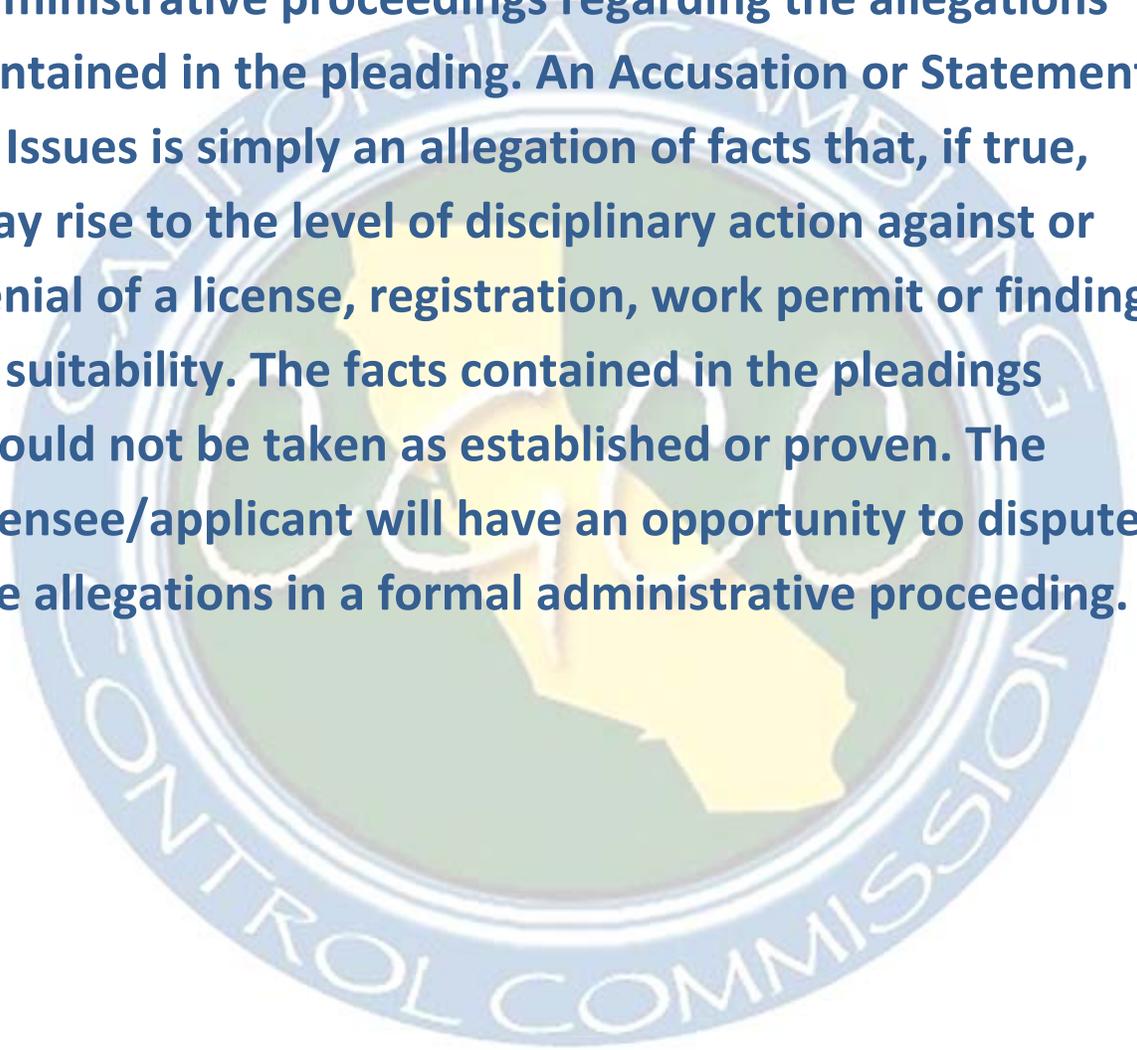


The Commission is providing a copy of this disciplinary pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation or Statement of Issues 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.



1 KAMALA D. HARRIS
Attorney General of California
2 SARA J. DRAKE
Senior Assistant Attorney General
3 RONALD L. DIEDRICH
Deputy Attorney General
4 WILLIAM P. TORNGREN
Deputy Attorney General
5 State Bar No. 58493
1300 I Street, Suite 125
6 P.O. Box 944255
Sacramento, CA 94244-2550
7 Telephone: (916) 323-3033
Fax: (916) 327-2319
8 E-mail: William.Torngren@doj.ca.gov
Attorneys for the Complainant

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION
STATE OF CALIFORNIA

In the Matter of the Accusation Against:
MORTIMER'S, INC. (GEOW-003261),
doing business as
MORTIMER'S CARD ROOM
(GEGE-001304),
3100 Del Monte Blvd.
Marina, California 93933,
and
MARK E. WILLIAMSON (GEOW-003262),
[REDACTED]
and
PAMELA LESLIE NEU (GEOW-003212),
[REDACTED]
and
WILLIS LEE HANNA (GEOW-003226),
[REDACTED]

BGC No.: BGC-HQ2015-00002AL
OAH No. _____
ACCUSATION

1 **MARYLEE H. SAKAS (GEOW-003225),**
2 

3
4 **Respondents.**

5 Complainant alleges as follows:

6 **PARTIES**

7 1. Wayne J. Quint, Jr. (Complainant) brings this Accusation solely in his official
8 capacity as the Chief of the California Department of Justice, Bureau of Gambling Control
9 (Bureau).

10 2. At all times relevant herein, respondent Mortimer's, Inc. (Corporation) was licensed
11 as a gambling enterprise owner, California State Gambling License Number GEOW-003261.
12 The Corporation does business as Mortimer's Card Room (Mortimer's), which is a licensed
13 gambling enterprise, California State Gambling License Number GEOW-001304. Mortimer's is a
14 seven-table card room located at 3100 Del Monte Boulevard in Marina, California.

15 3. Each of the individual respondents is a shareholder of the Corporation and endorsed
16 on Mortimer's license as follows:

- 17 a. Respondent Mark E. Williamson (Williamson), license number GEOW-003262,
18 owns 25.5 percent of the issued and outstanding shares in the Corporation;
- 19 b. Respondent Pamela Leslie Neu (Neu), license number GEOW-003212, owns 25.5
20 percent of the issued and outstanding shares;
- 21 c. Respondent Willis Lee Hanna (Hanna), license number GEOW-003226, owns 32.67
22 percent of the issued and outstanding shares; and
- 23 d. Respondent Marylee H. Sakas (Sakas), license number GEOW-003225, owns 16.33
24 percent of the issued and outstanding shares.

25 4. Collectively, Mortimer's, the Corporation, Williamson, Neu, Hanna, and Sakas are
26 referred to as "Respondents" in this Accusation.

1 other things, revocation and imposition of a fine or monetary penalty. (Cal. Code Regs., tit. 4, §
2 12554, subd. (d).)

3 9. In a matter involving revocation or suspension, the Bureau may recover its costs of
4 investigation and prosecuting the proceeding. (Bus. & Prof. Code, § 19930, subd. (d).)

5 **FIRST CAUSE OF ACTION FOR REVOCATION**

6 **(Failure To Maintain Adequate Records)**

7 10. Respondents' licenses are subject to revocation pursuant to Business and Professions
8 Code sections 19823, 19857, 19920, 19922, and 19924, California Code of Regulations, title 4,
9 sections 12384, subdivision (a)(2), and 12554, subdivision (d), and California Code of
10 Regulations, title 11, section 2053. Respondents failed to maintain records that were adequate to
11 determine whether Mortimer's had sufficient monies readily available to fund that gambling
12 establishment's liabilities. Specifically and by way of example, the failure to maintain adequate
13 records included, but is not limited to, the following:

14 a. Neither Mortimer's nor the Bureau could determine, or reconcile,
15 Mortimer's chips in use or chips outstanding because no perpetual inventory was kept, nor
16 was a beginning inventory of chips recorded.

17 b. Mortimer's bank account, denominated as "chipaccount," for July 2015,
18 showed a single deposit, followed by an online withdrawal paid to Mortimer's "Expanded
19 Business Checking" account.

20 c. Mortimer's bank account, denominated as "jackpot account," for July
21 2015, showed an online withdrawal paid to Mortimer's business checking account for
22 payroll.

23 d. Respondents would not provide the Bureau with the amounts of the
24 gambling establishment's cash assets, liabilities, or patron chip liability when asked.

25 **SECOND CAUSE OF ACTION FOR REVOCATION**

26 **(Unqualified for Continued Licensure)**

27 11. Respondents' licenses are subject to revocation pursuant to Business and Professions
28 Code sections 19823, 19857, 19920, 19922, and 19924, California Code of Regulations, title 4,

1 sections 12384, subdivision (a)(2), 12554, subdivision (d), and 12568, subdivision (c)(3), and
2 California Code of Regulations, title 11, section 2053, subdivision (c). Respondents' continued
3 licensure is inimical to public health, safety, and welfare. Respondents are not persons of good
4 character, honesty, and integrity. Their prior activities and associations pose a threat to the
5 effective regulation and control of controlled gambling, and create or enhance the dangers of
6 unsuitable, unfair, or illegal practices, methods, and activities in carrying on the business and
7 financial arrangements incidental to the conduct of controlled gambling. Respondents' conduct
8 includes, but is not limited to, the following acts and omissions:

9 a. Neither Mortimer's nor the Bureau could determine, or reconcile,
10 Mortimer's chips in use or chips outstanding because no perpetual inventory was kept, nor
11 was a beginning inventory of chips recorded.

12 b. Mortimer's bank account, denominated as "chipaccount," for July 2015,
13 showed a single deposit, followed by an online withdrawal paid to Mortimer's "Expanded
14 Business Checking" account.

15 c. Mortimer's bank account, denominated as "jackpot account," for July
16 2015, showed an online withdrawal paid to Mortimer's business checking account for
17 payroll.

18 d. Respondents would not provide the Bureau with the amounts of the
19 gambling establishment's cash assets, liabilities, or patron chip liability when asked.

20 e. Respondents failed to provide information and documents requested by the
21 Bureau, acting under, and pursuant to, Complainant's authority and on Complainant's
22 behalf.

23 **THIRD CAUSE OF ACTION FOR REVOCATION**

24 **(Failure To Segregate Funds)**

25 12. Respondents' licenses are subject to revocation pursuant to Business and Professions
26 Code sections 19823, 19857, 19920, 19922, and 19924, California Code of Regulations, title 4,
27 sections 12384, subdivision (a)(2), and 12554, subdivision (d), California Code of Regulations,
28 title 11, section 2053, and California Code of Regulations, title 4, section 12384. Respondents

1 failed to appropriately and/or adequately segregate the funds at Mortimer's. Instead, Respondents
2 comingled some monies used to cover Mortimer's chips-in-use, which was the players' monies,
3 and player-funded jackpot funds with their business operating accounts.

4 **FOURTH CAUSE OF ACTION FOR REVOCATION**

5 **(Failing To Provide Information Requested by the Bureau)**

6 13. Respondents' licenses are subject to revocation pursuant to Business and Professions
7 Code sections 19823, 19857, 19859, 19920, 19922, and 19924, California Code of Regulations,
8 title 4, sections 12384, subdivision (a)(2), 12554, subdivision (d), and 12568, subdivision (c)(4),
9 and California Code of Regulations, title 11, section 2053, subdivision (c). Respondents'
10 continued licensure is inimical to public health, safety, and welfare. Respondents are not persons
11 of good character, honesty, and integrity. Their prior activities and associations pose a threat to
12 the effective regulation and control of controlled gambling, and create or enhance the dangers of
13 unsuitable, unfair, or illegal practices, methods, and activities in carrying on the business and
14 financial arrangements incidental to the conduct of controlled gambling. Respondents failed to
15 provide information and documents requested by the Bureau, acting under, and pursuant to,
16 Complainant's authority and on Complainant's behalf. Respondents' failure to provide requested
17 information and documents included, without limitation, information and documents regarding
18 the amounts of Mortimer's cash assets, liabilities, and patron chip liability.

19 **PRAYER**

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

- 22 1. Revoke license number GEOW-003261, issued to Mortimer's, Inc., doing business
23 as: Mortimer's Card Room, a licensed gambling establishment, license no. GEGE-001304;
- 24 2. Revoke license number GEOW-003262, issued to Mark E. Williamson;
- 25 3. Revoke license number GEOW-003212, issued to Pamela Leslie Neu;
- 26 4. Revoke license number GEOW-003226, issued to Willis Lee Hanna;
- 27 5. Revoke license number GEOW-003225, issued to Marylee H. Sakas;
- 28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

6. Impose fines or monetary penalties upon each of the Respondents, jointly and severally, that are consistent with Business and Professions Code sections 19930, subdivision (c), and 19943, subdivision (b);

7. Award Complainant the costs of investigation and costs of bringing this Accusation before the Commission, pursuant to Business and Professions Code section 19930, in a sum according to proof, from the Respondents jointly and severally; and

8. Take such other and further action as the Commission may deem appropriate.

Dated: November 18, 2015


WAYNE J. QUINT, JR., Chief
Bureau of Gambling Control
Department of Justice
State of California
Complainant

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

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

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

6 * * *

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

9 * * *

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

15 5. Business and Professions Code section 19930, subdivision (b), provides:

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

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

22 (a) Upon the filing with the Commission of an accusation by the
23 Bureau recommending revocation, suspension, or other discipline of a holder
24 of a license, registration, permit, finding of suitability, or approval, the
25 Commission shall proceed under Chapter 5 (commencing with section
26 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

27 * * *

28 (d) Upon a finding of a violation of the Act,^[3] any regulations adopted
pursuant thereto, any law related to gambling or gambling establishments,
violation of a previously imposed disciplinary or license condition, or laws
whose violation is materially related to suitability for a license, registration,
permit, or approval, the Commission may do any one or more of the
following:

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

31 ³ "Act" refers to the Gambling Control Act, Business and Professions Code, division 8,
32 chapter 5 (commencing with section 19800).

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

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

4 * * *

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

8 **Cost Recovery Provisions**

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

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

13 (1) The costs assessed pursuant to this subdivision shall be fixed by
14 the administrative law judge and may not be increased by the
15 commission. When the commission does not adopt a proposed decision
16 and remands the case to the administrative law judge, the administrative
law judge may not increase the amount of any costs assessed in the
proposed decision.

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

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

22 * * *

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

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

26 (2) The preparation and prosecution of the case by the Office of the
27 Attorney General.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Specific Statutory and Regulatory Provisions

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

(h) Public trust and confidence can only be maintained by strict 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, safety, and general welfare of the residents of this state as an exercise of the police powers of the state.

* * *

(k) In order to effectuate state policy as declared herein, it is necessary that gambling establishments, activities, and equipment be licensed, that persons participating in those activities be licensed or registered, that certain transactions, events, and processes involving gambling establishments and owners of gambling establishments be 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.

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

Every person . . . who receives, directly or indirectly, any compensation or reward, or any percentage or share of the money 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 In any criminal prosecution for violation of this section, the punishment shall be as provided in Section 337j of the Penal Code.

10. Business and Profession Code section 19851 provides:

(a) The owner of a gambling enterprise shall apply for and obtain a state gambling license. The owner of a gambling enterprise shall be known as the owner-licensee.

1 (b) Other persons who also obtain a state gambling license, as
2 required by this chapter, shall not receive a separate license certificate, but
3 the license of every such person shall be endorsed on the license certificate
4 that is issued to the owner of the gambling enterprise.

5 11. Business and Professions Code section 19852 provides, in part:

6 [A]n owner of a gambling enterprise that is not a natural person shall not
7 be eligible for a state gambling license unless each of the following
8 persons individually applies for an obtains a state gambling license:

9 (a) If the owner is a corporation, then each officer, director, and
10 shareholder, . . . of the owner. . . .

11 * * *

12 (h) Each person who receives, or is to receive, any percentage share
13 of the revenue earned by the owner from gambling activities.

14 12. Business and Professions Code section 19857 provides:

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

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

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

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

28 13. Business and Professions Code section 19859 provides, in part:

The commission shall deny a license to any applicant who is
disqualified for any of the following reasons:

(a) Failure of the applicant to clearly establish eligibility and
qualification in accordance with this chapter.

(b) Failure of the applicant to provide information, documentation,
and assurances required by the Chief, or failure of the applicant to reveal
any fact material to qualification, or the supplying of information that is

1 untrue or misleading as to a material fact pertaining to the qualification
2 criteria.

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 be
6 operated in a manner suitable to protect the public health, safety, and
7 general welfare of the residents of the state. The responsibility for the
8 employment and maintenance of suitable methods of operation rests
9 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 19922 provides:

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

13 16. Business and Professions Code section 19924 provides:

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

17 17. California Code of Regulations, title 4, section 12384, provides, in pertinent part:

18 (a) The policies and procedures for all Tiers^[4] shall meet or
19 exceed the following standards for the drop and collection of the drop
20 for non-electronic gambling tables:

21 * * *

22 (2) If a jackpot or any other player-funded gaming
23 activity is offered, jackpot collection shall be deposited into a
24 separate drop box, or otherwise segregated, and accounted for
25 separately.

26 ⁴ "Tiers" refer to the number of tables a gambling establishment is authorized to operate.
27 For example, a gambling establishment that is in Tier II is authorized to operate six to 10 tables.
(Cal. Code. Regs., tit. 4, § 12380, subd. (d).)

1 18. California Code of Regulations, title 4, section 12556, subdivision (c), provides, in part:

2 A state gambling license, finding of suitability, or approval granted
3 by the Commission . . . and an owner license for a gambling
4 establishment if the owner licensee has committed a separate violation
5 from any violations committed by the gambling establishment shall be
6 subject to revocation by the Commission on any of the following
7 grounds:

8 * * *

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

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

16 19. California Code of Regulations, title 11, section 2053, provides:

17 (a) The Bureau may require a gambling establishment to present
18 satisfactory evidence that there is adequate financing available to protect
19 the public's health, safety and welfare.

20 (b) A gambling establishment shall maintain a separate,
21 specifically designated, insured account with a licensed financial
22 institution in an amount not less than the total value of the chips in use by
23 the gambling establishment. The funds in that account may only be used
24 to redeem the chips of that gambling establishment. That account may not
25 be used as collateral, or encumbered or hypothecated in any fashion.
26 Alternatively, the Bureau may allow the gambling establishment to
27 provide some other form of security acceptable to the Bureau, in lieu of
28 maintaining the required account.

(c) A gambling establishment shall maintain a separate,
specifically designated, insured account with a licensed financial
institution in an amount not less than the total amount of monies that
patrons of that gambling establishment have on deposit with the gambling
establishment. The funds from that account may only be used to return to
the patrons the balance of the monies on deposit with the gambling
establishment. That account may not be used as collateral or encumbered
or hypothecated in any fashion. Alternatively, the Bureau may allow the
gambling establishment to provide some other form of security acceptable
to the Bureau, in lieu of maintaining the required amount.