



# California Gaming Association

March 17, 2020

**PRESIDENT**

Kyle R. Kirkland  
*Club One Casino*

The Honorable Gavin Newsom  
Governor of California

**VICE PRESIDENT, NORTH**

Wil Wilkinson  
*California Grand Casino*

State Capitol  
Sacramento, CA 95814

**VICE PRESIDENT, SOUTH**

Hashem Minaiy  
*Bicycle Hotel and Casino*

*Via email only*

**Re: Proposed Economic Stimulus Package for Cardroom Employees and Operators**

**TREASURER**

Clarke Rosa  
*Capitol Casino*

Dear Governor Newsom:

**SECRETARY**

Joe Melech  
*Stars Casino*

The California Gaming Association (CGA), a 501(c)(6) trade association whose membership includes the majority of active, licensed cardrooms and gaming tables in the State, respectfully submits the following recommendations to your office to mitigate the impact on the employees of cardrooms and Third Party Providers of Propositional Player Services (TPPPPS).

**BOARD MEMBERS**

Patrick Berry  
*Players Casino*

Ileana Harris  
*Casino Club*

Haig Kelegian, Jr.  
*Crystal Casino*

Many of our members voluntarily suspended operations several days ago in the interests of public health and the welfare of our employees, and to support State efforts to navigate this crisis during a difficult time. **During the closure, many of our members are paying wages, salaries and health insurance benefits aggregating millions of dollars despite having no revenues.** We are working hard to support our employees and communities and hope you will help us do so.

Patrick Tierney  
*Casino M8trix*

Art Van Loon  
*Stones Gambling Hall*

Ron Werner  
*Bay 101 Casino*

- According to the State Auditor's Report (2018-132), there is a \$97 million surplus in the Gambling Control Fund which has resulted from overcharging fees to cardrooms and TPPPPS. We believe the State should expedite the refund of these overcharges so the funds can be used to:

- Pay employees and lessen the burden on the State unemployment insurance fund;
- Continue to provide uninterrupted health insurance and benefits for workers;
- Allow operators to maintain the staff necessary for administration, security, and core facility operations to allow for a smooth reopening

**EXECUTIVE DIRECTOR**

Joe Patterson

In addition, the CGA respectfully requests that you encourage the Bureau of Gambling Control (Bureau) and the California Gaming Control Commission (CGCC) to take the following actions immediately:

- Allow cardrooms to receive short-term loans from any federally or state-chartered lending institution or regulated bank or savings association under \$500,000 without prior Commission approval;

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- Waive and/or refund cardroom/TPPPPS filing, reporting, application and deposit deadlines until further notice, including:
  - Financial reports and audits, which require the services of outside auditors to complete (currently due April 30<sup>th</sup>)
  - Cardroom annual table fees (currently due April 30<sup>th</sup>) which if paid will only add millions to the existing surplus in the Gambling Control Fund
  - Fees to review all applications (license, games, etc.)
  - Work permit, key employee, owner and gaming establishment license renewal applications (automatically extend for 120 days any licenses in good standing that are expiring in the next few months)
  
- Temporarily modify adequate financing requirements to accommodate the onsite redemption of outstanding chips. As currently interpreted, our adequate financing regulations result in holding double the funds needed to secure chip liabilities (both on-site and in segregated bank accounts).

This list is not exhaustive but each of the items included is an important first step that can be taken to assist the cardroom industry and its employees. As you know, many of our members operate in disadvantaged communities and will be disproportionately affected by closures. On behalf of our members, the 32,000 Californians who rely on us for employment, and the dozens of California communities we support, we thank you for your consideration of this request and look forward to your response.

Sincerely,



Joe Patterson  
Executive Director

CC:

Ms. Stacey Luna Baxter, Executive Director, California Gambling Control Commission  
 Ms. Stephanie Shimazu, Director, Bureau of Gambling Control  
 The Honorable Xavier Becerra, Attorney General  
 The Honorable Anthony Rendon, Speaker, California State Assembly  
 The Honorable Toni Atkins, President pro Tempore, California State Senate  
 The Honorable Bill Dodd, Chairman, Senate Committee on Governmental Organization  
 The Honorable Adam Gray, Chairman, Assembly Committee on Governmental Organization  
 The Honorable Holly Mitchell, Chair, Senate Budget Committee  
 The Honorable Phil Ting, Chair, Assembly Budget Committee  
 Ms. Anna Naimark, Office of Governor Gavin Newsom  
 Ms. Jacque Roberts, Office of Governor Gavin Newsom  
 Mr. Richard Figueroa, Office of Governor Gavin Newsom  
 Mr. Lenny Mendonca, Director, GO-Biz  
 Mr. Frank Ramirez, Manager, Goods Movement and Sustainable Freight, GO-Biz