



AGUA CALIENTE BAND OF CAHUILLA INDIANS
TRIBAL COUNCIL

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July 13, 2015

The Honorable Senator Isadore Hall III
Senate Governmental Organization Committee
State Capitol
Sacramento, CA 95814

RE: AB 701 (Garcia) – Hustler Casino Special Exemption - Oppose

Dear Chairman Hall:

On behalf of the tribal council of the Agua Caliente Band of Cahuilla Indians, I am writing to inform you of our opposition to AB 701, which just recently appeared in print as a gutted and amended bill.

California law has been clear for decades: a person cannot maintain a California Card Room License if the owner/investor is participating in gaming outside of the state of California.

While purportedly intended to allow owners of California card rooms to invest in gambling establishments located outside of the State, the more likely effect of AB 701 would be to allow major out-of-state casino companies, such as those based in Nevada, to buy their way into the California market through the purchase of card rooms. Allowing major casino companies to own and brand California card rooms would fundamentally alter the limited nature of card room gaming in California. Such a change would have a negative impact on California's economy by allowing the profits from California card rooms to be sent to out-of-state casino companies.

The bill also would further complicate the debate over allowing regulated internet poker in California. Despite other differences among the various stakeholders, there is general agreement that existing card room owners and tribal governments should be allowed to receive licenses to offer internet poker. However, this agreement is likely to end if out-of-state casino companies are allowed to take control of California card rooms. A scenario could arise where a California licensed card club could operate a casino in another state, which would include iGaming. Beyond even that, cardrooms could conduct joint marketing with their out of state casino whereby players receive rebates or are rewarded with free play, or something similar, for any money they spend in their California cardroom on collections, thereby getting around California prohibitions on banked games.



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Allowing major casino companies to buy their way into the California market is at odds with the State's long-standing public policy to limit the nature and extent of non-Indian gaming.

We see no appropriate public policy reason advanced by the author for this special exemption from long-settled law for Mr. Flynt and Hustler Casino's owners or investors.

For these reasons, the Agua Caliente Band of Cahuilla Indians must oppose this measure.

Sincerely,

Jeff L. Grubbe
Chairman, Tribal Council
**AGUA CALIENTE BAND OF
CAHUILLA INDIANS**

TC-115543-07-15

C: The Honorable Cristina Garcia, Member of the Assembly
Members, Senate G.O. Committee
Arthur Terzakis, Staff Director, Senate G.O. Committee
Barry S. Brokaw, Sacramento Advocates, Inc.