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8 **BEFORE THE**
9 **CALIFORNIA GAMBLING CONTROL COMMISSION**

10
11 **In the Matter of the Accusation Against:**
12 **DON JUAN CLUB AND CASINO**
2785 Don Juan Drive
13 Rancho Cordova, California
14 **Juan Guzman, Owner**
15 **Owner's License Number 990039**
16 **Respondent.**

DGC # SA04-00090-01
OAH No. _____

**STIPULATED SETTLEMENT
AND DISCIPLINARY ORDER**

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18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the
19 above-entitled proceedings that the following matters are true:

20 **PARTIES**

21 1. On November 28, 2006, Robert E. Lytle, Jr. ("Complainant") brought an
22 Accusation against Juan Guzman, which was filed with the California Gambling Control
23 Commission ("Commission") on December 28, 2006. Complainant is the Director of the
24 Division of Gambling Control ("Division") within the California Department of Justice and
25 brought the above-entitled matter solely in his official capacity. Complainant is represented in
26 this matter by Marc A. Le Forestier, Deputy Attorney General, Office of the Attorney General of
27 the State of California.

1 2. Respondent Juan Guzman ("Respondent") is the holder of Owner's Gambling
2 License No. 990039, issued by the Commission, which license authorizes Respondent to own, as
3 a sole proprietor, and operate the gambling enterprise known as Don Juan's Cardroom and
4 Casino ("Cardroom"), located at 2785 Don Juan Avenue, in Rancho Cordova, California. As a
5 result of the resolution of a separate accusation, the revocation of this license is stayed pending
6 the completion of probation.

7 3. Respondent is represented in this proceeding by attorney Julie Ruiz-Sierra, Esq.,
8 whose offices are located at 2129 Hacienda Way, Suite D, Sacramento, California.

9 4. The Accusation against Respondent alleges violations of the Gambling Control
10 Act and ordinances of the City of Rancho Cordova, and relates to his relinquishment of control
11 over the Cardroom to Kermit Schayltz and Leo Chu, the principal shareholders of Point Walker,
12 Inc., Lucky Derby Casino. A copy of the Accusation in Division of Gambling Control Case No.
13 SA04-00090-01 is attached as Exhibit A and incorporated by reference.

14 5. The Accusation is currently pending against Respondent. The Accusation, and
15 other statutorily required documents, were served on Respondent on or about November 28,
16 2006.

17 6. Respondent has carefully read, fully discussed with counsel, and understands the
18 charges and allegations in the Accusation. Respondent has also carefully read, fully discussed
19 with counsel, and understands the effect of this Stipulated Settlement and Disciplinary Order.

20 7. Respondent is fully aware of his legal rights in this matter, including the right to a
21 hearing on the charges and allegations in the Accusation; the right to be represented by counsel at
22 such hearing at his own expense; the right to present evidence and to testify on his own behalf;
23 the right to the issuance of subpoenas to compel the attendance of witnesses and the production
24 of documents; the right to reconsideration and court review of an adverse decision; and all other
25 rights accorded by the California Administrative Procedure Act and other applicable laws.

26 8. Respondent voluntarily, knowingly, and intelligently waives and gives up each
27 and every right set forth in paragraph seven (7) above.

28 9. Respondent admits the truth of the allegations in the Accusation.

1 10. Respondent agrees that his gambling license, identified as Owner's Gambling
2 License No. 990039, is subject to discipline as a result of the charged allegations and he agrees to
3 be bound by the Commission's imposition of discipline as set forth in the Disciplinary Order
4 below.

5 11. This Stipulated Settlement shall be subject to approval by the Commission.
6 Respondent specifically agrees that, at any time following execution of this Stipulated
7 Settlement, but prior to the Commission's decision whether to adopt this Stipulated Settlement as
8 its decision and enter the Disciplinary Order, counsel for Complainant and the staff of the
9 Division may communicate directly with the Commission regarding this stipulation and
10 settlement, without notice to, or participation by, Respondent or his counsel, and that no such
11 communications shall be deemed a prohibited ex parte communication. By signing the
12 Stipulated Settlement, Respondent specifically agrees that he may not withdraw his agreement or
13 seek to rescind the Stipulated Settlement prior to the time the Commission considers and acts
14 upon it. If the Commission fails to adopt this Stipulated Settlement as its decision and Order, the
15 Stipulated Settlement and Disciplinary Order shall be of no force or effect, and, except for
16 actions taken pursuant to this paragraph, it shall be inadmissible in any legal action between the
17 parties. The Commission shall not be disqualified from any further action by reason of having
18 considered the Stipulated Settlement.

19 12. The parties specifically agree that facsimile copies of this Stipulated Settlement
20 and Disciplinary Order, including facsimile signatures thereon, shall have the same force and
21 effect as the originals.

22 13. This stipulated settlement and disciplinary order supercedes any prior stipulated
23 settlement and disciplinary order between the parties to this proceeding, DGC # SA04-00090-01.

24 14 In consideration of the foregoing admissions and stipulations, the parties agree
25 that the Commission may, without further notice or formal proceeding, issue and enter the
26 following Disciplinary Order:
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DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Respondent Juan Guzman be subjected to the following discipline:

1. **Imposition of Fine.** Respondent Juan Guzman shall pay a fine of \$30,000.00 to the Division of Gambling Control, pursuant to Business and Professions Code, section 19930, which fine shall constitute full satisfaction of this paragraph one. The fine shall be due and payable to the Division of Gambling Control upon confirmation of this Stipulated Settlement and Disciplinary Order by the California Gambling Control Commission.

2. **Reimbursement of Division Costs.** Respondent Juan Guzman shall pay to the Division its costs of investigation and prosecution in the amount of \$5,000.00. These costs of investigation and prosecution shall also be due and payable to the Division of Gambling Control upon confirmation of this Stipulated Settlement and Disciplinary Order by the California Gambling Control Commission.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Julie Ruiz-Sierra. I understand the Stipulated Settlement and the effect it will have on my gambling license. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Disciplinary Order of the Commission.

Dated: June 27, 2007



JUAN GUZMAN
Respondent

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I have read and fully discussed with Respondent Juan Guzman the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

Dated: June 27, 2007



JULIE RUIZ-SIERRA
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Gambling Control Commission.

Dated: ~~June~~ July 6, 2007

EDMUND G. BROWN JR.
Attorney General of the State of California

By: 

MARC A. LE FORESTIER
Deputy Attorney General
Attorneys for Complainant

In the Matter of the Accusation Against:

Don Juan Club and Casino
Juan Guzman, Owner

Owner's License Number 990039

DGC Case Number SA04-00090-01

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER

DECISION AND ORDER OF THE COMMISSION:

The attached Stipulation was adopted by a majority vote of the Commission as its final decision and order in this matter at the Commission Meeting of June 28, 2007 and is effective immediately.

IT IS SO ORDERED.

Signature:


Dean Shelton, Commission Chair