

1 KAMALA D. HARRIS
Attorney General of California
2 SARA J. DRAKE
Senior Assistant Attorney General
3 RONALD L. DIEDRICH
Deputy Attorney General
4 State Bar No. 95146
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 322-1043
Fax: (916) 327-2319
7 E-mail: Ronald.Diedrich@doj.ca.gov
Attorneys for the Complainant

8
9 BEFORE THE
10 CALIFORNIA GAMBLING CONTROL COMMISSION
11 STATE OF CALIFORNIA
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14 In the Matter of the Statement of Issues
Against:

16 TIMOTHY LONG, sole proprietor
HEMPHILL'S LOUNGE AND
17 CARDROOM

18 1144 Jordan Lane
19 Napa, California 94588

20 Respondent.
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CGCC Case No. CGCC-2010-12-21
OAH No. 2012060866

STIPULATED SETTLEMENT;
DECISION AND ORDER

1 8. Respondent is fully aware of his legal rights in this matter, including the right to a
2 hearing on all the allegations in the above-titled Statement of Issues; the right to be represented
3 by counsel of his choice at his own expense; the right to confront and cross-exam the witnesses
4 against him; the right to present evidence and testify on his own behalf; the right to the issuance
5 of subpoenas to compel the attendance of witnesses and the production of documents; the right
6 to apply for reconsideration and court review of an adverse decision; and all other rights
7 afforded by the California Administrative Procedure Act (Gov. Code, § 11370 et seq.), the
8 California Gambling Control Act (Bus. & Prof. Code, § 19800 et seq.), and all other applicable
9 laws.

10 9. Respondent voluntarily, knowingly and intelligently, waives and gives up each and
11 every right set forth in paragraph 8 above; withdraws his request for a hearing on the above-
12 titled Statement of Issues; and agrees to be bound by this Stipulated Settlement.

13 **STIPULATED AGREEMENT OF SETTLEMENT**

14 10. For the purposes of resolving the above-titled Statement of Issues and/or for any
15 other matter, past, present or future, concerning the Commission, Bureau or licensed gambling,
16 Respondent admits that as of December 9, 2010, he had failed to demonstrate that his financial
17 circumstances and/or his reputation and/or habit of financial dealings did not create or enhance
18 the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of
19 controlled gambling or in the carrying on of the business and financial arrangements incidental
20 thereto; and that such a failure then provided a sufficient legal and factual basis to deny his
21 application.

22 11. For the purposes of resolving the above-titled Statement of Issues and/or for any
23 other matter, past, present or future, concerning the Commission, Bureau or licensed gambling,
24 Respondent admits that as of December 9, 2010, he had failed to present satisfactory evidence
25 that despite his outstanding debts and ongoing contractual disputes he clearly had adequate
26 financing available to protect the public's health, safety and welfare if licensed as sole
27 proprietor of Hemphill's Lounge and Cardroom as required by California Code of Regulations,
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1 title 11, section 2053, subdivision (a); and that such a failure then provided a sufficient legal
2 and factual basis to deny his application.

3 12. For the purposes of resolving the above-titled Statement of Issues and/or for any
4 other matter, past, present or future, concerning the Commission, Bureau or licensed gambling,
5 Respondent admits that as of December 9, 2010, he had failed to conduct an economic
6 feasibility study that satisfactorily demonstrated that despite the amount and nature of his
7 outstanding debts and ongoing contractual disputes he still had sufficient financial resources to
8 make Hemphill's Lounge and Cardroom a successful gambling establishment; and that such a
9 failure then provided a sufficient legal and factual basis to deny his application.

10 13. For the purposes of resolving the above-titled Statement of Issues and/or for any
11 other matter, past, present or future, concerning the Commission, Bureau or licensed gambling,
12 Respondent admits that as of December 9, 2010, he had failed to provide adequate information,
13 documentation and/or assurances that, despite the amount and nature of his outstanding debts
14 and ongoing contractual disputes, he was financially suitable for licensure as the sole proprietor
15 of Hemphill's Lounge and Cardroom such that the dangers of unsuitable, unfair, or illegal
16 practices, methods, and activities in the conduct of controlled gambling or in the carrying on of
17 the business and financial arrangements incidental thereto were not created or enhanced (Bus. &
18 Prof. Code, § 19857, subd. (b)); that he had sufficient financial resources to make Hemphill's
19 Lounge and Cardroom successful (Bus. & Prof. Code, § 19862, subd. (a)(2)); and/or that he
20 clearly had adequate financing available to protect the public's health, safety and welfare if
21 licensed as sole proprietor of Hemphill's Lounge and Cardroom (Cal. Code Regs., tit. 11, §
22 2053, subd. (a)); and that such failures then provided a sufficient legal and factual basis to deny
23 his application.

24 14. Respondent agrees that prior to the opening for business of Hemphill's Lounge
25 and Cardroom he shall provide to the Bureau's satisfaction:

26 a. A current and fully completed Cardroom Supplemental Information for State
27 Gambling License, Rev. 4/08 (BGC-APP-015C), or its most current successor form, which
28 includes the new address of the gambling establishment;

1 b. A current and valid business license issued by the City of Napa for the gambling
2 establishment;

3 c. A current, reviewed and approved Safety and Security Plan, as required by
4 California Code of Regulations, title 4, sections 12370 and 12372;

5 d. A current Emergency and Evacuation Plan, as required by California Code of
6 Regulations, title 4, section 12370, that has been approved by the responsible local authority;

7 e. A current lease for the gambling establishment's premises, if applicable; and

8 f. A current and complete Chart of Accounts, as required by California Code of
9 Regulations, title 4, section 12402.

10 15. After licensure and once Hemphill's Lounge and Cardroom has opened for
11 business, Respondent shall engage a Certified Public Accountant, who is knowledgeable
12 regarding the licensed gambling industry, to perform an annual audit of the gambling
13 establishment in accordance with generally accepted auditing standards (GAAS) and American
14 Institute of Certified Public Accountants (AICPA) auditing principles. This annual requirement
15 shall continue for four years, with the first audit to be submitted to the Bureau on the first
16 anniversary of the opening day of the gambling establishment.

17 16. The parties agree that in light of Respondent's admissions as noted in paragraphs
18 10 through 13 above; his acceptance of the penalties and conditions of licensure for that
19 behavior as noted in paragraphs 14 and 15 above; and his having now provided sufficient
20 evidence to demonstrate his financial suitability for licensure, which included an audit of his
21 finances by a Certified Public Accountant, who is knowledgeable regarding the licensed
22 gambling industry, which was performed in accordance with GAAS and AICPA auditing
23 principles, and which was reviewed by a Bureau auditor, Respondent's application for
24 licensure should be approved and his license granted.

25 17. The parties agree that this Stipulated Settlement fully resolves their dispute
26 concerning the above-titled Statement of Issues.

27 18. This Stipulated Settlement shall be subject to adoption by the Commission.
28 Respondent understands and specifically agrees that counsel for the Complainant and the staff

1 of the Bureau may communicate directly with the Commission, the Commission's Executive
2 Director and the Commission's staff regarding this Stipulated Settlement, without notice to, or
3 participation by, Respondent or his counsel, and that no such communication shall be deemed a
4 prohibited ex parte communication.

5 19. By signing this Stipulated Settlement, Respondent understands and agrees that he
6 may not withdraw his agreement or seek to rescind the Stipulated Settlement prior to the time
7 the Commission considers and acts upon it. If the Commission fails to adopt this Stipulated
8 Settlement as its decision, this Stipulated Settlement shall be of no force or effect, and, except
9 for actions taken pursuant to this paragraph and paragraph 18 above, it shall be inadmissible in
10 any legal action between the parties. The consideration of this Stipulated Settlement by the
11 Commission shall not disqualify it from any further action regarding Respondent's licensure
12 including, but not limited to, disposition of the Statement of Issues by a decision and order
13 following a hearing on the merits.

14 20. The parties agree that a photocopy, facsimile or electronic copy of this Stipulated
15 Settlement, including copies with signatures thereon, shall have the same force and effect as an
16 original.

17 21. In consideration of the above admissions and stipulations, the parties agree that the
18 Commission may, without further notice or formal proceeding, issue and enter an order
19 consistent herewith and adopting this Stipulated Settlement.

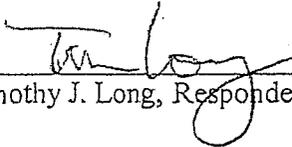
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ACCEPTANCE

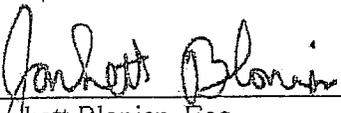
I have carefully read and considered the above Stipulated Settlement. I have discussed its terms and effects with my legal counsel. I understand the Stipulated Settlement and the effects it will have on my license. I enter into this Stipulated Settlement voluntarily, knowingly and intelligently, and agree to be bound by its terms.

Dated: March 3, 2014.



Timothy J. Long, Respondent

Dated: March 3, 2014.



Jarrett Blonien, Esq.
Attorney for Respondent

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COMPLAINANT'S ACCEPTANCE

Dated: March 4, 2014.



Anna S. Carr, Complainant
Deputy Director, Legislation and
Regulatory Affairs.
California Gambling Control Commission

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

Dated: March 4, 2014.

KAMALA D. HARRIS
Attorney General of California
SARA J. DRAKE
Senior Assistant Attorney General



RONALD L. DIEDRICH
Deputy Attorney General
Attorneys for the Complainant

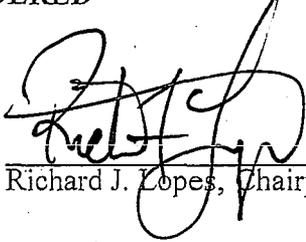
1 DECISION AND ORDER OF THE COMMISSION

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3 The foregoing Stipulated Settlement of the parties for the case of *In the Matter of the*
4 *Statement of Issues Against: Timothy J. Long, sole proprietor, Hemphill's Lounge and*
5 *Cardroom*, CGCC Case. No. CGCC-2010-12-21, has been adopted by a majority vote of the
6 California Gambling Control Commission as its final Decision and Order in this matter and is
7 effective upon execution below by the Commission members.

8 Accordingly, also effective upon execution below by the Commission members, the
9 California Gambling Control Commission approves the Application for a State Gambling
10 License submitted by Timothy J. Long, sole proprietor, Hemphill's Lounge and Cardroom, and
11 grants him a license, subject to the terms and conditions of the Stipulated Settlement.

12 IT IS SO ORDERED

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15 Dated: 4.22.2014

16 
Richard J. Lopes, Chairperson

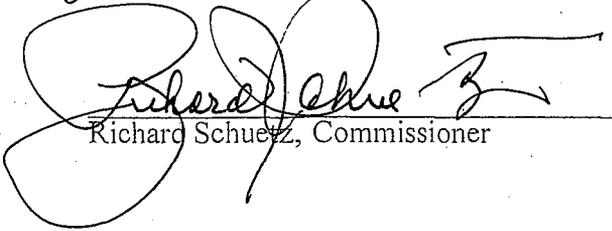
17 Dated: 4/22/2014

18 
Tiffany E. Conklin, Commissioner

19
20 Dated: 4-22-2014

21 
Lauren Hammond, Commissioner

22 Dated: 4/22/2014

23 
Richard Schuetz, Commissioner