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BEFORE THE

CALIFORNIA GAMBLING CONTROL COMMISSION

STATE OF CALIFORNIA

In the Matter of the Accusation Against: **ALBERT CIANFICHI, Sole Proprietor** **KELLY'S CARDROOM** **408 "O" Street** **Antioch, CA 94509** **License Number GEGE-000407**	**OAH No. 2010050095** **STIPULATION AND ORDER**

The parties to the above-captioned proceeding agree and stipulate as follows:

PARTIES

1. Albert Cianfichi (Respondent Owner) owns, as a sole proprietor, the gambling enterprise presently known and doing business as Kelly's Cardroom, located at 408 "O" Street, Antioch, California 94509 (Cardroom). Respondent Owner is presently the holder of gambling license number GEGE-000407, formerly number 990002, for the gambling enterprise issued by the California Gambling Control Commission (Commission) pursuant to the Gambling Control

Act (Bus. & Prof. Code, § 19800, et seq., the "Act"). Albert Cianfichi's state gambling license was in full force and effect at all times relevant to the facts set forth herein. This license will expire on June 30, 2011, unless renewed.

2. Martin Horan, Jr. (Complainant) is the Acting Chief of the Bureau of Gambling Control, California Department of Justice (Bureau), and is hereby substituted in as the Complainant in this proceeding. His involvement in this action was solely in his official capacity under the Act and is represented in this matter by Kamala D. Harris, Attorney General of the State of California, by Jennifer T. Henderson, Deputy Attorney General.

PROCEDURAL BACKGROUND

3. On April 7, 2006, the Bureau, then designated the Division of Gambling Control, caused to be filed with the Commission and served upon Respondent a First Amended Accusation which referred the matter for an evidentiary hearing.

4. Prior to the hearing, the parties entered into a stipulated settlement and disciplinary order and on September 14, 2006, the Commission voted to adopt the Stipulated Settlement and Disciplinary Order (2006 Commission Decision).

JURISDICTION

5. On or about January 19, 2010, pursuant to Business and Professions Code section 19930, the Bureau caused to be filed with the Commission and served upon Respondent an Accusation and Petition to Revoke Probation. A copy of the Accusation and Petition to Revoke Probation with attachments, including the 2006 Commission Decision, is attached hereto and incorporated by reference herein as Exhibit A. Respondent timely filed a Notice of Defense with the Commission.

6. This matter was set for hearing on May 16 and 17, 2011 before an administrative law judge pursuant to the Administrative Procedure Act, Government Code section 11500 et seq.

7. The parties agree that the Commission has jurisdiction over this matter and has authority to approve this Stipulation and Order under Business and Professions Code sections 19823, 19824, and 19930, and Government Code section 11415.60.

PURPOSE

8. The parties now desire to settle this matter on the terms set forth in this Stipulation. Accordingly, the parties jointly request that the Commission, at its next regularly scheduled public meeting, or as soon thereafter as the Commission may consider the matter, approve the settlement of this matter as set forth herein.

9. The purpose of this Stipulation is to: (a) finally and completely settle the within matter on terms agreeable to the parties; (b) allow the sale of the Cardroom; (c) effect the revocation of Respondent Cianfichi's State Gambling License; and (d) ensure that the new owner or owners of the Cardroom are holders of a State Gambling License.

SETTLEMENT TERMS

10. Complainant, Martin Horan, Jr., and Respondent, Albert Cianfichi, hereby agree that this Stipulated Settlement will be presented to the Commission at its next regularly scheduled meeting, or as soon thereafter as the matter can be heard, as a final disposition of the violations alleged in the Accusation and Petition to Revoke Probation, which was signed by Complainant's predecessor on or about January 19, 2010.

11. Respondent does not contest the facts alleged in the Accusation and the Petition to Revoke Probation, and consents to pay a fine of $60,000 and reimburse the Bureau the sum of $52,000 for the investigation and prosecution of this matter. Payment shall be made from the escrow, at closing on the sale of the Cardroom.

12. Respondent admits the truth of the allegations made in the Accusation and Petition to Revoke Probation for the purposes of this stipulation only; these admissions are the equivalent of a "no' contest" plea. Such admissions shall not be admissible in any other civil or criminal proceeding.

13. Respondent agrees not to contest the Accusation and Petition to Revoke Probation, and intends to surrender his gambling license.

14. Respondent's gambling license is revoked. However, the revocation is stayed and Respondent is placed on probation until November 25, 2011, on the following terms and conditions:

a. Respondent will sell his sole proprietorship in the Cardroom as soon as

possible.

b. Respondent will have until the end of the probationary period to find a bonafide purchaser, who will be able to be licensed by the California Gambling Control Commission.

c. A purchase and sale agreement and an application for licensure by the proposed purchaser must be submitted to the Commission by the purchaser within the probationary period. Respondent will use due diligence in attempting to find a purchaser who is already licensed by the California Gambling Control Commission, in order to expedite the licensing of the new owner.

d. The purchase and sale agreement must contain a provision that a portion ($112, 000) of the purchase price must be set aside as a reserve fund to pay for the penalty and costs agreed to in this Stipulation and will be paid to the Bureau out of escrow at the time of sale.

e. If a purchase and sale agreement and an application for licensure by the proposed purchaser are not submitted to the Commission on or before November 25, 2011, the Cardroom shall be closed by operation this Stipulated Settlement and Disciplinary Order. After closure of the Cardroom, the Respondent shall have until May 26, 2012 to find a purchaser who may be licensed.

f. If a purchase and sale agreement and an application for licensure by the proposed purchaser are not submitted to the Commission before May 26, 2012, the Respondent's gambling license shall be revoked by operation of this Stipulated Settlement and Disciplinary Order. Notwithstanding any other provision hereof, during the period of November 25, 2011 to May 26, 2012, the Respondent may apply for an extension of time to file a purchase and sale agreement for up to six (6) months upon a showing of good cause such as, but not limited to, license processing delays by the Bureau or Commission, or the

rejection of a buyer by the Commission.

g. Respondent acknowledges that the Bureau seeks to have him to divest himself of his interest in the Cardroom as soon as possible.

h. Respondent hereby agrees to employ an outside compliance consultant who will be responsible for ensuring that the Cardroom is in complete compliance with the regulations promulgated by the Commission and the Bureau.

i. The outside consultant shall have expertise in the above-referenced regulations and the operations of the Commission and the Bureau.

j. Respondent will practice suitable methods of operation, including, but not limited to, only employing individuals who hold a valid work permit or license as required by the Act.

k. Respondent agrees that he will minimize his activities in the gambling establishment, and will charge a validly licensed key employee with the day-to-day operation of the Cardroom.

l. Respondent shall obey all state and federal laws and regulations substantially related to, or governing the practices and operation of gambling establishments. Respondent shall report any of the following occurrences to the Commission, in writing, within seventy-two (72) hours of such occurrence:

1. An arrest or issuance of a criminal complaint for violation of any provision of the Gambling Control Act;
2. A plea of guilty or nolo contendre, or conviction, in any state or federal criminal proceeding involving any crime other than traffic violations.

15. Respondent and Complainant mutually agree that this stipulation and order is in complete and final settlement of the allegations contained herein. Respondent has been fully advised by his legal counsel, Rodney J. Blonien, as to the effect of this Stipulation and Order in that it binds Respondent to the terms and conditions contained herein. By the terms of this agreement, Respondent shall not have the right to further contest and/or appeal the sanctions provided herein. Respondent recognizes that he is entering into this Stipulation in lieu of a

hearing and the ability to contest these allegations. Respondent enters into this Stipulation with the advice of counsel, voluntarily, knowingly, and intelligently, and agrees to be bound by this Stipulation and the terms of the Decision and Order upon adoption by the Commission.

16. The parties agree that in the event the Commission refuses to accept this Stipulation, it shall become void and null, within 15 business days after the Commission meeting at which this Stipulation is rejected.

17. Respondent agrees that in the event the Commission rejects the Stipulation as its decision and order and an evidentiary hearing, pursuant to Business & Professions Code Section 19930 becomes necessary, no member of the Commission, nor the Executive Director, shall be disqualified because of prior consideration of the Stipulation.

18. This Stipulated Settlement shall be subject to approval by the Commission. Respondent specifically agrees that, at any time following execution of this Stipulated Settlement, but prior to the Commission's decision whether to adopt this Stipulated Settlement as its decision and enter the Disciplinary Order, counsel for Complainant and the staff of the Division may communicate directly with the Commission regarding this stipulation and settlement without notice to, or participation by, Respondent or his counsel, and that no such communications shall be deemed a prohibited ex parte communication.

19. By signing the Stipulated Settlement and Disciplinary Order, Respondent understands and agrees that he may not withdraw this agreement or seek to rescind the stipulation prior to the time the Commission considers and acts upon it.

20. The parties agree should this Stipulation become void, nothing in the Stipulation, or the fact that the parties entered into the Stipulation, shall be admissible in any subsequent hearing on the merits of the violation that is the subject of the Stipulation.

WAIVER AND ADVISEMENT

21. This Stipulation has been fully discussed between Respondent Albert Cianfichi-Kelly's Cardroom and its attorney, Rodney Blonien, and Respondent Albert Cianfichi has been fully advised of the effect of this Stipulation as it waives any rights it may have to: (a) an administrative hearing on the Accusation; (b) any judicial challenge to this Stipulation and Order;

and (c) collaterally challenge the terms of this Stipulation and Order. Respondent Albert Cianfichi enters into this Stipulation voluntarily, knowingly, and intelligently, and agrees to be bound by this Stipulation and Order upon adoption by the Commission.

22. Respondent understands that nothing in this Stipulation shall preclude the Bureau during the probationary period from issuing any order necessary under Business and Professions Code section 19331.

23. The parties understand and agree that facsimile copies of this Stipulation and Order, including facsimile signatures thereto, shall have the same force and effect as the originals.

24. This Stipulation constitutes the entire understanding between the parties concerning the subject matter that it covers. Any oral representations or modifications made prior to or after execution of this Stipulation concerning the subject matter of this Stipulation shall have no force or effect.

25. In consideration of the foregoing stipulations, the parties agree that the Commission may, without further notice or formal proceeding, issue and enter the Order set forth below.

ACCEPTANCE

I have carefully read the foregoing Stipulation and Proposed Order and have fully discussed it with my attorney, Rodney Blonien. I understand the Stipulation and Proposed Order and the effect it will have on State Gambling License Number GEGE-000407, formerly number 990002. I enter into this Stipulation and Proposed Order voluntarily, knowingly, and intelligently, and agree to be bound by the Order of the Commission.

Dated: ~~May~~ June 17, 2011

ALBERT CIANFICHI
Respondent, Kelly's Cardroom

APPROVED AS TO FORM

I have read the terms and conditions and other matters contained in the above Stipulation and Proposed Order and approve it as to form.

Dated: ~~May~~ June 22, 2011

RODNEY BLONIEN
Attorney for Respondent

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COMPLAINANT'S ACCEPTANCE

I have carefully read the foregoing Stipulation and Proposed Order and have fully discussed it with attorneys from the Department of Justice Office of Attorney General. On behalf of the Bureau, I enter into this Stipulation and Proposed Order voluntarily, knowingly, and intelligently, and agree to be bound by the Order of the Commission.

Dated: June ___, 2011

MARTIN HORAN JR., ACTING CHIEF
Bureau of Gambling Control

ENDORSEMENT

The foregoing Stipulation and Order are hereby respectfully submitted for consideration by the California Gambling Control Commission.

Dated: June ___, 2011

KAMALA D. HARRIS
Attorney General of the State of California

By: _____
JENNIFER T. HENDERSON
Deputy Attorney General
Attorneys for Complainant

COMPLAINANT'S ACCEPTANCE

I have carefully read the foregoing Stipulation and Proposed Order and have fully discussed it with attorneys from the Department of Justice Office of Attorney General. On behalf of the Bureau, I enter into this Stipulation and Proposed Order voluntarily, knowingly, and intelligently, and agree to be bound by the Order of the Commission.

Dated: June 22, 2011

MARTIN HORAN JR., ACTING CHIEF
Bureau of Gambling Control

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Dated: June ___, 2011

KAMALA D. HARRIS
Attorney General of the State of California

By: _____
JENNIFER T. HENDERSON
Deputy Attorney General
Attorneys for Complainant

COMPLAINANT'S ACCEPTANCE

I have carefully read the foregoing Stipulation and Proposed Order and have fully discussed it with attorneys from the Department of Justice Office of Attorney General. On behalf of the Bureau, I enter into this Stipulation and Proposed Order voluntarily, knowingly, and intelligently, and agree to be bound by the Order of the Commission.

Dated: June ___, 2011

MARTIN HORAN JR., ACTING CHIEF
Bureau of Gambling Control

ENDORSEMENT

The foregoing Stipulation and Order are hereby respectfully submitted for consideration by the California Gambling Control Commission.

Dated: June 22, 2011

KAMALA D. HARRIS
Attorney General of the State of California

By: _____
JENNIFER T. HENDERSON
Deputy Attorney General
Attorneys for Complainant

DECISION AND ORDER

DECISION AND ORDER OF THE COMMISSION:

The foregoing Stipulation of the parties "In the Matter of the Accusation Against Albert Cianfichi, Sole Proprietor, Kelly's Cardroom, License Number GEGE-000407" OAH Case No. 2010050095 has been adopted by a majority vote of the Commission as its final decision and order in this matter and is effective upon execution below by the Commission members.

IT IS SO ORDERED

Dated: 9/22/11 Signature: Stephanie Shimazu, Chairperson

Dated: 9/22/2011 Signature: Tiffany E. Conklin, Commissioner

Dated: 9/22/11 Signature: Lauren Hammond, Commissioner

Dated: 9/22/11 Signature: Richard Schuetz, Commissioner