

1 XAVIER BECERRA
Attorney General of California
2 SARA J. DRAKE
Senior Assistant Attorney General
3 T. MICHELLE LAIRD
Supervising Deputy Attorney General
4 PARAS HRISHIKESH MODHA
Deputy Attorney General
5 WILLIAM P. TORNGREN
Deputy Attorney General
6 State Bar No. 58493
1300 I Street, Suite 125
7 P.O. Box 944255
Sacramento, CA 94244-2550
8 Telephone: (916) 210-7782
Fax: (916) 327-2319
9 E-mail: William.Torngren@doj.ca.gov
Attorneys for Complainant

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

14 **In the Matter of the Application for Denial
of State Gambling Licenses for:**

15 **LEWIS & LEWIS, INC.,
dba CAMEO CLUB
16 522 W. Benjamin Holt Drive
Stockton, California 95207**

17 **LICENSE NUMBERS GEOW-000853, GEGE-
18 000340;**

19 **DAVID AND MARGARET LEWIS 1999 FAMILY
20 TRUST, LICENSE NUMBER GEOW-003234;**

21 **MARGARET LEWIS, LICENSE NUMBER
22 GEOW-003216;**

23 **NATALIE J. LEWIS SURVIVORS TRUST,
24 LICENSE NUMBER GEOW-003284;**

25 **DAVID RYAN LEWIS, LICENSE NUMBER
26 GEOW-003341; AND**

27 **BROOKE LEWIS-SIEMERS, LICENSE NUMBER
28 GEOW-003342,**

Respondents.

BGC Case No. HQ2018-00027SL

CGCC Case No.: CGCC-2018-0426-7B

**SETTLEMENT STIPULATION,
DECISION AND ORDER**

Date: TBA
Time: TBA
Address: 2399 Gateway Oaks, Suite 100
Sacramento, CA 95833

1 **STIPULATED SETTLEMENT**

2 **PURPOSE OF THIS STIPULATED SETTLEMENT**

3 This Stipulated Settlement resolves the Statement of Reasons (Statement of Reasons) in
4 the above-entitled matter. This Stipulated Settlement constitutes a settlement and compromise
5 between the parties to the Statement of Reasons, which requests that the California Gambling
6 Control Commission (Commission) deny Respondents'¹ applications to renew their state
7 gambling licenses.

8 **PARTIES**

9 1. Stephanie Shimazu (Complainant) brought the Statement of Reasons solely in her
10 official capacity as the Director of the California Department of Justice, Bureau of Gambling
11 Control (Bureau).

12 2. On February 1, 2016, pursuant to its powers under the Gambling Control Act
13 (Act), the Commission issued an Owner's Gambling License, license number GEOW-000853, to
14 Lewis & Lewis, Inc. (Corporation). The Corporation owns, operates, and does business as the
15 Cameo Club, gambling establishment license number GEGE-000340. The Cameo Club is an
16 eight-table card room in Stockton, California. Also on February 1, 2016, the Commission issued
17 Owner's Gambling Licenses to the following persons and entities, and each is endorsed on the
18 Cameo Club's gambling establishment license:

- 19 a. The David and Margaret Lewis 1999 Family Trust, license number GEOW-
20 003234;
- 21 b. Margaret Lewis, license number GEOW-003216;
- 22 c. The Natalie J. Lewis Survivors Trust, license number GEOW-003284;
- 23 d. David Ryan Lewis, license number GEOW-003341; and
- 24 e. Brooke Lewis-Siemers, license number GEOW-003342.

25 3. In October 2017, the Bureau received renewal applications (collectively,
26 Applications) for state gambling license from Respondents. On April 26, 2018, the Commission

27 _____
28 ¹ The licensees listed in the caption above are collectively referred to as "Respondents"
and, individually, as "Respondent" in this Stipulated Settlement.

1 considered Respondents' Applications and referred the matter to an evidentiary hearing pursuant
2 to California Code of Regulations, title 4, section 12054, subdivision (a)(2).

3 4. On April 26, 2018, the Commission issued interim renewal licenses to each
4 Respondent pursuant to California Code of Regulations, title 4, section 12035, subdivision (a)(1).

5 **JURISDICTION**

6 5. Each Respondent was served with the Statement of Reasons, as well as a Statement
7 to Respondent.

8 6. Each Respondent filed timely a Notice of Defense.

9 **ADVISEMENT AND WAIVERS**

10 7. Each Respondent has carefully reviewed, and has discussed with counsel, the legal
11 and factual allegations in the Statement of Reasons. Each Respondent has also carefully
12 reviewed, and has discussed with counsel, this Stipulated Settlement. Each Respondent fully
13 understands the terms and conditions contained within this Stipulated Settlement and the effects
14 thereof.

15 8. Each Respondent is fully aware of his, her, or its legal rights in this matter,
16 including: the right to a hearing on all the allegations in the Statement of Reasons; the right to be
17 represented by counsel of his, her, or its choice at his, her, or its own expense; the right to
18 confront and cross-examine the witnesses against him, her, or it; the right to present evidence and
19 testify on his, her, or its own behalf; the right to the issuance of subpoenas to compel the
20 attendance of witnesses and the production of documents; the right to apply for reconsideration
21 and court review of an adverse decision; and all other rights afforded by the Act, the
22 Commission's regulations, and all other applicable laws.

23 9. Each Respondent voluntarily, knowingly, and intelligently waives and gives up
24 each and every right set forth in paragraph 8 above, and agrees to be bound by this Stipulated
25 Settlement.

26 **STIPULATED AGREEMENT OF SETTLEMENT**

27 10. For the purposes of resolving and settling the Statement of Reasons and for any
28 other matter now and in the future involving the Commission, the Bureau, or gambling activities,

1 each Respondent admits that all the factual and legal allegations in the Statement of Reasons are
2 true, accurate, and complete, and that such allegations provide a sufficient legal and factual basis
3 to deny renewal of his, her, or its license and for invalidation of any interim renewal license.

4 11. Each Respondent understands and agrees that the admissions made in paragraph
5 10 above may be entered into evidence in any legal proceeding brought or prosecuted by the
6 Commission or the Bureau, as if those admissions were made under oath and penalty of perjury.
7 The admissions made by Respondents herein are only for the purposes of this proceeding, or any
8 future proceedings in which the Bureau, the Commission, or any successor agency is involved
9 regarding gambling activities, and shall not be otherwise admissible in any criminal, civil, or
10 unrelated administrative proceeding.

11 12. Upon the effective date of the Decision and Order issued by the Commission
12 adopting this Stipulated Settlement (the Effective Date), Respondents' pending Applications will
13 be granted and their state gambling licenses will be renewed. Immediately thereafter, each
14 Respondent's state gambling license will be revoked. The revocation, however, shall be stayed as
15 provided in paragraph 13 of this Stipulated Settlement. Each Respondent acknowledges,
16 understands, and agrees that the stay of revocation of his, her, or its state gambling license is
17 intended to preserve the Cameo Club's existence for purposes of Business and Professions Code
18 sections 19962 and 19963, to allow a possible sale of Cameo Club's assets or business, and to
19 allow Cameo Club to be a going concern for whatever benefits that it may provide to its
20 employees, the community, and the general public.

21 13. Revocation of each Respondent's license shall be stayed for 12 months from the
22 Effective Date (the Stay Period) during which time Respondents shall make a good faith and
23 diligent effort to sell Cameo Club's assets or business. Respondents warrant and represent that
24 they have entered into an agreement to sell Cameo Club's assets and business and presented that
25 agreement to the Bureau for review. Except as provided herein, under no circumstances may the
26 Stay Period be extended or otherwise lengthened beyond 12 months from the Effective Date. At
27 the end of 12 months, the Stay Period will expire, except if a complete application, which
28 includes all transaction documents, for approval of a sale (the Sale Application) is pending before

1 the Bureau and/or the Commission, in which case the Stay Period shall continue until the earliest
2 of (a) April 30, 2020, and any license-extension period allowed by the Act, (b) the date the
3 Commission denies the Sale Application, or (c) the date that a sales transaction is closed and
4 ownership is transferred following the Commission's approval of the Sale Application.

5 a. The Stay Period shall terminate, and Respondents' licenses shall be revoked, upon
6 any of the following events: (1) Respondents close a sale of Cameo Club's assets
7 or business (Sales Event); or (2) the expiration of the Stay Period. Each
8 Respondent warrants, represents, and agrees that any Sales Event shall be subject
9 to the Commission's prior approval.

10 b. Upon the expiration or termination of the Stay Period, each Respondent's state
11 gambling license shall be automatically revoked without hearing or any right to
12 appeal. Each Respondent expressly waives any right to appeal, or to contest, such
13 revocation. Each Respondent further expressly waives any right to a hearing on
14 such revocation.

15 14. Each Respondent has been advised and, therefore understands and acknowledges,
16 that neither Complainant nor the Bureau has filed an accusation to revoke Respondents' licenses
17 pursuant to Business and Professions Code section 19930, subdivision (b). Each Respondent
18 agrees that the admissions made in paragraph 10 above provide sufficient legal and factual bases
19 to revoke his, her, or its license. After consultation with and receiving advice from his, her, or its
20 attorney, each Respondent voluntarily, knowingly, and intelligently waives any requirement that
21 Complainant or the Bureau file an accusation with the Commission in accordance with the
22 California Administrative Procedure Act (Gov. Code, § 11370 et seq.), the Act, and all other
23 applicable laws. Additionally, after consultation with and receiving advice from his, her, or its
24 attorney, each Respondent voluntarily, knowingly, and intelligently waives and gives up each and
25 every right available to or afforded him, her, or it by the California Administrative Procedure Act,
26 the Act, and all other applicable laws with respect to revocation of his, her, or its license.

27 15. Each Respondent agrees that for a period of three years following the Effective
28 Date, he, she, or it shall be deemed ineligible to hold, and shall not apply directly or indirectly for,

1 any license, registration, finding, or permit issued under the Act or any other law relating to
2 gambling in the state, or for any activity that is under the Commission's, the Bureau's, or any
3 successor agency's jurisdiction.

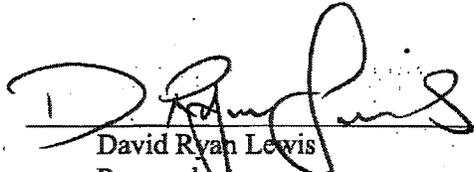
4 16. Each Respondent has been advised and, therefore understands and acknowledges,
5 that upon the Effective Date of the Decision and Order issued by the Commission adopting this
6 Stipulated Settlement, his, her, or its interim renewal license will cease to be valid and will be
7 automatically canceled. (Cal. Code Regs., tit. 4, § 12035, subd. (b)(2).)

8 17. The parties agree to bear their own costs, expenses, and fees in connection with the
9 Applications, the Statement of Reasons, the proceeding pursuant to the Statement of Reasons, and
10 this Stipulated Settlement. Notwithstanding the foregoing, Respondents agree that any funds
11 deposited with the Bureau on account of or in connection with the Applications will not be
12 refunded.

13 18. This Stipulated Settlement shall be subject to adoption by the Commission.
14 Respondents understand and specifically agree that counsel for the Complainant, and
15 the Bureau's staff, may communicate directly with the Commission regarding this Stipulated
16 Settlement, without notice to, or participation by, Respondents or their counsel, and that no such
17 communication shall be deemed a prohibited ex parte communication. Each Respondent
18 specifically acknowledges and agrees that such communications are permissible pursuant to
19 Government Code section 11430.30, subdivision (b).

20 19. By signing this Stipulated Settlement, each Respondent understands and agrees
21 that he, she, or it may not withdraw his, her, or its agreement or seek to rescind the Stipulated
22 Settlement prior to the time the Commission considers and acts upon it. If the Commission fails
23 to adopt this Stipulated Settlement as its Decision and Order, this Stipulated Settlement shall be
24 of no force or effect, and, except for actions taken pursuant to this paragraph and paragraph 18
25 above, it shall be inadmissible in any legal action between the parties. The Commission's
26 consideration of this Stipulated Settlement shall not disqualify it from any further action
27 regarding Respondents' licensure, including, but not limited to, disposition of the Statement of
28 Reasons by a decision and order following a hearing on the merits.

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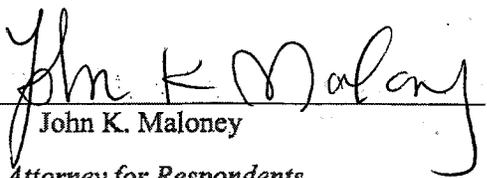


David Ryan Lewis
Respondent

Brooke Lewis-Siemers
Respondent

Approved as to Form:

Dated: November 16, 2018



John K. Maloney
Attorney for Respondents

COMPLAINANT'S ACCEPTANCE

Dated: November __, 2017

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

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

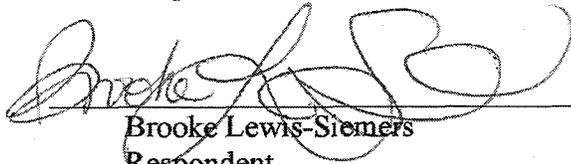
Dated: November __, 2018

XAVIER BECERRA
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David Ryan Lewis
Respondent



Brooke Lewis-Siemers
Respondent

Approved as to Form:

Dated: November __, 2018

John K. Maloney

Attorney for Respondents

COMPLAINANT'S ACCEPTANCE

Dated: November __, 2017

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

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

Dated: November __, 2018

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Attorneys for the Complainant

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Respondent

Brooke Lewis-Siemers
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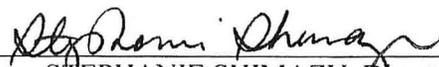
Approved as to Form:

Dated: November __, 2018

John K. Maloney
Attorney for Respondents

COMPLAINANT'S ACCEPTANCE

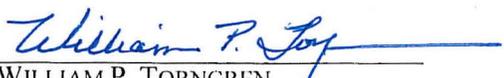
Dated: November 19, 2018


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

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

Dated: November 19, 2018

XAVIER BECERRA
Attorney General of California
SARA J. DRAKE
Senior Assistant Attorney General
T. MICHELLE LAIRD
Supervising Deputy Attorney General
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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 Application for Denial of State Gambling Licenses for: Lewis & Lewis, Inc., dba Cameo Club, et al.*, BGC Case No. HQ2018-00027SL, and CGCC Case No. CGCC-2018-0426-7B, as its final Decision and Order in the matter to be effective upon execution below by its members.

IT IS SO ORDERED

Dated: _____

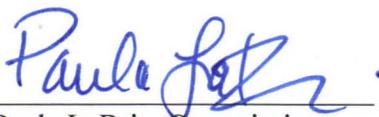
Jim Evans, Chairperson

Dated: 1/10/19



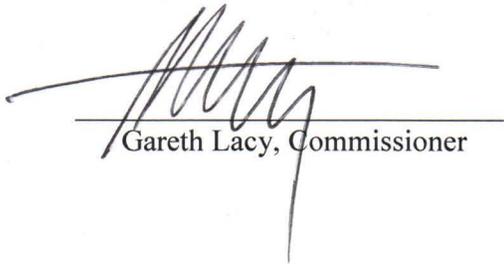
Trang To, Commissioner

Dated: 1/10/2019



Paula LaBrie, Commissioner

Dated: 1/10/2019



Gareth Lacy, Commissioner