)
 - D. *Yavapai Apache Nation v. Iipay Nation of Santa Ysabel, the State of California, and the California Gambling Control Commission*, Sacramento County Superior Court (34-2012-001199727)
- 2. Deliberation of Decisions (Government Code section 11126(c)(3)):
 - A. Stipulated Settlement; Decision and Order in Matter of the Statement of Issues Against:
 - Haig Kelegian, Jr., shareholder, Crystal Casino & Hotel (BGC Case No. BGC-HQ2011- 00007AL)

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- B. Stipulated Settlement; Decision and Order in the Matter of the Statement of Issues Against:
Haig Kelegian, Jr., partner, Ocean's Eleven Casino (BGC Case No. BGC-HQ2011-0001)

PUBLIC COMMENT:

Wayne Quint, Bureau Chief of the Bureau of Gambling Control, recognized and thanked Joe Dhillon on behalf of Kamala Harris, Attorney General, Larry Wallace, Director of the Division of Law Enforcement and the Bureau of Gambling Control for his dedicated service to the gaming industry and congratulated him on his new appointment as Senior Advisor for Tribal Negotiations in the Office of the Governor.

ADJOURNMENT:

Chairman Lopes adjourned the Commission Meeting at 1:49 PM.