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*Attorneys for Complainant*

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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:**

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16 **SHERWIN BOLANO PILALIA,**

17 **Respondent.**

**BGC Case No.** \_\_\_\_\_

**OAH No.** \_\_\_\_\_

**STIPULATED SETTLEMENT**

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

22 **PARTIES**

23 1. Jacob A. Appelsmith brought the above-entitled matter solely in his official capacity  
24 as Chief of the Bureau of Gambling Control ("Bureau") of the California Department of Justice.  
25 Martin J. Horan IV is the Acting Chief of the Bureau and the current Complainant in the above  
26 entitled matter and acts for all purposes in connection with the present Stipulated Settlement in his  
27 official capacity and not otherwise. Complainant is represented in this matter by Kamala D.  
28 Harris, Attorney General of the State of California, by Sylvia A. Cates, Deputy Attorney General.



1 been afforded the opportunity to discuss with counsel of his choice this Stipulated Settlement, and  
2 understands the effects thereof.

3 8. Respondent is fully aware of his legal rights in this matter, including the right to a  
4 hearing on the allegations in the Statement of Issues; the right to be represented by counsel at his  
5 own expense; the right to confront and cross-examine the witnesses against him; the right to  
6 present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel  
7 the attendance of witnesses and the production of documents; the right to apply for reconsideration  
8 and court review of an adverse decision; and all other rights afforded by the California  
9 Administrative Procedure Act, the California Gambling Control Act, and other applicable laws.

10 9. Respondent voluntarily, knowingly, and intelligently, waives and gives up each and  
11 every right set forth in paragraph eight (8) above and withdraws his request for a hearing upon the  
12 Statement of Issues and agrees to be bound by this Stipulated Settlement subject to the  
13 requirements of paragraph 17, below and upon adoption by the Commission.

#### 14 **STIPULATED AGREEMENT OF SETTLEMENT**

15 10. Respondent stipulates that he is not presently working in any capacity within the  
16 gambling industry in the State of California for which a license or work permit of any kind is  
17 required by any provision of the Gambling Control Act, Business and Professions Code section  
18 19800 et seq. (referred to herein as "Licensed Employment").

19 11. Respondent agrees that he shall not engage in Licensed Employment until such time as  
20 Respondent has duly applied for and been issued such a required license or work permit.

21 12. Respondent agrees that he shall not engage in any employment within the gambling  
22 industry in the State of California under any license or work permit of any kind issued by any local  
23 entity, including, but not limited to, any county of the State of California, until such time as  
24 Respondent has been issued a license or work permit pursuant to paragraph 11, above.

25 13. Respondent hereby withdraws his application for a temporary and regular work permit  
26 which was filed on or about April 2, 2008, with prejudice to Respondent's right to file a later  
27 application for a state gambling license or work permit. Respondent may file a new application  
28 for a state gambling license or work permit no sooner than April 2, 2013. Should Respondent file

1 a new application for a state gambling license or work permit on or after April 2, 2013, the facts  
2 pled in the Statement of Issues shall be deemed true and may be considered by the Bureau and the  
3 Commission in determining whether or not to grant such an application.

4 14. Complainant shall, within fifteen (15) court days of the issuance by the Commission of  
5 the Order which appears herein below, withdraw the Statement of Issues filed in this matter,  
6 without prejudice, and the Bureau of Gambling Control shall take no further action with regard to  
7 Respondent's application. Withdrawal of the Statement of Issues filed in this matter shall not be  
8 deemed to constitute a denial of Respondent's application.

9 15. Any application fees paid by Respondent in connection with the application which is  
10 the subject of this Stipulated Settlement shall be retained by the Bureau, and shall not be applied to  
11 or credited against any fees required to be paid in connection with any subsequent application for a  
12 state gambling license or work permit of any kind filed by Respondent.

13 16. Each party shall bear his/its own attorneys' fees and costs in this matter.

14 17. This Stipulated Settlement shall be subject to approval by the Commission.  
15 Respondent specifically agrees that counsel for Complainant and the staff of the Bureau may  
16 communicate directly with the Commission regarding this Stipulation and Settlement, without  
17 notice to, or participation by, Respondent or his counsel, and that no such communications shall be  
18 deemed a prohibited ex parte communication. By signing the Stipulated Settlement, Respondent  
19 specifically agrees that he may not withdraw his agreement or seek to rescind the Stipulated  
20 Settlement prior to the time the Commission considers and acts upon it. If the Commission fails to  
21 approve this Stipulated Settlement as its decision, the Stipulated Settlement shall be of no force or  
22 effect, and, except for actions taken pursuant to this paragraph, it shall be inadmissible in any legal  
23 action between the parties, and the consideration of this Stipulated Settlement by the Commission  
24 shall not disqualify it from further action on Respondent's application, including, but not limited  
25 to, disposition of the Statement of Issues by decision following a hearing upon the matters set forth  
26 therein.

27 18. The parties specifically agree that facsimile copies of this Stipulated Settlement,  
28 including facsimile signatures thereon, shall have the same force and effect as the originals.

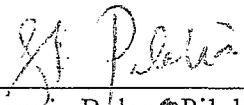


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**ACCEPTANCE**

I have carefully read the above Stipulated Settlement the proposed Order and have had the opportunity to fully discuss its terms and effect with legal counsel of my choice. I understand the Stipulated Settlement and understand the effect it will have upon my ability to work within the gambling industry in the State of California, and to later apply for a State gambling license or work permit. I understand that I may not file a new application for a State gambling license or work permit prior to April 2, 2013. I enter into this Stipulated Settlement voluntarily, knowingly, and intelligently, and agree to be bound by its terms. I understand and agree that if I fail to comply with the terms of this Stipulated Settlement, my failure to do so may, in the discretion of the Commission, be deemed a sufficient ground to deny approval of any future application I may make for licensure of any kind by the Commission.

Dated: October 19, 2011

  
\_\_\_\_\_  
Sherwin Bolan Pilalia, Respondent

**COMPLAINANT'S ACCEPTANCE**

Dated: October \_\_, 2011

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MARTIN J. HORAN IV  
Bureau of Gambling Control

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**ACCEPTANCE**

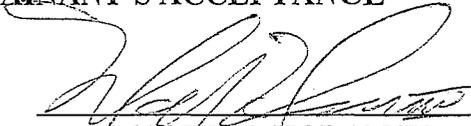
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Dated: October \_\_, 2011

\_\_\_\_\_  
Sherwin Boland Pilalia, Respondent

**COMPLAINANT'S ACCEPTANCE**

Dated: October 11, 2011

  
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MARTIN J. HORAN IV  
Bureau of Gambling Control

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**ENDORSEMENT**

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

Dated: October 26, 2011

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

  
SYLVIA A. CATES  
Deputy Attorney General  
*Attorneys for Complainant*

DECISION AND ORDER

DECISION AND ORDER OF THE COMMISSION:

The foregoing Stipulation of the parties "In the Matter of the Statement of Issues Against Sherwin Bolano Pilalia," Case No. CGCC-2009-09-14 has been adopted by a majority vote of the Commission as its final decision and order in this matter and is effective upon execution below by the Commission members.

IT IS SO ORDERED

Dated: 3/8/12

Signature: Stephanie Shimazu  
Stephanie Shimazu, Chairperson

Dated: 3/8/2012

Signature: Tiffany E. Conklin  
Tiffany E. Conklin, Commissioner

Dated: 3/8/12

Signature: Lauren Hammond  
Lauren Hammond, Commissioner

Dated: 3/8/12

Signature: Richard Schuetz  
Richard Schuetz, Commissioner