

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

8
9
10 **BEFORE THE**
11
12 **CALIFORNIA GAMBLING CONTROL COMMISSION**
13
14 **STATE OF CALIFORNIA**

14 **In the Matter of the Statement of Issues**
15 **Against:**

16 **TIMOTHY J. LONG, sole proprietor**
17 **HEMPHILL'S LOUNGE AND**
18 **CARDROOM**

18 **1144 Jordan Lane**
19 **Napa, California 94588**

20 **Respondent.**

CGCC Case No. CGCC-2010-12-21

OAH No. _____

STATEMENT OF ISSUES

21
22 Anna S. Carr, Complainant herein, alleges as follows:

23 **PARTIES**

24 1. Anna S. Carr ("Complainant") brings this Statement of Issues solely in her official
25 capacity as Deputy Director, Legislation and Regulatory Affairs, California Gambling Control
26 Commission (Commission).
27
28

1 (b) For the purposes of this section, "unqualified person"
2 means a person who is found to be unqualified pursuant to the
3 criteria set forth in Section 19857, and "disqualified person" means
4 a person who is found to be disqualified pursuant to the criteria set
5 forth in Section 19859.

6 8. Business and Professions Code section 19824 provides in part:

7 The commission shall have all powers necessary and proper to
8 enable it fully and effectually to carry out the policies and purposes of
9 this chapter, including, without limitation, the power to do all of the
10 following:

11 * * *

12 (b) For any cause deemed reasonable by the commission, deny
13 any application for a license, permit, or approval provided for in this
14 chapter or regulations adopted pursuant to this chapter, limit, condition,
15 or restrict any license, permit, or approval, or impose any fine upon any
16 person licensed or approved.

17 * * *

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

21 COST RECOVERY

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

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

28 * * *

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

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

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

1 (2) If an applicant fails to conduct an economic feasibility
2 study that demonstrates to the satisfaction of the commission . . .
3 that the owners have sufficient resources to make the gambling
establishment successful.

4 14. California Code of Regulations, title 11, section 2053, subdivision (a), provides:

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

8 **FIRST CAUSE FOR DENIAL OF APPLICATION**

9 **(Unqualified Financially for Licensure)**

10 15. Respondent's application for a state gambling license is subject to denial pursuant to
11 Business and Professions Code sections 19856, subdivision (a), and 19857, subdivision (b), in that
12 the amount and/or nature of Respondent's outstanding debts and ongoing contractual disputes are
13 such that he failed to demonstrate that his financial circumstances and/or his reputation and/or
14 habit of financial dealings do not create or enhance the dangers of unsuitable, unfair, or illegal
15 practices, methods, and activities in the conduct of controlled gambling or in the carrying on of the
16 business and financial arrangements incidental thereto.

17 **SECOND CAUSE FOR DENIAL OF APPLICATION**

18 **(Disqualified for Licensure – Failure to Establish Financial Eligibility and Qualification)**

19 16. Respondent's application for a state gambling license is subject to denial pursuant to
20 Business and Professions Code sections 19856, subdivision (a), and 19859, subdivision (a), in that
21 Respondent failed to present satisfactory evidence that despite his outstanding debts and ongoing
22 contractual disputes he clearly has adequate financing available to protect the public's health,
23 safety and welfare if licensed as sole proprietor of Hemphill's Lounge and Cardroom as required
24 by California Code of Regulations, title 11, section 2053, subdivision (a).

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

2. Awarding Complainant the costs of investigation and costs of bringing this Statement of Issues before the Commission, pursuant to Business and Professions Code section 19930, subdivisions (d) and (f), in a sum according to proof; and

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

Dated: June 1, 2012


ANNA S. CARR, Deputy Director,
Legislation and Regulatory Affairs
California Gambling Control Commission
State of California
Complainant