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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues
Against:
JON STRECKER
KEY EMPLOYEE LICENSE GEKE-001413

Respondent.

BGC Case No. HQ2015-00023SL
OAH No. 2016100285
STIPULATED SETTLEMENT, DECISION
AND ORDER

1 **STIPULATED SETTLEMENT**

2 **PURPOSE OF THIS STIPULATED SETTLEMENT**

3 This Stipulated Settlement resolves the First Amended Statement of Issues in BGC Case
4 Number HQ2015-00023SL (Statement of Issues). This Stipulated Settlement constitutes a
5 settlement and compromise between the parties to the Statement of Issues. The Statement of
6 Issues seeks to deny Respondent Jon Strecker's (Respondent) application to renew his key
7 employee license for violations of, and lack of suitability for continued licensing under, the
8 Gambling Control Act (Act) (Bus. & Prof. Code, § 19800 et seq.) and the regulations adopted
9 thereunder.

10 **PARTIES**

11 1. Wayne J. Quint, Jr. brought the Statement of Issues solely in his official capacity
12 as the Director of the California Department of Justice, Bureau of Gambling Control (Bureau).
13 Nathan DaValle currently is the Bureau's Acting Director. Based upon context, each is referred
14 to as Complainant in this Stipulated Settlement.

15 2. Respondent holds a key employee license (GEKE-001413). The California
16 Gambling Control Commission (Commission) issued that license. Respondent applied to renew
17 his key employee license.

18 3. On or about August 31, 2014, Respondent filed a license renewal application. On
19 November 19, 2015, the Commission referred the determination of Respondent's suitability for
20 continued licensure to a hearing to be held before an administrative law judge of the Office of
21 Administrative Hearings, pursuant to California Code of Regulations, title 4, section 12058. On
22 November 16, 2017, the Commission issued an interim renewal license to Respondent pursuant to
23 California Code of Regulations, title 4, section 12035, subdivision (a)(1) and (3). California
24 Code of Regulations, title 4, section 12035, subdivision (b)(2), provides that an interim renewal
25 license is valid for a period of two years or until a decision is final under the Commission's
26 regulations, whichever is earlier.

1 **STIPULATED AGREEMENT OF SETTLEMENT**

2 10. For the purposes of resolving and settling the Statement of Issues and for any other
3 matter now and in the future involving the Commission, the Bureau, or licensed gambling,
4 Respondent admits that all the factual and legal allegations in the Statement of Issues are true,
5 accurate, and complete, and that such allegations provide a sufficient legal and factual basis to
6 discipline, and deny renewal of, his license and for invalidation of any interim renewal license.

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

14 12. Upon the effective date of the Decision and Order issued by the Commission
15 adopting this Stipulated Settlement (Effective Date), Respondent's pending key employee license
16 renewal application will be granted and his state gambling license will be renewed. Immediately
17 thereafter, Respondent's key employee license will be suspended for 24 months (Probation
18 Period). The suspension, however, shall be stayed provided that Respondent performs and
19 complies with each and every condition of this Stipulated Settlement. If the suspension remains
20 stayed in accordance with this paragraph 12 for the entire Probation Period, the suspension shall
21 be deemed satisfied and shall expire without any further order by the Commission.

22 13. Respondent agrees to pay the Bureau a fine in the amount of \$5,000 for the
23 violations alleged in the Statement of Issues and admitted to in paragraph 10 above. Respondent
24 further agrees the fine shall be paid in full within 30 days after the Effective Date. The fine will
25 be deposited in accordance with Business and Professions Code section 19950, subdivision (a).

26 14. During the Probation Period, Respondent shall meet, or perform, the following
27 conditions:
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- 1 a. Respondent shall make no personal loan for any purpose to any owner of,
2 employee of, or person affiliated with any licensed gambling establishment.
- 3 b. Respondent shall report any known or suspected violation of the Act to the Bureau
4 in the manner and within the time period prescribed by California Code of
5 Regulations, title 11, section 2052.
- 6 c. Respondent shall report any known or suspected violation of state or federal law to
7 the Bureau within five calendar days of obtaining knowledge or notice of the
8 possible violation.
- 9 d. Within five calendar days of entering into any letter of intent or agreement,
10 whether directly or indirectly through an affiliate, to acquire any interest
11 whatsoever in a gambling establishment, Respondent shall report in writing such
12 agreement to the Bureau and provide copies of written documents evidencing,
13 summarizing, or memorializing the letter of intent or agreement.
- 14 e. Within five calendar days of entering into any letter of intent or agreement,
15 whether directly or indirectly through an affiliate, to provide financing, loan
16 monies, or extend credit to any person or entity licensed or registered under the
17 Act or an affiliate of such person or entity, Respondent shall report in writing such
18 agreement to the Bureau and provide copies of written documents evidencing,
19 summarizing, or memorializing the letter of intent or agreement.
- 20 f. Respondent shall comply in all material respects with the Act, the regulations
21 adopted under the Act, the California Penal Code, and any local ordinances and
22 regulations governing gambling or the operation of gambling establishments.
- 23 15. Respondent agrees that it shall be a default under this Stipulated Settlement to (a)
24 fail to pay the fine when due or (b) fail otherwise to comply with any term of this Stipulated
25 Settlement.
- 26 16. Respondent agrees that upon a default, any license issued by the Commission to
27 him shall be deemed to be suspended automatically and immediately and shall be of no effect for
28 the remainder of the Probation Period. Respondent expressly waives any right to hearing with

1 respect to, or arising out of, any license suspension based upon a default in paying the fine or
2 based upon the allegations of the Statement of Issues that are admitted to in paragraph 10 above.
3 The parties understand and acknowledge that Respondent may request a hearing as to any other
4 basis for default.

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

8 18. The parties agree that this Stipulated Settlement fully resolves their dispute
9 concerning the Statement of Issues, and that, except upon default, no further penalties, fines, and
10 costs shall be sought against Respondent based solely upon the allegations contained within the
11 Statement of Issues.

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

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

Dated: December 8, 2017



NATHAN DaVALLE, Acting 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: December 8, 2017

XAVIER BECERRA
Attorney General of California
SARA J. DRAKE
Senior Assistant Attorney General
NEIL D. HOUSTON
Deputy Attorney General



WILLIAM P. TORNGREN
Deputy Attorney General

Attorneys for the Complainant

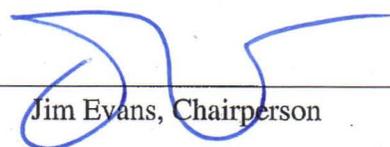
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DECISION AND ORDER OF THE COMMISSION

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

Dated: 4/29/19



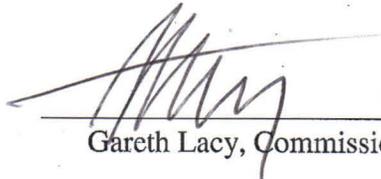
Trang To, Commissioner

Dated: 4/29/19



Paula LaBrie, Commissioner

Dated: 4/29/19



Gareth Lacy, Commissioner