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8

9
10 **BEFORE THE**
11 **CALIFORNIA GAMBLING CONTROL COMMISSION**
12 **STATE OF CALIFORNIA**

13 **In the Matter of the Accusation Against:**

14 **Normandie Club**, General Partnership, License
No. GEOW-001099, dba:
15 **Normandie Club**, Gambling Establishment,
license no. GEGE-000448;
16 General Partners:
17 **Russell Miller**, License No. GEOW-001100,
Lawrence Miller, License No. GEOW-001102,
18 **Gregory Miller**, License No. GEOW-001103, &
GEOW-001104.

19 [REDACTED]

20 and

21 **Michelle Miller-Wahler**,
License No. GEKE-001290

22 [REDACTED]

23 and

24 **David La**,
License No. GEKE-001387

25 [REDACTED]

26
27 **Respondents.**
28

BGC No.: BGC-HQ2013-00002AC

(Normandie Club, gambling establishment;
Normandie Club, general partnership; and
general partners: Russell Miller, Lawrence
Miller, Gregory Miller & Stephen Miller.)

BGC No.: BGC-HQ2013-00007AC

(Michelle Miller-Wahler)

BGC No.: BGC-HQ2013-00001PC

(David La)

OAH No. _____

ACCUSATION

1 Complainant alleges as follows:

2 **PARTIES**

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

6 2. On or about June 1, 2007, the California Gambling Control Commission
7 (Commission) issued a license to Normandie Club, general partnership (Respondent Partnership),
8 license number GEOW-001099, to own and operate the Normandie Club, a licensed gambling
9 establishment, license number GEGE-000448, located in Gardena, California. The Commission
10 has continuously renewed those licenses through August 31, 2013.

11 As currently licensed,¹ Respondent Partnership consists of four general partners, each with
12 an equal 25% ownership interest in Respondent Partnership. The general partners are Respondent

13 ¹ On or about February 1, 1984, Respondent Partnership was formed by Russell Miller,
14 Sr., his wife Mary Miller, and their four sons, Respondents Russell Miller (R. Miller), Lawrence
15 Miller (L. Miller), Gregory Miller (G. Miller) and Stephen Miller (S. Miller). In or about
16 December 1998, Respondent Partnership submitted its initial applications to the Division of
17 Gambling Control (predecessor agency to the Bureau). Subsequently, Respondent Partnership
18 was issued a license (hereinafter, within this footnote, license also includes all endorsees on that
license) to own and operate the Normandie Club for the period of December 1, 2000 through
November 30, 2001, which was renewed through November 30, 2002. Respondent Partnership's
ownership interest, as then licensed, was 20% for Mary Miller, trustee for the Miller Family
Trust, and 20% each for Respondents R. Miller, L. Miller, G. Miller and S. Miller.

19 Mary Miller passed away in 2001. Thereafter, the Commission continuously renewed
20 Respondent Partnership's license during the period of December 1, 2002 through May 31, 2006.
Respondent Partnership's ownership interest, as then licensed, was 20% for the Miller Family
Trust, and 20% each for Respondents R. Miller, L. Miller, G. Miller and S. Miller.

21 During that period of time an application for licensure was submitted for the Miller
22 Survivor Family Trust, also known as the Estate of Mary Miller, to replace the Miller Family
Trust. Effective on or about June 1, 2006, the Commission issued a new license to Respondent
23 Partnership. As then licensed, Respondent Partnership's ownership interest was 20% for the
Estate of Mary Miller, and 20% each for Respondents R. Miller, L. Miller, G. Miller and S.
24 Miller. That license was valid through May 31, 2008.

25 During that period of time, the Respondent Partnership removed the Estate of Mary Miller
as a partner in Respondent Partnership. In January 2008, the Commission issued Respondent
26 Partnership a new license to reflect that fact. As then licensed, Respondent Partnership's
ownership interest was 25% each for Respondents R. Miller, L. Miller, G. Miller and S. Miller.
27 That license had an issuance date of June 1, 2007. The Commission has continuously renewed
that license through August 31, 2013.

28 (continued...)

1 R. Miller, license number GEOW-001100, Respondent L. Miller, license number GEOW-
2 001102, Respondent G. Miller, license number GEOW-001103, and Respondent S. Miller,
3 license number GEOW-001104.

4 3. On or about October 11, 2007, the Commission issued a key employee license to
5 Michelle Miller-Wahler (Respondent Miller-Wahler), which expired on August 8, 2013.
6 Respondent Miller-Wahler was employed as the Normandie Club's president.² Her employment
7 at the Normandie Club was terminated on October 10, 2013.

8 4. On or about August 29, 2008, the Commission issued a key employee license to
9 David La (Respondent La), which will expire on August 31, 2014, unless renewed. Respondent
10 La was the Normandie Club's chief operating officer.³ His employment at the Normandie Club
11 was terminated on September 27, 2013.

12 **JURISDICTION**

13 5. Business and Professions Code section 19811, subdivision (b) provides:

14 Jurisdiction, including jurisdiction over operation and concentration,
15 and supervision over gambling establishments in this state and over all
16 persons or things having to do with the operations of gambling
17 establishments is vested in the commission.

18 _____
19 (...continued)

20 Sometime prior to April 2013, Respondent Partnership again changed its ownership
21 structure. It purported to change itself into a limited partnership, with the ownership interests
22 being 4% for Normandie Club, Inc. (a currently non-licensed entity), general partner, and 24%
23 each for Respondents R. Miller, L. Miller, G. Miller and S. Miller, limited partners. At the
24 direction of the Commission, Respondent Partnership submitted applications for licensure to
25 reflect this new structure. Those applications are currently pending and will be directly impacted
26 by the outcome of this Accusation.

27 ² "President" appears to be a working title. Although identified by the Normandie Club
28 as the president of that gambling establishment, there is no known presently licensed legal entity
currently associated with the Normandie Club for Respondent Miller-Wahler to be president of.
She functioned as, and had the authority of, the Normandie Club's general manager.

³ "Chief operating officer" appears to be a working title. Although identified by the
Normandie Club as the chief operating officer of that gambling establishment, there is no known
presently licensed legal entity currently associated with the Normandie Club for Respondent La to
be chief operating officer of. He functioned as, and had the authority of, the Normandie Club's
assistant general manager.

1 6. Business and Professions Code section 19823, subdivision (a) provides:

2 The responsibilities of the commission include, without limitation,
3 all of the following:

4 (1) Assuring that licenses, approvals, and permits are not
5 issued to, or held by, unqualified or disqualified persons, or by
6 persons whose operations are conducted in a manner that is
inimical to the public health, safety, or welfare.

7 (2) Assuring that there is no material involvement, directly or
8 indirectly, with a licensed gambling operation, or the ownership or
9 management thereof, by unqualified or disqualified persons, or by
persons whose operations are conducted in a manner that is
inimical to the public health, safety, or welfare.

10 7. Business and Professions Code section 19824 provides, in part:

11 The commission shall have all powers necessary and proper to
12 enable it fully and effectually to carry out the policies and purposes of
13 this chapter⁴, including, without limitation, the power to do all of the
following:

14 * * *

15 (b) For any cause deemed reasonable by the commission . . .
16 limit, condition, or restrict any license, permit, or approval, or impose any
17 fine upon any person licensed or approved. The commission may
18 condition, restrict, discipline, or take action against the license of an
19 individual owner endorsed on the license certificate of the gambling
enterprise whether or not the commission takes action against the license
of the gambling enterprise.

20 * * *

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

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

24 The department⁵ shall have all of the following responsibilities:

25 _____
26 ⁴ Hereinafter, “chapter” refers to Business and Professions Code, division 8, chapter 5,
(commencing with section 19800), also known as the Gambling Control Act.

27 ⁵ “Department” refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.
28 (h).)

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* * *

(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.

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

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.

10. California Code of Regulations, title 4, section 12554, subdivision (a), provides, in part:

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

COST RECOVERY

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

(d) In any case in which the administrative law judge recommends that the commission revoke, suspend, or deny a license, the administrative law 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.

* * *

(f) For purposes of this section, “costs” include costs incurred for any of the following:

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

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

3 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

4 12. Business and Professions Code section 19850 provides:

5 Every person who, either as owner, lessee, or employee, whether for
6 hire or not, either solely or in conjunction with others, deals, operates,
7 carries on, conducts, maintains, or exposes for play any controlled game
8 in this state, or who receives, directly or indirectly, any compensation or
9 reward, or any percentage or share of the money or property played, for
10 keeping, running, or carrying on any controlled game in this state, shall
11 apply for and obtain from the commission, and shall thereafter maintain,
12 a valid state gambling license, key employee license, or work permit, as
13 specified in this chapter. In any criminal prosecution for violation of this
14 section, the punishment shall be as provided in Section 337j of the Penal
15 Code.

12 13. Business and Professions Code section 19852 provides in pertinent part:

13 [A]n owner of a gambling enterprise that is not a natural person shall
14 not be eligible for a state gambling license unless each of the following
15 persons individually applies for and obtains a state gambling license:

15 * * *

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

18 14. Business and Professions Code section 19857 provides, in part:

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

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

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

26 15. Business and Professions Code section 19920 provides:

27 It is the policy of the State of California to require that all
28 establishments wherein controlled gambling is conducted in this state

1 be operated in a manner suitable to protect the public health, safety, and
2 general welfare of the residents of the state. The responsibility for the
3 employment and maintenance of suitable methods of operation rests
4 with the owner licensee, and willful or persistent use or toleration of
5 methods of operation deemed unsuitable by the commission or by local
6 government shall constitute grounds for license revocation or other
7 disciplinary action.

8 16. Business and Professions Code section 19922 provides:

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

12 17. Business and Professions Code section 19854, subdivisions (a) and (b) provide:

13 (a) Every key employee shall apply for and obtain a key
14 employee license.

15 (b) No person may be issued a key employee license unless the
16 person would qualify for a state gambling license.^[6]

17 18. Business and Professions Code section 19923 provides:

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

20 19. Business and Professions Code section 19924 provides:

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

24 20. Business and Professions Code section 19857 provides, in part:

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

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

(b) A person whose prior activities, criminal record, if any,
reputation, habits, and associations do not pose a threat to the public
interest of this state, or to the effective regulation and control of
controlled gambling, or create or enhance the dangers of unsuitable,
unfair, or illegal practices, methods, and activities in the conduct of

⁶ “State gambling license” is defined as any license issued by the state that authorizes the person named therein to conduct a gambling operation. (Bus. & Prof. Code, § 19805, subd. (p).)

1 controlled gambling or in the carrying on of the business and financial
2 arrangements incidental thereto.

3 21. Business and Professions Code section 19859 provides, in part:

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

6 * * *

7 (b) . . . [T]he supplying of information that is untrue or
8 misleading as to a material fact pertaining to the qualification criteria.

9 22. Penal Code section 14162, subdivision (b), provides:

10 A financial institution, as defined in Section 5312 of Title 31 of the
11 United States Code^[7] and Section 103.11 of Title 31 of the Code of
12 Federal Regulations and any successor provisions, shall file with the
13 department,^[8] at any time as the department by regulation shall require,
14 a duplicate copy of each report required by Sections 5313^[9] and 5314 of

13 ⁷ Section 5312 of title 31 of the United States Code provides in pertinent part:

14 * * *

15 [a](2) “financial institution” means—

16 * * *

17 (X) a casino, gambling casino, or gaming establishment with an
18 annual gaming revenue of more than \$1,000,000 which—

19 (i) is licensed as a casino, gambling casino, or gaming
20 establishment under the laws of any State or any political subdivision of
21 any State;

21 ⁸ “Department” means the Department of Justice. (Pen. Code, § 14161, subd. (d).)

22 ⁹ Section 5313 of title 31 of the United States Code provides in pertinent part:

23 (a) When a domestic financial institution is involved in a
24 transaction for the payment, receipt, or transfer of United States coins or
25 currency (or other monetary instruments the Secretary of the Treasury
26 prescribes), in an amount, denomination, or amount and denomination, or
27 under circumstances the Secretary prescribes by regulation, the institution
28 and any other participant in the transaction the Secretary may prescribe
shall file a report on the transaction at the time and in the way the
Secretary prescribes. A participant acting for another person shall make
the report as the agent or bailee of the person and identify the person for
whom the transaction is being made.

1 Title 31 of the United States Code and by Sections 103.22^[10] and
2 103.23 of Title 31 of the Code of Federal Regulations, and any
3 successor provisions thereto. The filing pursuant to this subdivision
shall satisfy all reporting and recordkeeping requirements of this title.

4 23. California Code of Regulations, title 4, section 12200.7, provides, in pertinent part:

5 * * *

6 (b) Each proposition player contract shall specifically require all
7 of the following to be separately set forth at the beginning of the
contract in the following order:

8 * * *

9 (15) A full disclosure of any financial arrangements entered into
10 during the term of the contract for any purpose between the house and
any registrant or licensee covered by the proposition player contract. If
11 there is no financial consideration that passes under the contract, a
statement to that effect shall be included.

12 * * *

13 (22) That the contract is a complete expression of all agreements
14 and financial arrangements between the parties; that any addition to or
modification of the contract, including any supplementary written or
15 oral agreements, must be approved in advance by the Bureau pursuant
to Section 12200.10B (Review and Approval of Amendments to
16 Proposition Player Contracts) before the addition or modification takes
effect.

17
18 24. California Code of Regulations, title 4, section 12395, provides, in pertinent part:

19 (a) The policies and procedures for all Tiers [all sizes of
20 gambling establishments] shall meet or exceed the following standards
for security:

21 (1) Access to restricted areas of the gambling establishment,

22 ¹⁰ Effective March 1, 2011, the relevant federal Bank Secrecy Act regulations were
23 reorganized and move to a new chapter in the Code of Federal Regulations. Section 1010.330 of
title 31 of the Code of Federal Regulations provides in pertinent part:

24 (a) *Reporting requirement* —(1) *Reportable transactions* —(i) *In*
25 *general*. Any person (solely for purposes of section 5331 of Title 31,
United States Code and this section, “person” shall have the same meaning
26 as under 26 U.S.C. 7701(a)(1)) who, in the course of a trade or business in
which such person is engaged, receives currency in excess of \$10,000 in 1
27 transaction (or 2 or more related transactions) shall, except as otherwise
provided, make a report of information with respect to the receipt of
28 currency.

1 including but not limited to cages, count rooms, vaults, security offices
2 and surveillance rooms, shall be limited to authorized personnel in the
performance of their duties and shall be closely controlled.

3 25. California Code of Regulations, title 4, section 12404, subdivision (a), provides:

4 (a) A gambling enterprise, as defined in section 19805(m) of the
5 Business and Professions Code,^[11] is required to file a report of each
6 transaction involving currency in excess of \$10,000, in accordance with
section 14162(b) of the Penal Code.

7 26. California Code of Regulations, title 11, section 2053 provides:

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

10 (b) A gambling establishment shall maintain a separate,
11 specifically designated, insured account with a licensed financial
12 institution in an amount not less than the total value of the chips in use
13 by the gambling establishment. The funds from that account may only
14 be used to redeem the chips of that gambling establishment. That
15 account may not be used as collateral, or encumbered or hypothecated
16 in any fashion. Alternatively, the Bureau may allow the gambling
17 establishment to provide some other form of security acceptable to the
18 Bureau, in lieu of maintaining the required account.

19 (c) A gambling establishment shall maintain a separate,
20 specifically designated, insured account with a licensed financial
21 institution in an amount not less than the total amount of the monies
22 that patrons of that gambling establishment have on deposit with the
23 gambling establishment. The funds from that account may only be
24 used to return to the patrons the balance of monies on deposit with the
25 gambling establishment. The 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
account.

26 27. Gardena Municipal Code section 5.24.170 provides in pertinent part:

27 Any person wishing to work in a card club, in any capacity
28 whatsoever, shall first obtain a work permit from the city. No card club
shall employ, in any capacity, any person not having a work permit
from the city.

26 ¹¹ Business and Professions Code section 19805, subdivision (m), provides that
27 "Gambling enterprise' means a natural person or an entity, whether individual, corporate, or
28 otherwise, that conducts a gambling operation and that by virtue thereof is required to hold a state
gambling license under this chapter."

1 28. Gardena Municipal Code section 5.24.270 provides, in pertinent part:

2 Rules of play for all games permitted to be played pursuant to this
3 chapter, including rules establishing wagering limits in each game to be
4 played, shall first be filed with the chief of police who shall make a
5 recommendation and then send to the city council for final approval.

6 29. Gardena Municipal Code section 5.24.420 provides, in pertinent part:

7 B. Unlawful Games. It is unlawful for any person to play in, or
8 permit the playing of, any game at any place licensed pursuant to this
9 chapter which game is not permitted by the provisions of this chapter or
10 regulations issued pursuant thereto, or in any game played in violation
11 of this chapter.

12 **FIRST CAUSE OF ACTION FOR REVOCATION**

13 **(Unlawful Structuring of Cash Transaction)**

14 30. Respondents Partnership, R. Miller, L. Miller, G. Miller, S. Miller, Miller-Wahler,
15 and/or La's licenses are subject to revocation pursuant to Business and Professions Code sections
16 19823, 19854, 19857, 19920 and 19923, in that their activities, habits and/or associations pose a
17 threat to the public interest of this state, to the effective regulation and control of controlled
18 gambling, create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and
19 activities in the conduct of controlled gambling or in the carrying on of the business and financial
20 arrangements incidental thereto.

21 Respondents knew of, should have known of, were willfully ignorant of, allowed to occur,
22 assisted, abetted and/or tolerated the conversion of approximately \$100,000.00 in cash into
23 gaming chips at the Normandie Club on or about March 11, 2013, in such a way as to avoid
24 compliance with Penal Code section 14162, subdivision (b), and California Code of Regulations,
25 title 4, section 12404, subdivision (a). The structuring process occurred in plain sight of the
26 Normandie Club's surveillance system and/or key employees, and with the assistance of on-duty
27 and off-duty Normandie Club employees.

28 **SECOND CAUSE OF ACTION FOR REVOCATION**

(Unlawful Failure to Submit Required Currency Transaction Reports)

31. Respondents Partnership, R. Miller, L. Miller, G. Miller, S. Miller, Miller-Wahler,
and/or La's licenses are subject to revocation pursuant to Business and Professions Code sections

1 19823, 19854, 19857, 19920 and 19923, in that their activities, habits and/or associations pose a
2 threat to the public interest of this state, to the effective regulation and control of controlled
3 gambling, create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and
4 activities in the conduct of controlled gambling or in the carrying on of the business and financial
5 arrangements incidental thereto.

6 Respondents knew of, should have known of, were willfully ignorant of, allowed to occur,
7 assisted, abetted and/or tolerated the failure to file the necessary currency transaction reports
8 required in order to comply with Penal Code section 14162, subdivision (b), and California Code
9 of Regulations, title 4, section 12404, subdivision (a). During February and March 2013, a
10 Normandie Club patron known only as “Sunny,” won in excess of \$2,500,000.00 at the
11 Normandie Club. No required currency transaction reports were completed or filed at the
12 Normandie Club regarding the monetary transactions associated with those winnings.

13 **THIRD CAUSE OF ACTION FOR REVOCATION**

14 **(Unlicensed Gambling)**

15 32. Respondents Partnership, R. Miller, L. Miller, G. Miller, S. Miller, Miller-Wahler,
16 and/or La’s licenses are subject to revocation pursuant to Business and Professions Code sections
17 19823, 19854, 19857, 19920 and 19923, in that their activities, habits and/or associations pose a
18 threat to the public interest of this state, to the effective regulation and control of controlled
19 gambling, create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and
20 activities in the conduct of controlled gambling or in the carrying on of the business and financial
21 arrangements incidental thereto.

22 Respondents knew of, should have known of, were willfully ignorant of, allowed to occur,
23 assisted, abetted and/or tolerated unlicensed or improperly licensed persons to receive, directly or
24 indirectly, a percentage or share of the revenue earned for keeping, running, or carrying on
25 controlled games at the Normandie Club in violation of Business and Professions Code sections
26 19850 and/or 19852, subdivision (h), in that:

- 27 a. From on or about June 16, 2013 until on or about July 27, 2013, Blue Ocean Power,
28 Inc.; Good Harvest, LLC; GT Golden Ocean, Inc.; and YPY EZBAC 168, Inc.,

1 (collectively, Promoters) pursuant to contracts with the Normandie Club, enticed,
2 attracted and/or brought players to that gambling establishment in exchange for
3 which they were paid 50% of the Normandie Club's adjusted gross income from the
4 table fees paid by those players. Promoters have never been licensed as owners of
5 the Normandie Club by the Commission;

- 6 b. From on or about October 11, 2012 until on September 27, 2013, pursuant to the
7 terms of his employment contract, Respondent La received 4% of the Normandie
8 Club's average monthly gaming collection revenue in excess of \$1,500,000.00.
9 Respondent La has never been licensed as an owner of that gambling establishment
10 by the Commission; and/or
- 11 c. Since sometime prior to April 2013, the exact date of which is unknown, Respondent
12 Partnership changed its ownership structure. It purported to change itself into a
13 limited partnership, with a 4% ownership interest going to Normandie Club, Inc., as
14 the general partner. Normandie Club, Inc. has never been licensed as an owner of
15 the Normandie Club by the Commission. And, Respondents R. Miller, L. Miller, G.
16 Miller and S. Miller have not received the Commission's permission, as required by
17 Business and Professions Code section 19892, to each transfer their ownership
18 interests in Respondent Partnership to Normandie Club, a limited partnership, or for
19 each to transfer a 1% ownership to Normandie Club, Inc.

20 **FOURTH CAUSE OF ACTION FOR REVOCATION**

21 **(Violation of Gardena Municipal Code)**

22 33. Respondents Partnership, R. Miller, L. Miller, G. Miller, S. Miller, Miller-Wahler,
23 and/or La's licenses are subject to revocation pursuant to Business and Professions Code sections
24 19823, 19854, 19857, and 19920, in that their activities, habits and/or associations pose a threat to
25 the public interest of this state, to the effective regulation and control of controlled gambling,
26 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in
27 the conduct of controlled gambling or in the carrying on of the business and financial
28 arrangements incidental thereto.

1 From on or about June 16, 2013 until on or about July 27, 2013, Respondents knew of,
2 should have known of, were willfully ignorant of, allowed to occur, assisted, abetted and/or
3 tolerated the employment of Promoters at the Normandie Club without the required local works
4 permits, in violation of Business and Professions Code section 19923 and Gardena Municipal
5 Code section 5.24.170.

6 **FIFTH CAUSE OF ACTION FOR REVOCATION**

7 **(Adequate Financing and Security Controls)**

8 34. Respondents Partnership, R. Miller, L. Miller, G. Miller, S. Miller, Miller-Wahler,
9 and/or La's licenses are subject to revocation pursuant to Business and Professions Code sections
10 19823, 19854, 19857, and 19920, in that their activities, habits and/or associations pose a threat to
11 the public interest of this state, to the effective regulation and control of controlled gambling,
12 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in
13 the conduct of controlled gambling or in the carrying on of the business and financial
14 arrangements incidental thereto, in that:

- 15 a. On or about June 18, 2013, during an onsite visit at the Normandie Club by Bureau
16 staff, the Respondents were found to have underfunded the chip-in-use account at the
17 Normandie Club by about \$572,111.00, in violation of Business and Professions
18 Code section 19924 and California Code of Regulations, title 11, section 2053; and/or
19 b. From at least on or about June 18, 2013 until on or about September 18, 2013,
20 Respondents failed to have in place and/or maintain the records, policies and/or
21 procedures required in order to adequately determine chip liability, in violation of
22 Business and Professions Code section 19924 and California Code of Regulations,
23 title 11, section 2053.

24 **SIXTH CAUSE OF ACTION FOR REVOCATION**

25 **(False Statements to the Bureau)**

26 35. Respondent Miller-Wahler's license is subject to revocation pursuant to Business
27 and Professions Code sections 19823, 19854, 19857, and 19920, in that on or about July 15,
28 2013, Respondent Miller-Wahler told the Bureau that the contract between the Normandie Club

1 and Knighted Ventures, LLC¹² had already been amended to reflect the current surveillance room
2 situation at the Normandie Club, as required by California Code of Regulations, title 4, section
3 12200.7, subdivisions (b)(15) and (22). Respondent Miller-Wahler knew or should have known
4 that the representation to the Bureau was false and/or misleading, and that such an amended
5 contract had not yet been fully executed by the parties and/or submitted to the Bureau.
6 Respondent Miller-Wahler's conduct violated Business and Professions Code sections 19857
7 and/or 19859, subdivision (b).

8 **SEVENTH CAUSE OF ACTION FOR REVOCATION**

9 **(Persistent Use or Toleration of Unsuitable Methods of Operation)**

10 36. Respondents Partnership, R. Miller, L. Miller, G. Miller, S. Miller, Miller-Wahler,
11 and/or La's licenses are subject to revocation pursuant to Business and Professions Code sections
12 19823, 19854, 19857, and 19920, in that their activities, habits and/or associations pose a threat to
13 the public interest of this state, to the effective regulation and control of controlled gambling,
14 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in
15 the conduct of controlled gambling or in the carrying on of the business and financial
16 arrangements incidental thereto.

17 As alleged in paragraphs 30 through 35 above and incorporated herein by reference,
18 Respondents have persistently used or tolerated a number of unsuitable and/or unlawful methods
19 of overall operation of the Normandie Club. In addition to those alleged above, as part of the
20 overall culture of operating the Normandie Club in disregard of the Gambling Control Act, and
21 the regulations promulgated thereunder, Respondents knew of, should have known of, were
22 willfully ignorant of, allowed to occur, assisted and/or abetted the following additional violations:
23
24
25

26 _____
27 ¹² Knighted Ventures, LLC is a third-party proposition player services provider that
28 provides proposition player services to the Normandie Club pursuant to a contract with that
gambling establishment.

- 1 a. On or about June 18, 2013 the Normandie Club was found to have a separate,
2 dedicated on-site surveillance room for the use of Banc, LLC.¹³ The Bureau-
3 approved contract between the Normandie Club and Banc, LLC, did not disclose
4 such an arrangement as required by California Code of Regulations, title 4, section
5 12200.7, subdivisions (b)(15) and (22).
- 6 b. On or about March 28, 2013, a patron of the Normandie Club was found in
7 possession of a key to a locked and restricted area of the Normandie Club in violation
8 of Business and Professions Code section 19920 and California Code of Regulations,
9 title 4, section 12395, subdivision (a)(1).
- 10 c. On or about January 15, 2013, and for an unknown period of time before, Normandie
11 Club advertised and played the games of “No Commission/No Collection” EZ
12 Baccarat and Pai Gow without the necessary prior approval of the City of Gardena in
13 violation of Business and Professions Code section 19923 and Gardena Municipal
14 Code sections 5.24.270 and 5.24.420.

15 **PRAYER**

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

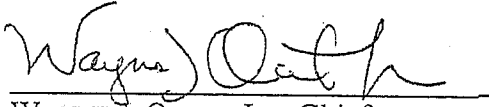
- 18 1. Revoke license number GEGE-000448, issued to the Normandie Club, a licensed
19 gambling establishment;
- 20 2. Revoke license number GEOW-001099, issued to the Normandie Club, general
21 partnership;
- 22 3. Revoke license number GEOW-001100, issued to Russell Miller, a general partner
23 in Normandie Club, general partnership;
- 24 4. Revoke license number GEOW-001102, issued to Lawrence Miller, a general
25 partner in Normandie Club, general partnership;

26 _____
27 ¹³ Banc, LLC is a third-party proposition player services provider that provided
28 proposition player services to the Normandie Club pursuant to a contract with that gambling
establishment.

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- 5. Revoke license number GEOW-001103, issued to Gregory Miller, a general partner in Normandie Club, general partnership;
- 6. Revoke license number GEOW-001104, issued to Stephen Miller, a general partner in Normandie Club, general partnership;
- 7. Revoke key employee license number GEKE-001290, issued to Michelle Miller-Wahler, a former key employee at the Normandie Club;
- 8. Revoke key employee license number GEKE-001387, issued to David La, a former key employee at the Normandie Club;
- 9. 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
- 10. Take such other and further action as the Commission may deem appropriate.

Dated: OCTOBER 28, 2013


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