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 9

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

13 **In the Matter of the Accusation Against:**

14 **LEWIS & LEWIS, INC., NATALIE LEWIS and**  
 15 **DAVID LEWIS, and the CAMEO CLUB,**

16 **Respondents.**

17 **License Numbers – 990060 and GEGE-000340**

**Case No. DGC # 07-00029-01**

**OAH No. 2008030880**

**STIPULATED SETTLEMENT  
 DISCIPLINARY ORDER**

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

21 **PARTIES**

22 1. The Complainant is the Bureau of Gambling Control (“Bureau”). The Bureau, is  
 23 represented in this matter by Kenneth R. Williams, Deputy Attorney General, Office of the  
 24 Attorney General of the State of California.

25 2. The Respondents are Lewis & Lewis, Inc., Natalie Lewis, and the heirs of David  
 26 Lewis, as owners of the Cameo Club (“Respondents”). Respondents are represented in this  
 27 matter by John Cammack, Esq., whose address is 3247 W. March Lane, Suite 120, Stockton,  
 28 California 95219-2334.

FACTS

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2           3. On February 1, 2006, Respondents were issued an Owner's Gambling License  
3 (No. 990060) to operate the Cameo Club located at 5757 Pacific Avenue, # 7, Stockton,  
4 California 95207. This license was valid for one year until January 31, 2007. The license has  
5 been renewed by the Commission and is currently valid until January 31, 2009.

6           4. Prior to February 16, 2007, Respondents moved the Cameo Club to 552 West  
7 Benjamin Holt Drive, Stockton, California 95207. Respondents moved to this new location  
8 without notice or approval of the California Gambling Control Commission (Commission) or the  
9 Bureau. However, the Respondents contend that an application for a new license at the new  
10 location was pending at the Bureau at the time the Cameo Club was moved.

11           5. On February 16, 2007, during a site visit, Bureau Special Agent Supervisor Ron  
12 Nakabayashi discovered that the Cameo Club was operating at its new location without first  
13 obtaining a license for the new location. SAS Nakabayashi notified Respondents of this  
14 violation during the site visit. Respondents dispute that they were so notified.

15           6. On March 8, 2007, the Bureau sent a violation notice to the Respondents'  
16 Designated Agent, Chris Ray, for operating a gambling establishment without first obtaining a  
17 State Gambling License for its new location at 552 West Benjamin Holt Drive, Stockton,  
18 California. On or about March 8, 2007, the Bureau also notified the Commission that this  
19 violation letter was sent to the designated agent for the Cameo Club.

20           7. On March 18, 2007, designated agent Mr. Ray, responded to the Notice of  
21 Violation by sending to the Bureau a copy of a new license showing the new location. Mr. Ray  
22 said he received this new license dated February 1, 2007, on March 1<sup>5</sup>/<sub>9</sub>, 2007. The Commission,  
23 in its letter to Respondents dated March 12, 2007, states that the request to relocate was  
24 approved on March 9, 2007.

25           8. On September 27, 2007, the Complainant filed the accusation in this matter. On  
26 October 30, 2007, the Respondents filed a Notice of Defense.<sup>u</sup> Settlement discussions were  
27

28           1. A copy of the Bureau's Accusation is attached to this stipulation as Exhibit A. A copy  
of the Respondents' Notice of Defense is attached hereto as Exhibit B.

1 initiated thereafter that led to this Stipulated Settlement. Respondents, during the course of  
2 settlement discussions said that they are in negotiations to sell the Cameo Club and that it may  
3 be sold and transferred to a new owner soon.

#### 4 JURISDICTION

5 9. The parties agree that the attached Accusation was properly brought by the  
6 Bureau is properly before the Commission pursuant to the authority of Business and Professions  
7 Code including, but not limited to, sections 19824, 19825 and 19826.

8 10. The parties agree that the Commission has jurisdiction over this matter and has  
9 authority to approve this Stipulated Settlement and Disciplinary Order.

#### 10 STIPULATED SETTLEMENT

11 11. Subject to the approval of the Commission, the Bureau and Respondents stipulate  
12 and agree to settle this matter on the following terms and conditions.

13 12. Respondents, for the purpose of this settlement only, admit the allegations in the  
14 attached Accusation and waive any right to appeal, challenge or collaterally attack those  
15 allegations..

16 13. Respondent agrees to be bound by the Commission's imposition of discipline and  
17 fine as set forth in the Disciplinary Order below and waive any right to appeal, challenge or  
18 collaterally attack the terms of this Stipulated Settlement and Disciplinary Order.

19 14. The Bureau agrees, for the purpose of this settlement only, to waive its costs with  
20 respect to the attached Accusation provided that there are no additional or similar violations  
21 related to the content or posting of the license by Respondents for twelve (12) months after the  
22 date of this Disciplinary Order, or until the Cameo Club is sold and transferred to a new owner,  
23 which ever is sooner, provided that Respondents comply with all the terms of this Stipulated  
24 Settlement and Disciplinary Order.

25 15. This Stipulated Settlement and Disciplinary Order is subject to approval by the  
26 Commission. The parties agree that this matter shall be considered by the Commission in closed  
27 session. Respondents also specifically agree that counsel for the Bureau may communicate  
28 directly with the Commission or its staff regarding this Stipulated Settlement and Disciplinary

1 Order during closed session without participation by Respondents or their counsel, and that no  
2 such communications shall be deemed a prohibited ex parte communication.

3 16. Respondents, in consultation with their attorney, have read and understand the  
4 charges and allegations in the Accusation. Respondents, also in consultation with their attorney,  
5 have also read and understand the terms of this Stipulated Settlement and Disciplinary Order.

6 17. Respondents are aware of their administrative rights in this matter, including: the  
7 right to a hearing, the right to confront and cross-examine witnesses, the right to present  
8 evidence and to testify, the right to the issuance of subpoenas to compel the attendance of  
9 witnesses and the production of documents and all other rights accorded by the California  
10 Administrative Procedure Act and other applicable laws. Respondents, in consultation with their  
11 attorney, voluntarily and knowingly waive and give up each such right with respect to this  
12 matter.

13 18. If the Commission fails to adopt this Stipulated Settlement and Disciplinary  
14 Order, then it shall be of no force or effect and it shall be inadmissible in any legal action  
15 involving the parties or for any purpose.

16 19. If the Commission fails to adopt this Stipulated Settlement and Disciplinary  
17 Order, then this matter shall proceed to an evidentiary hearing as scheduled by the Office of  
18 Administrative Hearings. In that event, then the Commission's consideration of this Stipulated  
19 Settlement and Disciplinary Order shall not in any way disqualify the Bureau from prosecuting  
20 or the Commission from deciding the issues raised in the Accusation or from taking further or  
21 other action with respect to the Respondents or the Respondents' operation of the Cameo Club.

22 20. Nothing in this Stipulated Settlement and Disciplinary Order is intended to delay  
23 or limit other remedies that may be available to the Bureau or the Commission to enforce other  
24 or subsequent violations by Respondents, if any, of the terms and conditions of the Respondent's  
25 gambling license or of any applicable laws and regulations.

26 21. In consideration of the foregoing agreements, admissions and stipulations, the  
27 parties agree that the Commission may, without further notice or formal proceeding, issue and  
28 enter the following Disciplinary Order:

1 **DISCIPLINARY ORDER**

2 IT IS HEREBY ORDERED that:

3 1. Respondents shall pay a fine of \$40,000 to the Bureau for the violations in the  
4 attached Accusation. Half of the fine (\$20,000) is immediately due and payable by Respondents  
5 on the date that this Order is signed. The remaining half of the fine (\$20,000) will be waived if  
6 the Respondents comply with this Order and have no additional or similar violations related to  
7 the content or posting of the license for twelve (12) months from the date of this Order, or until  
8 the Cameo Club is sold and transferred to a new owner, which ever is sooner. Respondents are  
9 jointly and severally liable for the payment of this fine and for compliance with the terms and  
10 conditions of the waiver.

11 2. Respondents shall at all times maintain and properly post at the Cameo Club a  
12 current Owners' Gambling License, with the correct address, as issued by the Commission.

13 3. Respondents shall file timely and complete renewal applications for Owners'  
14 Gambling License to the Bureau at least sixty (60) days prior to the expiration of the license.

15 4. Respondent shall obey all state and federal laws and regulations substantially  
16 related to, or governing the practice of, gambling establishments.

17 5. Respondent shall cooperate during the Bureau's and Commission's monitoring,  
18 inspections and investigation of Respondent's compliance with the terms and conditions of her  
19 license, applicable laws and regulations, and the Stipulated Settlement or this Order.

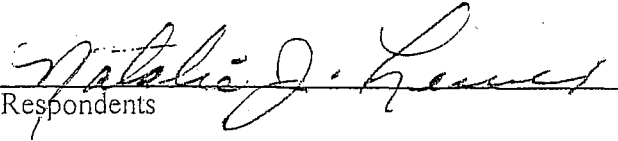
20 6. The payment of the fines required by paragraph 1 of this Order shall be made  
21 payable to the "Bureau of Gambling Control" and delivered on the date due to the Bureau at  
22 1425 River Park Drive, Suite 400, Sacramento, California 5815.

23  
24 **ACCEPTANCE**

25 We have carefully read the above Stipulated Settlement and Disciplinary Order and  
26 have fully discussed it with our attorney, John Cammack. We enter into this Stipulated  
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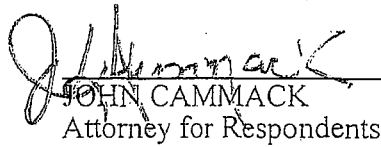
1 Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be  
2 bound by the Order of the Commission as provide above.

3  
4 Dated: July 11, 2008

  
Respondents

5  
6 I have read and fully discussed with Respondents the terms and conditions and other  
7 matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form  
8 and content.

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10 Dated: July 11, 2008

  
JOHN CAMMACK  
Attorney for Respondents

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**ENDORSEMENT**

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Gambling Control Commission by the Bureau with a request and recommendation that it be approved..

Dated: July ~~22~~ 2008

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

By: 

KENNETH R. WILLIAMS  
Deputy Attorney General

Attorneys for Complainant

In the Matter of the Accusation Against:

LEWIS & LEWIS, INC., NATALIE LEWIS and  
DAVID LEWIS and the CAMEO CLUB

License Numbers – 990060 and GEGE-000340

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OAH No. 2008030880

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 October 23, 2008 and is effective immediately.

IT IS SO ORDERED.

Signature:

  
Dean Shelton, Commission Chair