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10  
11 **BEFORE THE**  
**CALIFORNIA GAMBLING CONTROL COMMISSION**  
12 **STATE OF CALIFORNIA**

13  
14 **In the Matter of the First Amended**  
**Statement of Issues Against:**

15  
16 **LEON BERNARDI**

17 **42650 Long Hollow Drive**  
**Coarsegold, CA 93614**

18 **Key Employee License No. GEKE-001408**

19  
20 **Respondent.**  
21

**OAH No. 2016030545**  
**BGC No. BGC-HQ2013-00003AC**

22 **STIPULATED SETTLEMENT**

Hearing Dates: January 14-24, 2019  
Starting Time: 9:00 a.m.  
Administrative Law Judge Coren D. Wong

23 **PURPOSE OF THIS STIPULATED SETTLEMENT**

24 This Stipulated Settlement resolves the First Amended Statement of Issues (FAS), dated  
25 June 29, 2017, in the above-entitled matter. Respondent Leon Nick Bernardi (Respondent) holds  
26 an interim renewal key employee license and has applications pending for renewal of his key  
27 employee license pursuant to the Gambling Control Act (Act) (Bus. & Prof. Code, § 19800 et  
28

1 seq.). The FAS seeks to deny the renewal applications for lack of suitability for licensing under  
2 the Act and the regulations promulgated thereunder.

3 **PARTIES**

4 1. Wayne J. Quint, Jr., filed and served the FAS solely in his official capacity as the  
5 Director of the California Department of Justice, Bureau of Gambling Control (Bureau).  
6 Stephanie Shimazu (Complainant) is currently the Bureau's Director and is signing this Stipulated  
7 Settlement solely in her official capacity.

8 2. On or about November 25, 2008, the California Gambling Control Commission  
9 (Commission) licensed Respondent as a key employee. On or about August 20, 2012,  
10 Respondent filed an Application for Gambling Establishment Key Employee License, CGCC-031  
11 (Rev. 05/1), with the Commission for renewal of his key employee license. On or about March  
12 20, 2017, Respondent filed an Application for Gambling Establishment Key Employee License,  
13 BGC 031 (Rev. 4/2013), with the Bureau for renewal of his key employee license.

14 3. The Commission has issued an interim renewal key employee license (GEKE-  
15 001408) to Respondent.

16 **JURISDICTION**

17 4. At its April 26, 2013, meeting, the Commission referred the renewal of  
18 Respondent's key employee license to an evidentiary hearing. On October 8, 2015, the  
19 Commission referred this matter to an Administrative Procedures Act hearing before an  
20 Administrative Law Judge sitting on behalf of the Commission pursuant to California Code of  
21 Regulations, title 4, section 12058, subdivision (a).

22 5. On December 4, 2015, Respondent was served with a Statement of Issues, as well  
23 as Statement to Respondent ((Gov. Code, § 11505, subd. (b)), Request for Discovery (Gov. Code,  
24 § 11597.6), copies of Government Code sections 11507.5, 11507.6 and 11507.7, and two copies  
25 of the Notice of Defense form (Gov. Code, §§ 11505 & 11506).

26 6. Respondent filed a timely Notice of Defense.

27 7. On June 29, 2017, Respondent was served with the FAS.  
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1 Act such facts provide a sufficient factual basis to discipline, suspend, and deny his applications  
2 to renew his license.

3 13. Respondent understands and agrees that the admissions made in paragraphs 11 and  
4 12 above may be entered into evidence in any legal proceeding brought or prosecuted by the  
5 Commission or the Bureau, as if those admissions were made under oath and penalty of perjury.  
6 The admissions made by Respondent herein are only for the purposes of this proceeding, or any  
7 future proceedings in which the Bureau, the Commission, or any successor agency is involved  
8 regarding gambling activities, and shall not be otherwise admissible in any criminal, civil, or  
9 unrelated administrative proceeding.

10 14. Upon the effective date of the Decision and Order issued by the Commission  
11 adopting this Stipulated Settlement (Effective Date), Respondent's pending key employee license  
12 renewal applications will be granted and his key employee license will be renewed. Immediately  
13 thereafter, Respondent's key employee license will be suspended for a total of 24 months  
14 (Suspension Period). A portion of the Suspension Period, however, may be stayed as follows:

15 a. Within 15 days following the Effective Date and renewal pursuant to this  
16 paragraph 14, Respondent's key employee license shall be suspended for a period of 37  
17 days (Full Suspension). During the Full Suspension, Respondent shall not work or  
18 perform services directly or indirectly, including without limitation as an owner,  
19 employee, agent, or contractor, in any capacity for any gambling establishment, third  
20 party provider of proposition player services, or any other entity or person licensed or  
21 approved by the Commission.

22 b. Upon completion of the Full Suspension, the suspension shall be stayed for  
23 the remainder (Probation Period) of the Suspension Period. During the Probation Period,  
24 the suspension will be stayed provided that Respondent performs and complies with each  
25 and every condition of this Stipulated Settlement.

26 c. In addition to the suspension described in this paragraph 14, Respondent  
27 shall pay a penalty of \$1,500.00 within 30 days of the Effective Date. The penalty will be  
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1 payable to the Bureau and will be deposited in accordance with Business and Professions  
2 Code section 19950, subdivision (a).

3 d. If the suspension remains stayed in accordance with this paragraph 14 for  
4 the entire Probation Period, the suspension shall be deemed satisfied and shall expire  
5 without any further order by the Commission.

6 15. During the Probation Period, Respondent shall meet, or perform, the following  
7 conditions:

8 a. Respondent shall make no personal loan for any purpose to any owner of,  
9 employee of, or person affiliated with any licensed gambling establishment or third party  
10 provider of proposition player services.

11 b. Respondent shall report any known or suspected violation of the Act to the  
12 Bureau in the manner and within the time period prescribed by California Code of  
13 Regulations, title 11, section 2052.

14 c. Respondent shall report any known or suspected violation of state or  
15 federal law to the Bureau within five calendar days of obtaining knowledge or notice of  
16 the possible violation.

17 d. Within five calendar days of entering into any letter of intent or agreement,  
18 whether directly or indirectly through an affiliate, to acquire any interest whatsoever in a  
19 gambling establishment or third party provider of proposition player services, Respondent  
20 shall report in writing such agreement to the Bureau and provide copies of written  
21 documents evidencing, summarizing, or memorializing the letter of intent or agreement.

22 e. Within five calendar days of entering into any letter of intent or agreement,  
23 whether directly or indirectly through an affiliate, to provide financing, loan monies, or  
24 extend credit to any person or entity licensed or registered under the Act or an affiliate of  
25 such person or entity, Respondent shall report in writing such agreement to the Bureau  
26 and provide copies of written documents evidencing, summarizing, or memorializing the  
27 letter of intent or agreement.

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1           f.       Respondent shall comply in all material respects with the Act, the  
2 regulations adopted under the Act, the California Penal Code, and any local ordinances  
3 and regulations governing gambling or the operation of gambling establishments.

4       16.       Respondent agrees that it shall be a default under this Stipulated Settlement to (a)  
5 fail to pay the penalties provided in section 14 when due or (b) fail otherwise to comply with any  
6 term of this Stipulated Settlement.

7       17.       Respondent agrees that upon a default, any license issued by the Commission to  
8 him shall be deemed to be suspended automatically and immediately and shall be of no effect for  
9 the remainder of the Probation Period. Respondent expressly waives any right to hearing with  
10 respect to, or arising out of, any license suspension based upon a default in paying the penalties or  
11 based upon the admissions in paragraphs 11 and 12 above. The parties understand and  
12 acknowledge that Respondent may request a hearing as to any other basis for default.

13       18.       Respondent has been advised and, therefore understands and acknowledges, that  
14 upon the Effective Date, his interim renewal license will cease to be valid and will be  
15 automatically canceled. (Cal. Code Regs., tit. 4, § 12035, subd. (b)(2).)

16       19.       The parties agree that this Stipulated Settlement fully resolves their dispute  
17 concerning the FAS, and that, except upon default, no further penalties, fines, and costs shall be  
18 sought against Respondent based solely upon the allegations contained within the FAS.

19       20.       This Stipulated Settlement shall be subject to adoption by the Commission.  
20 Respondent understands and specifically agrees that counsel for the Complainant, and the  
21 Bureau's staff, may communicate directly with the Commission regarding this Stipulated  
22 Settlement, without notice to, or participation by, Respondent or his counsel, and that no such  
23 communication shall be deemed a prohibited ex parte communication. Respondent specifically  
24 acknowledges and agrees that such communications are permissible pursuant to Government  
25 Code section 11430.30, subdivision (b).

26       21.       By signing this Stipulated Settlement, Respondent understands and agrees that he  
27 may not withdraw his agreement or seek to rescind the Stipulated Settlement prior to the time the  
28 Commission considers and acts upon it. If the Commission fails to adopt this Stipulated

1 Settlement as its Decision and Order, this Stipulated Settlement shall be of no force or effect, and,  
2 except for actions taken pursuant to this paragraph and paragraph 20 above, it shall be  
3 inadmissible in any legal action between the parties. The Commission's failure to adopt the  
4 Stipulated Settlement shall not disqualify it from any further action regarding Respondent's  
5 licensure, including, but not limited to, disposition of the FAS by a decision and order following a  
6 hearing on the merits.

7 22. This Stipulated Settlement may be executed in counterparts. The parties agree that  
8 a photocopy, facsimile or electronic copy of this Stipulated Settlement, including copies with  
9 signatures thereon, shall have the same force and effect as an original.

10 23. In consideration of the above admissions and stipulations, the parties agree that the  
11 Commission may, without further notice or formal proceeding, issue and enter the Decision and  
12 Order adopting this Stipulated Settlement.

13 [SIGNATURES ON FOLLOWING PAGES]  
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ACCEPTANCE

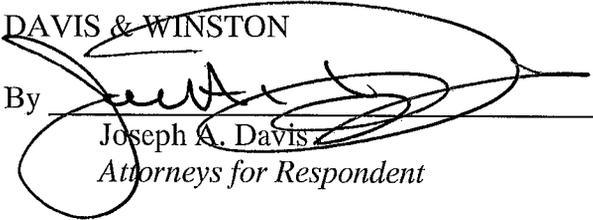
Respondent has carefully read and considered the above Stipulated Settlement. Respondent has discussed its terms and effects with legal counsel. Respondent also understands the Stipulated Settlement and the effects it will or may have on Respondent's key employee license. Respondent further understands that his key employee will be suspended for 24 months subject to Full Suspension for 37 days, a stay during the Probation Period, and conditions. Respondent further understands that he will be obligated to pay the Bureau penalties totaling \$1,500.00. Respondent enters into this Stipulated Settlement voluntarily, knowingly and intelligently, and agrees to be bound by its terms.

Dated: January 4, 2019

  
\_\_\_\_\_  
Leon Bernardi  
Respondent

Approved as to Form:

Dated: January 4, 2019

DAVIS & WINSTON  
By   
\_\_\_\_\_  
Joseph A. Davis  
*Attorneys for Respondent*

COMPLAINANT'S ACCEPTANCE

Dated: January \_\_, 2019

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STEPHANIE SHIMAZU, Director  
Bureau of Gambling Control  
California Department of Justice

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Dated: January \_\_, 2019

\_\_\_\_\_  
Leon Bernardi  
Respondent

Approved as to Form:

Dated: January \_\_, 2019

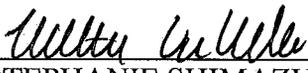
DAVIS & WINSTON

By \_\_\_\_\_

Joseph A. Davis  
*Attorneys for Respondent*

COMPLAINANT'S ACCEPTANCE

Dated: January 4, 2019

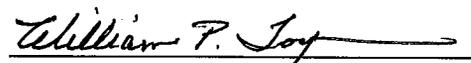
  
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The foregoing Stipulated Settlement is hereby respectfully submitted for consideration by the California Gambling Control Commission.

Dated: January 4, 2019

XAVIER BECERRA  
Attorney General of California  
SARA J. DRAKE  
Senior Assistant Attorney General  
T. MICHELLE LAIRD  
Supervising Deputy Attorney General

  
WILLIAM P. TORNGREN  
Deputy Attorney General  
*Attorneys for the Complainant*

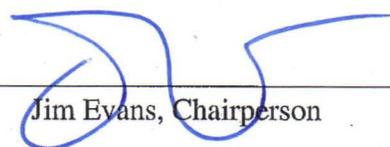
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**DECISION AND ORDER OF THE COMMISSION**

The California Gambling Control Commission hereby adopts the foregoing Stipulated Settlement of the parties for the case of *In the Matter of the First Amended Statement of Issues Against: Leon Bernardi*, BGC Case No. HQ2013-00003AC, and OAH Case No. 201630545, as its final Decision and Order in the matter to be effective upon execution below by its members.

**IT IS SO ORDERED**

Dated: 4/29/19

  
\_\_\_\_\_  
Jim Evans, Chairperson

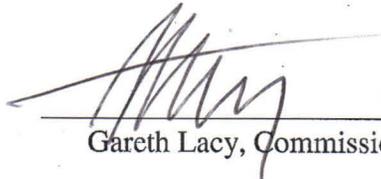
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\_\_\_\_\_  
Trang To, Commissioner

Dated: 4/29/19

  
\_\_\_\_\_  
Paula LaBrie, Commissioner

Dated: 4/29/19

  
\_\_\_\_\_  
Gareth Lacy, Commissioner