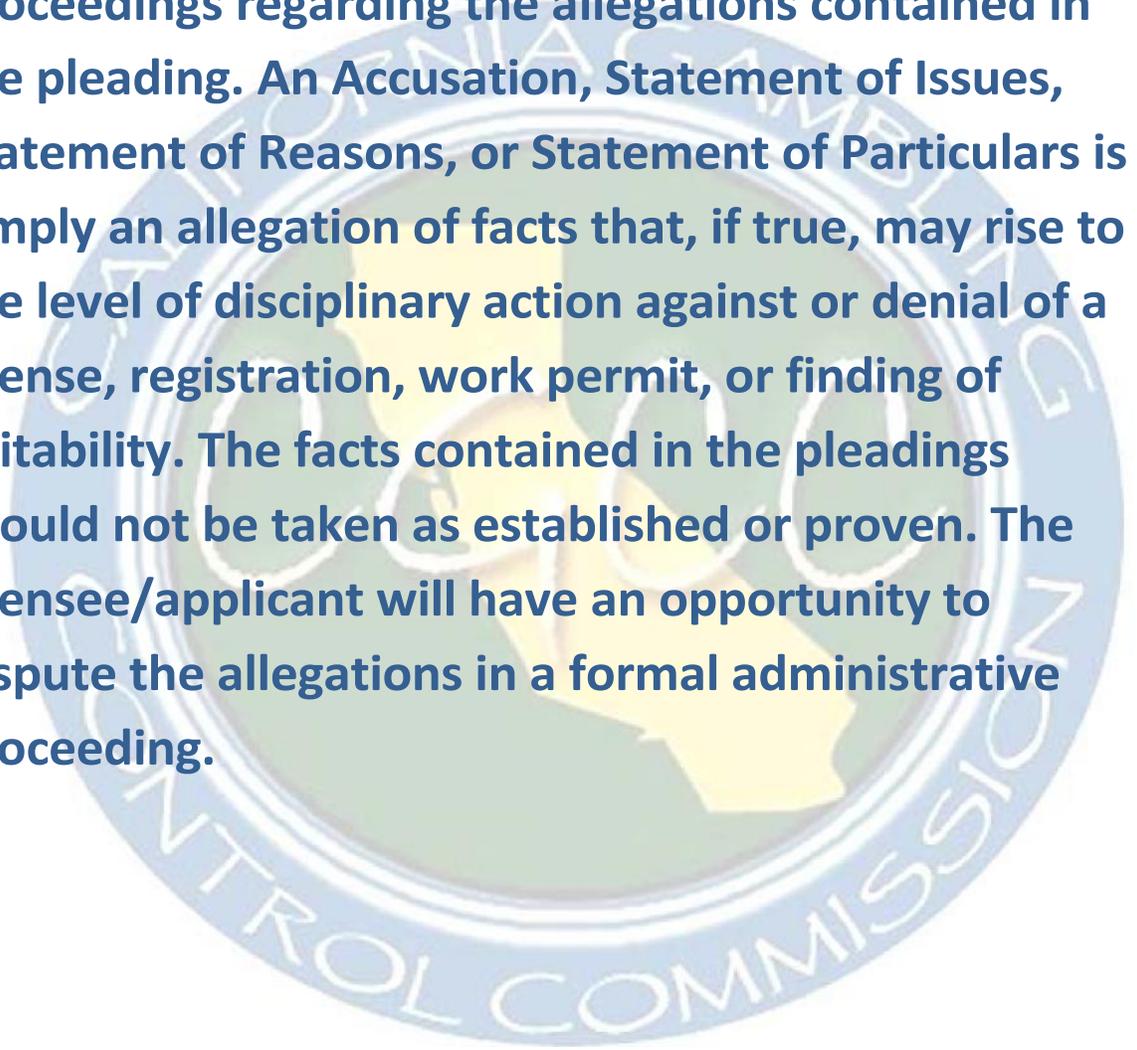


The Commission is providing a copy of this pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation, Statement of Issues, Statement of Reasons, or Statement of Particulars is simply an allegation of facts that, if true, may rise to the level of disciplinary action against or denial of a license, registration, work permit, or finding of suitability. The facts contained in the pleadings should not be taken as established or proven. The licensee/applicant will have an opportunity to dispute the allegations in a formal administrative proceeding.





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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION
STATE OF CALIFORNIA

**In the Matter of the First Amended
Accusation and Statement of Issues Against:**

**DORA C. BROWN (GEOW-002950),
formerly doing business as Outlaws Card
Parlour (GEGE-001176),**

**9850 East Front Street
Atascadero, CA 93422**

Respondent.

BGC Case No. BGC-HQ2020-00003AC
OAH Case No.

**FIRST AMENDED ACCUSATION AND
STATEMENT OF ISSUES**

Complainant alleges as follows:

PARTIES

1. Nathan DaValle (Complainant) brings this First Amended Accusation and Statement of Issues (Operative Pleading) solely in his official capacity as the Acting Director of

1 the California Department of Justice, Bureau of Gambling Control (Bureau). This Operative
2 Pleading amends the Accusation filed on June 22, 2020.

3 2. Respondent Dora C. Brown (Respondent), State Gambling License Number
4 GEOW-002950, as a sole proprietor, owned, operated, and did business as, Outlaws Card
5 Parlour (Card Room), State Gambling License Number GEGE-001176. The Card Room is a
6 five-table card room located at 9850 East Front Street, Atascadero, California.

7 3. The California Gambling Control Commission (Commission) issued the above-
8 described license to Respondent pursuant to the Gambling Control Act (Act) (Bus. & Prof.
9 Code, § 19800 et seq.). Respondent submitted applications to renew her owner's gambling
10 license and the Card Room's gambling establishment license. At its meeting on July 23, 2020,
11 the Commission extended Respondent's and the Card Room's licenses administratively under
12 Governor Newsom's Executive Orders N-40-20, N-66-20, and N-71-20. (Bus. & Prof. Code, §
13 19930, subd. (b); see Cal. Code Regs., tit. 4, § 12554, subd. (a).) On January 7, 2021, the
14 Commission referred Respondent's and the Card Room's pending renewal applications to
15 hearing and issued interim renewal licenses while this matter is pending. (Cal. Code Regs., tit.
16 4, §§ 12035, 12054, subd. (a)(2).)

17 **JURISDICTION, STANDARD OF PROOF, AND COST RECOVERY**

18 4. The Commission has jurisdiction over the operation and concentration of
19 gambling establishments and all persons and things having to do with the operation of gambling
20 establishments. (Bus. & Prof. Code, § 19811, subd. (b).)¹ The Commission has all powers
21 necessary and proper to allow it fully and effectually to carry out the policies and procedures of
22 the Act. (Bus. & Prof. Code, § 19824.) The Commission's responsibilities include assuring
23 that no unqualified person, or any person whose operations are conducted in a manner that is
24 inimical to the public health, safety, and welfare, has any direct or indirect material involvement
25 with a licensed gambling operation. (Bus. & Prof. Code, § 19823, subd. (a)(2).)

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28 ¹ The statutes and regulations applicable to this Operative Pleading are quoted in
pertinent part in Appendix A.

1 unqualified for licensure any person whose prior activities and associations pose a threat to
2 effective regulation and control of controlled gambling, or create or enhance the dangers of
3 unsuitable, unfair, or illegal practices, methods, and activities in carrying on the business and
4 financial arrangements incidental to the conduct of controlled gambling. (Bus. & Prof. Code, §
5 19857, subd. (b).) The license of any person who becomes unqualified for licensure must be
6 revoked. (Cal. Code Regs., tit. 4, § 12568, subd. (c)(3) [mandatory revocation of a state
7 gambling license].)

8 **FIRST CAUSE FOR REVOCATION**
9 **(Operation of Card Room by an Unlicensed Individual)**

10 10. Respondent's license is subject to revocation or suspension because on numerous
11 occasions from November 2018 through at least early 2020, and possibly other dates and times
12 presently unknown to the Bureau, she knowingly allowed, permitted, or turned a blind eye to,
13 unlicensed persons engaging in activities related to the Card Room's operations. The
14 unlicensed persons included the Card Room's landlord, who also co-owns the restaurant
15 adjoining the Card Room (Landlord). Respondent's prior activities and associations thus pose a
16 threat to the effective regulation and control of controlled gambling, and create or enhance the
17 dangers of unsuitable, unfair, or illegal practices, methods, and activities in carrying on the
18 business and financial arrangements incidental to the conduct of controlled gambling. The
19 conduct of unlicensed persons includes, but is not necessarily limited to, the following:

- 20 a. The Landlord on multiple occasions entered the Card Room's cage without a key
21 employee or Respondent being present.
- 22 b. The Landlord on multiple occasions directed Card Room employees in their
23 duties and acted as the Card Room's owner or manager.
- 24 c. After the Bureau warned Respondent that the Landlord was prohibited from
25 directing Card Room employees in their duties and acting as the Card Room's
26 owner or manager, Respondent asserted that she warned the Landlord to stop
27 directing Card Room employees or entering the cage. However, when the
28 Bureau reviewed additional video surveillance recordings, they showed that the

1 Landlord continued to act as an owner or manager. Respondent did not engage
2 in due care to stop these actions.

3 d. Respondent turned management, in whole or in part, of the Card Room over to
4 the Landlord. The Landlord directed the Card Room's operations. This
5 individual thus exercised significant influence over the gambling operation.

6 (Bus. & Prof. Code, §§ 19823, 19850, 19857, 19920, 19922, 19924; Cal. Code Regs., tit. 4, §
7 12568, subd. (c)(3); Atascadero Mun. Code, tit. 3, ch. 5, § 3-5.105, subds. (c)(1) & (e)(1).)

8 **SECOND CAUSE FOR REVOCATION**
9 **(Continuing Violations of Minimum Internal Control Standards)**

10 11. Respondent's license is subject to revocation or suspension because on numerous
11 occasions from November 2018 through at least early 2020, and possibly other dates and times
12 presently unknown to the Bureau, the Card Room routinely violated the Commission's
13 Minimum Internal Control Standards (MICS) related to the security of the Card Room's cage,
14 chips, and cash. (Cal. Code Regs., tit. 4, §§ 12386, 12395.) These violations include, but are
15 not necessarily limited to, the following acts and omissions:

- 16 a. Unaccompanied access to the Card Room's cage by the Landlord, the Card
17 Room's contracted third-party provider of proposition player services, and
18 various unlicensed employees of the adjoining restaurant;
- 19 b. Failure to document all individuals who enter the Card Room's cage on the cage
20 log;
- 21 c. Unauthorized individuals, including the Landlord, handling the Card Room's
22 chips; and
- 23 d. Leaving cash and chips unattended on gambling tables.

24 (Bus. & Prof. Code, §§ 19857, 19920, 19922, 19924; Cal. Code. Regs., tit. 4, §§ 12386, subd.
25 (a), 12395, subd. (a).)

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THIRD CAUSE FOR REVOCATION
(Routine Failure To Ensure That Employees at All Times
Wear Badges or Display Work Permits)

12. Respondent's license is subject to revocation or suspension because on numerous occasions from November 2018 through at least early 2020, and possibly other dates and times presently unknown to the Bureau, Respondent allowed, permitted, or turned a blind eye to, Card Room employees and non-permitted restaurant employees working on the gambling floor without wearing badges or displaying their work permits in violation of Commission regulations and the Atascadero Municipal Code. These violations continued even though Respondent issued a notice to the Card Room's employees after the Bureau issued a Letter of Warning to Respondent.

(Bus. & Prof. Code, §§ 19857, 19920, 19922, 19923, 19924; Cal. Code. Regs., tit. 4, § 12220.3; Atascadero Mun. Code, tit. 3, ch. 5, § 3-5.105, subd. (e)(1) & (4).)

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FOURTH CAUSE FOR REVOCATION
(Failure To Offer the Player-dealer Position as Required in Specific Controlled Games)

13. Respondent's license is subject to revocation or suspension because on numerous occasions in early to mid-2019, and possibly other dates and times presently unknown to the Bureau, Respondent failed to ensure that the Card Room's dealers continuously and systematically rotated the player-dealer position in controlled games, as required by the Act, the Penal Code, Bureau and Commission regulations, and the rules of the games at issue as approved by the Bureau. On numerous occasions dealers at the Card Room failed to offer the opportunity to occupy the player-dealer position in controlled games, which featured a rotating player-dealer position.

(Bus. & Prof. Code, §§ 19857, 19920, 19921, 19922, 19923, 19924; Pen. Code, § 330.11; Cal. Code Regs., tits. 4, § 12290, 11, § 2070.)

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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Commission issue a decision:

1 1. Revoking Respondent's owner's gambling license, State Gambling License
2 Number GEOW-002950, and revoking the Card Room's gambling establishment license, State
3 Gambling License Number GEGE-001176;

4 2. Denying the renewal application for Respondent's owner's gambling license,
5 State Gambling License Number GEOW-002950, and deny the renewal application for the Card
6 Room's gambling establishment license, State Gambling License Number GEGE-001176.;

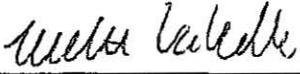
7 3. Imposing fines or monetary penalties against Respondent according to proof and
8 to the maximum extent allowed by law;

9 4. Awarding the Bureau the costs of investigation and costs of bringing this
10 Operative Pleading before the Commission, pursuant to Business and Professions Code section
11 19930, subdivisions (d) and (f), in a sum according to proof; and

12 5. Taking such other and further action as the Commission may deem appropriate.

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Dated: November 4, 2021



Nathan DaValle, Acting Director
Bureau of Gambling Control
California Department of Justice

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(d) Take actions deemed to be reasonable to ensure that no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled gambling activities.

4. Business and Professions Code section 19826 provides, in part:

The department^[2] . . . shall have all of the following responsibilities:

* * *

(b) To monitor the conduct of all licensee and other persons having a material involvement, directly or indirectly, with a gambling operation or its holding company, for the purpose of ensuring that licenses are not issued or held by, and that there is no direct or indirect material involvement with, a gambling operation or holding company by ineligible, unqualified, disqualified, or unsuitable persons, or persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

(c) To investigate suspected violations of this chapter or laws of this state relating to gambling

* * *

(e) To initiate, where appropriate, disciplinary actions as provided in this chapter. In connection with any disciplinary action, the department may seek restriction, limitation, suspension, or revocation of any license or approval, or the imposition of any fine upon any person licensed or approved.

5. Business and Professions Code section 19856 provides, in part:

(a) Any person who the commission determines is qualified to receive a state license, having due consideration for the proper protection of the health, safety, and general welfare of the residents of the State of California and the declared policy of this state, may be issued a license. The burden of proving his or her qualifications to receive any license is on the applicant.

6. California Code of Regulations, title 4, section 12035 provides:

(a) The Commission will issue an interim renewal license to an applicant for renewal of a license, work permit, or other approval involving a finding of suitability when:

² "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).)

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(1) The Commission has elected to hold an evidentiary hearing pursuant to paragraph (2) of subsection (a) of Section 12054;

(2) The Executive Director determines, pursuant to subsection (a) of Section 12060, that it is appropriate for the application to be considered at a GCA hearing; or,

(3) An accusation is pending pursuant to Business and Professions Code section 19930 and under Chapter 10 of this division.
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(b) The Commission will issue a new interim renewal license if the hearing process has not been, or will not be, concluded by the expiration date of the current interim renewal license and the interim renewal license holder submits the items identified in paragraphs (1) and (2):

(1) A completed application of the same type as the application pending evidentiary hearing to the Bureau with the appropriate:

- (A) Form;
- (B) Renewal timeframe;
- (C) Fees and costs;
- (D) Supplemental forms if required; and
- (E) Related requirements.

(2) An update to the Commission, in coordination where possible with the complainant as specified under subsection (a) of Section 12056, on the status of the hearing and provide a justification for the delay in concluding the hearing during the term of the first interim renewal license period.

(3) Failure to provide a justification for the delay supported by good cause under paragraph (2) may result in the Commission, in the interests of justice and judicial economy, setting a time for a GCA hearing, including retracting an application referred to an APA hearing and referring it to a GCA hearing pursuant to Section 12054(a)(2).

(c) The following conditions apply to all interim renewal licenses issued under subsection (a):

(1) An interim renewal license will be issued with the same conditions, limitations, or restrictions, if any, that existed for the

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previous license, except for any condition that by Commission decision has been determined to be satisfied and no longer applicable. This paragraph does not preclude the Commission from applying additional conditions through a separate GCA hearing or with the consent of the applicant.

(2) An interim renewal license will be valid for a period of two years from the date the previous license, work permit, or other approval involving a finding of suitability, as well as an interim renewal license, expires, or until a decision is final under Section 12066, whichever is earlier, and is not subject to renewal.

(3) The holder of an interim renewal license must pay all applicable annual fees associated with that license.

(d) The issue date of the most recently granted interim renewal license will serve as the issue date for any initial or renewal license, work permit, or other approval granted thereafter.

(e) The issuance of an interim renewal license does not limit or impair, and is without prejudice to, any exercise of the discretion vested in the Commission with respect to the license at issue in the hearing process.

(f) The issuance of an interim renewal license is without prejudice to the Bureau's prosecution of an accusation and has no preclusive effect on any ground for discipline that may exist against the licensee, whether or not presented in an accusation.

7. California Code of Regulations, title 4, section 12054 provides, in part:

(a) At a non-evidentiary hearing meeting, the Commission may take, but is not limited to taking, one of the following actions:

* * *

(2) Elect to hold or retract an evidentiary hearing in accordance with Section 12056 and, for a renewal application, issue an interim renewal license pursuant to Section 12035. The Commission will identify those issues for which it requires additional information or consideration related to the applicant's suitability.

8. California Code of Regulations, title 4, section 12554 provides, in part:

(a) Upon the filing with the Commission of an accusation by the Bureau recommending revocation, suspension, or other discipline of a

1 holder of a license, registration, permit, finding of suitability, or approval,
2 the Commission shall proceed under Chapter 5 (commencing with section
3 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

4 * * *

5 (c) The Administrative Law Judge and Commission shall base their
6 decisions on written finding of fact, including findings concerning any
7 relevant aggravating or mitigating factors. Findings of fact shall be based
8 upon a preponderance of the evidence standard. The "preponderance of
9 the evidence standard" is such evidence as when considered and compared
10 with that opposed to it, has more convincing force, and produces a belief in
11 the mind of the fact-finder that what is sought to be proved is more likely
12 true than not true.

13 (d) Upon a finding of a violation of the Act, any regulations adopted
14 pursuant thereto, any law related to gambling or gambling establishments,
15 violation of a previously imposed disciplinary or license condition, or laws
16 whose violation is materially related to suitability for a license,
17 registration, permit, or approval, the Commission may do any one or more
18 of the following:

19 (1) Revoke the license, registration, permit, finding of
20 suitability, or approval;

21 (2) Suspend the license, registration, or permit;

22 * * *

23 (5) Impose any fine or monetary penalty consistent with
24 Business and Professions Code sections 19930, subdivision (c), and
25 19943, subdivision (b)

26 **Cost Recovery Provisions**

27 9. Business and Professions Code section 19930 provides, in part:

28 (b) If, after any investigation, the department is satisfied that a license,
permit, finding of suitability, or approval should be suspended or revoked, it
shall file an accusation with the commission in accordance with Chapter 5
(commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the
Government Code.

(c) In addition to any action that the commission may take against a
license, permit, finding of suitability, or approval, the commission may also
require the payment of fines or penalties. However no fine imposed shall
exceed twenty thousand dollars (\$20,000) for each separate violation of any
provision of this chapter or any regulation adopted thereunder.

1 (d) In any case in which the administrative law judge recommends that
2 the commission revoke, suspend, or deny a license, the administrative law
3 judge may, upon presentation of suitable proof, order the licensee or
4 applicant for a license to pay the department the reasonable costs of the
5 investigation and prosecution of the case.

6 (1) The costs assessed pursuant to this subdivision shall be fixed
7 by the administrative law judge and may not be increased by the
8 commission. When the commission does not adopt a proposed decision
9 and remands the case to the administrative law judge, the administrative
10 law judge may not increase the amount of any costs assessed in the
11 proposed decision.

12 (2) The department may enforce the order for payment in the
13 superior court in the county in which the administrative hearing was
14 held. The right of enforcement shall be in addition to any other rights
15 that the division may have as to any licensee to pay costs.

16 (3) In any judicial action for the recovery of costs, proof of the
17 commission's decision shall be conclusive proof of the validity of the
18 order of payment and the terms for payment.

19 * * *

20 (f) For purposes of this section, "costs" include costs incurred for any
21 of the following:

22 (1) The investigation of the case by the department.

23 (2) The preparation and prosecution of the case by the Office of
24 the Attorney General.

25 Specific Statutory and Regulatory Provisions

26 10. Business and Professions Code, section 19801 provides, in part:

27 (h) Public trust and confidence can only be maintained by strict
28 comprehensive regulation of all persons, locations, practices,
associations, and activities related to the operation of lawful gambling
establishments and the manufacture and distribution of permissible
gambling equipment.

(i) All gambling operations, all persons having a significant
involvement in gambling operations, all establishments where gambling
is conducted, and all manufacturers, sellers, and distributors of gambling
equipment must be licensed and regulated to protect the public health,

1 safety, and general welfare of the residents of this state as an exercise of
2 the police powers of the state.

3 * * *

4 (k) In order to effectuate state policy as declared herein, it is
5 necessary that gambling establishments, activities, and equipment be
6 licensed, that persons participating in those activities be licensed or
7 registered, that certain transactions, events, and processes involving
8 gambling establishments and owners of gambling establishments be
9 subject to prior approval or permission, that unsuitable persons not be
permitted to associate with gambling activities or gambling
establishments Any license or permit issued, or other approval
granted pursuant to this chapter, is declared to be a revocable privilege,
and no holder acquires any vested right therein or thereunder.

10 11. Business and Professions Code section 19850 provides, in part:

11 Every person who, either as owner, lessee, or employee, whether
12 for hire or not, either solely or in conjunction with others, deals,
13 operates, carries on, conducts, maintains, or exposes for play any
14 controlled game in this state, or who receives, directly or indirectly,
15 any compensation or reward, or any percentage or share of the money
16 or property played, for keeping, running, or carrying on any controlled
game in this state, shall apply for and obtain from the commission, and
shall thereafter maintain, a valid state gambling license, key employee
license, or work permit, as specified in this chapter.

17 12. Business and Professions Code section 19855 provides, in part:

18 [E]very person who, by statute or regulation, is required to hold a
19 state license shall obtain the license prior to engaging in the activity or
occupying the position with respect to which the license is required.

20 13. Business and Professions Code section 19857 provides:

21 No gambling license shall be issued unless, based on all the
22 information and documents submitted, the commission is satisfied that
the applicant is all of the following:

23 (a) A person of good character, honesty and integrity.

24 (b) A person whose prior activities, criminal record, if any,
25 reputation, habits, and associations do not pose a threat to the public
26 interest of this state, or to the effective regulation and control of
27 controlled gambling, or create or enhance the dangers of unsuitable,
28 unfair, or illegal practices, methods, and activities in the conduct of
controlled gambling or in the carrying on of the business and financial
arrangements incidental thereto.

1 (c) A person that is in all other respects qualified to be licensed as
2 provided in this chapter.

3 14. Business and Professions Code section 19920 provides:

4 It is the policy of the State of California to require that all
5 establishments wherein controlled gambling is conducted in this state
6 be operated in a manner suitable to protect the public health, safety,
7 and general welfare of the residents of the state. The responsibility for
8 the employment and maintenance of suitable methods of operation
9 rests with the owner licensee, and willful or persistent use or toleration
of methods of operation deemed unsuitable by the commission or by
local government shall constitute grounds for license revocation or
other disciplinary action.

10 15. Business and Professions Code section 19921 provides:

11 (a) A person under 21 years of age is not permitted to enter upon
12 the premises of a licensed gambling establishment, or any part thereof,
except for the following areas:

13 (1) An area separated from a gambling area, used for a
14 nongaming purpose, including for maintenance, parking, or
15 business offices, or for the purpose of dining or food or beverage
16 service or preparation. For purposes of this subdivision, a place
where food or beverages are dispensed primarily by a vending
machine is not a place for dining.

17 (2) Restrooms.

18 (3) A supervised room that is physically separated from a
19 gambling area and used primarily for the putpoers of entertainment
or recreation.

20 (4) Those areas authorized in connection with employment
in accordance with subdivision (b) of Section 19911.

21 (b) A person who is under 21 years of age and not a gambling
22 enterprise employee may enter upon or pass through a gambling area
23 on a designated pathway to reach any of the areas described in
24 paragraphs (1) to (3), inclusive, of subdivision (a) only if accompanied
by a person or gambling enterprise employee who is 21 years of age or
over.

25 (c) A person under 21 years of age shall not be permitted to
26 loiter in a gaming area.

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16. Business and Professions Code section 19922 provides:

No owner licensee shall operate a gambling enterprise in violation of any provision of this chapter or any regulation adopted pursuant to this chapter.

17. Business and Professions Code section 19923 provides:

No owner licensee shall operate a gambling enterprise in violation of any governing local ordinance.

18. Business and Professions Code section 19924 provides:

Each owner licensee shall maintain security controls over the gambling premises and all operations therein related to gambling, and those security controls are subject to the approval of the commission.

19. Penal Code section 330.11 provides:

“Banking game” or “banked game” does not include a controlled game if the published rules of the game feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game, and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. For purposes of this section it is not the intent of the Legislature to mandate acceptance of the deal by every player if the division finds that the rules of the game render the maintenance of or operation of a bank impossible by other means. The house shall not occupy the player-dealer position..

20. California Code of Regulations, title 4, section 12220.3 provides, in part:

(a) All individuals registered or licensed as primary owners, owners, supervisors, players, or other employees of the primary owner shall wear in a prominently visible location a numbered badge issued by the Commission when present in a gambling establishment during the operation of the gambling business.

21. California Code of Regulations, title 4, section 12290 provides, in part:

(a) A registrant or licensee under Chapter 2.1 or Chapter 2 must comply with game rules approved by the Bureau, including but not

1 limited to the rules regarding player-dealer rotation and table
2 wagering.

3 22. California Code of Regulations, title 4, section 12386, subdivision (a) provides, in
4 part:

5 The policies and procedures for all tiers shall meet or exceed the
6 following standards for cages:

7 (1) The licensee shall maintain within the gambling
8 establishment at least one separate and secure area at a fixed location
9 that is designated as a cage. A cage shall be located, designed,
10 constructed and operated to provide convenience for patron
11 transactions while maintaining appropriate security and accountability
12 for all monetary transactions occurring at the cage and all cage
13 contents.

14 (2) The licensee shall assign at least one gambling enterprise
15 employee to process monetary transactions at a cage. The titles,
16 classifications, or positions of all employees assigned to process
17 monetary transactions at a cage shall be listed on the gambling
18 enterprise's organizational chart. The assigned employees' duties may
19 include any or all of the following:

20 (A) Custody of the cage inventory or individual cashiers'
21 banks, which is comprised of currency, coin, patron checks,
22 gambling chips, forms, documents and records consistent with the
23 operation of a cage or an individual cashier's bank.

24 (B) Receipt and distribution of gambling chips through
25 internal operations.

26 (C) Sale and redemption of chips through patron
27 transactions.

28 (D) Deposits to and withdrawals from players' banks and
dealers' banks, if applicable.

(E) Check cashing and extensions of credit for patrons, as
permitted by the licensee's policies and procedures.

(F) Preparation of cage accountability reconciliations and
records necessary to document compliance with the requirements
of this chapter.

(G) Recording patron information that is necessary for
compliance with the requirements of sections 5313 and 5314 of

1 Title 31 of the United States Code, applicable regulations in
2 Chapter X (effective as of July 1, 2011) of Title 31 of the Code of
3 Federal Regulations and any successor provisions, and subsection
(a) of Section 12315.

4 (H) The proper accounting and safeguarding of any cage
5 bank or cashier's bank, and gambling equipment or confidential
documents when kept in a cage.

6 (3) Routine access and entry into a cage, or an area designated as
7 a cage pursuant to paragraph (1) of this subsection, shall be limited to
8 on-duty cage personnel assigned pursuant to paragraph (2) of this
9 subsection. Other employees of the gambling enterprise who hold a
10 valid gambling license, key employee license, or work permit may be
granted access to a cage or cage area for the purpose of performing
their duties.

11 (4) A log shall be maintained, either in writing or electronically,
12 to document entry into a cage by any person not authorized access
13 pursuant to paragraphs (2) and (3) of this subsection. The log must
14 contain the person's name, title, date of entry, and time entering and
15 exiting; or provide substantially equivalent information through an
automated access control system. Any automated access control
system must provide a secure, tamperproof means of recording and
maintaining entry and exit information.

16 * * *

17 (6) The purchase or redemption of gambling chips by a patron
18 may only occur at a cage or from an authorized gambling enterprise
19 employee on the gambling floor. Licensees shall not permit
20 proposition player services providers to purchase or redeem gambling
21 chips for cash or cash equivalents from a patron or to sell gambling
chips to a patron. For the purposes of this article, the sale, purchase or
redemption of gambling chips shall not include the exchange of a chip
or chips of one total value for a chip or chips of an equal total value.

22 23. California Code of Regulations, title 4, section 12395, subdivision (a) provides, in
23 part:

24 The policies and procedures for all tiers shall meet or exceed the
following standards for security:

25 (1) Access to restricted areas of the gambling
26 establishment, including but not limited to cages, count rooms,
27 vaults, security offices and surveillance rooms, shall be limited to
authorized personnel in the performance of their duties and shall
28 be closely controlled.

1 (2) For the purpose of video surveillance recordings,
2 gambling establishments shall provide adequate lighting of all
3 public areas, entrances and exits, and for all adjoining parking
4 areas owned, operated or otherwise controlled by the licensee for
5 use by its patrons.

6 (3) Licensees shall file an incident report with the Bureau's
7 Criminal Intelligence Unit within five business days of either of
8 the following:

9 (A) Any owner or key employee contacting a local law
10 enforcement agency, pursuant to the provisions of the
11 licensee's security plan, regarding any reasonably suspected
12 violation of the Act, this division, Division 3 of Title 11 of
13 the California Code of Regulations, any statute set forth in
14 sections 330 through 337z of the Penal Code that pertains to
15 gambling, section 1916-3(b) of the Civil Code (loan-
16 sharking), chapter 1 (commencing with section 11000) of
17 division 10 of the Health and Safety Code (illegal possession
18 or distribution of controlled substances), section 4022 of the
19 Business & Professions Code (illegal possession or
20 distribution of dangerous drugs), or any violation of the
21 following Penal Code sections: 186.10 (money laundering),
22 211 (robbery), 245 (assault with deadly weapon), 266h
23 (pimping), 266i (pandering), 459 (burglary), 470 (forgery),
24 476 (fraud), 487 (grand theft), 488 (petty theft), 503
25 (embezzlement), 518 (extortion), 641.3 (commercial
26 bribery), 648 (counterfeit currency), 653.22 (loiter for
27 prostitution), 653.23 (pimping), or 647(b) (prostitution).

28 (B) Any owner or key employee obtaining knowledge
or notice of any reasonably suspected violation listed in
subparagraph (A).

* * *

(5) Licensees shall maintain a list of all mechanical keys or
electronic card keys to the locking devices used to secure the
gambling establishment, restricted areas of the gambling
establishment, or any fixtures, appurtenances and equipment used
in the gambling operation, the names of all gambling
establishment employees who have been issued, possess or have
access to any of those keys, and the location where un-issued keys
are stored. If any coded mechanical or electronic locking devices
are used, the list shall include all access codes and combinations,
as applicable, and the names of all gambling establishment
employees who possess any code or combination, or who control
the mechanism to open any of the locks. The licensee may

1 maintain a master list or separate departmental lists. Each list
2 shall be:

3 (A) Continuously maintained while current, at a
4 minimum, in a permanent, written form and dated as of the
5 date created or updated;

6 (B) Updated as changes in the information contained
7 in the list changes;

8 (C) Kept in a secure, locked receptacle, such as a key
9 control box, safe, locking file drawer or similar container;
10 and

11 (D) Retained for a minimum of one year after the list
12 has been updated.

13 24. California Code of Regulations, title 4, section 12568, subdivision (c), provides, in
14 part:

15 A state gambling license, finding of suitability, or approval granted
16 by the Commission . . . and an owner license for a gambling
17 establishment if the owner licensee has committed a separate violation
18 from any violations committed by the gambling establishment shall be
19 subject to revocation by the Commission on any of the following
20 grounds:

21 * * *

22 (3) If the Commission finds the holder no longer meets
23 any criterion for eligibility, qualification, suitability or
24 continued operation, including those set forth in Business and
25 Professions Code section 19857, 19858, or 19880, as
26 applicable, or

27 (4) If the Commission finds the holder currently meets
28 any of the criteria for mandatory denial of an application set
forth in Business and Professions Code sections 19859 or
19860.

29 25. California Code of Regulations, title 11, section 2070 provides, in part:

30 It shall be an unsuitable method of operation for a gambling
31 establishment to:

32 (a) Offer for play any game that is prohibited or made unlawful by
33 statute, local ordinance, regulation, or final judgment by a competent
34 court of law[.]

1 26. Atascadero Municipal Code section 3-5.105 "Cardrooms" provides, in part:

2 It shall be an unsuitable method of operation for a gambling
3 establishment to:

4 (a) License Required. It shall be unlawful for any person for him
5 or herself, or for any other person, to engage in or carry on, maintain or
6 conduct, or cause to be engaged in, carried on, maintained, or conducted,
7 any cardroom in the City without first having secured a license from the
8 City to do so according to each and every requirement of this section or
9 without complying with each and every regulation set forth in this
10 section pertaining to such cardroom. Each licensee and operator of a
11 cardroom shall employ only those persons who have obtained a work
12 permit as defined and set forth herein.

13 * * *

14 (c) License—Application—Bond. To apply for a cardroom
15 license, a person shall take the following steps:

16 (1) Every applicant for a license shall first obtain a State
17 gambling license as required by the Gambling Control Act and the
18 implementing regulations (California Code of Regulations, Title 11,
19 Division 3, Chapter 1, Article 1, Section 2000 et seq.). Every
20 applicant shall fully comply with the Act and the implementing
21 regulations including, but not limited to, Section 2050 of Title 11 of
22 the California Code of Regulations that requires an owner or a key
23 employee, as defined by the Act, to be on the premises, at all times
24 that the establishment is open to the public unless the Division of
25 Gambling Control authorizes availability by telephone. Key
26 employees must obtain a key employee license as required by the
27 Act[.]

28 * * *

(e) Cardroom Work Permit—Application and Denial.

(1) Cardroom employees must obtain a cardroom work
permit from the Director of Administrative Services or designee of
the City of Atascadero. For the purposes of this chapter, "cardroom
enterprise employees" are defined as any natural person employed
in the operation of a gambling enterprise, including without
limitation, dealers, floor personnel, security employees, countroom
personnel, cage personnel, collection personnel, surveillance
personnel, data-processing personnel, appropriate maintenance
personnel, waiters and waitresses, and secretaries, or any other
natural person whose employment duties require or authorize access
to restricted gambling establishment areas.

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* * *

(4) Cardroom work permits shall be prominently displayed in the cardrooms by any cardroom employees when they are working.

* * *

(h) Attendance by Minors. No person under the age of twenty-one (21) shall be employed in or allowed to frequent, remain in or visit any room or premises wherein is conducted or operated any card table licensed under the provisions of this chapter.