

**CALIFORNIA GAMBLING CONTROL COMMISSION**  
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**MINUTES OF OCTOBER 23, 2008  
COMMISSION MEETING**

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**OPEN SESSION**

1. Call to Order and Pledge of Allegiance.

Chairman Shelton called the meeting to order at 10:02 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich present.

3. Application for Approval for Initial State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19851):
  - A. Brooks Oceana Cardroom: Mark Scott Adam, Sole Proprietor

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve the initial state gambling license from close of escrow through October 31, 2010 and removing the existing condition for Brooks Oceana Cardroom, Item 3.A. Upon motion of Commissioner Shimazu, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

- B. Don Juan Club and Casino: Cal Pac Rancho Cordova, LLC  
John Park, Member  
Wendy Park, Member

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve the initial state gambling license from close of escrow through October 31, 2010 and removing the existing conditions for Don Juan Club and Casino, Item 3.B. Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

4. Applications for Renewal of State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19876):

A. Brooks Oceana Cardroom: Barbara Brooks, Sole Proprietor

Deputy Director Littleton indicated that since the Commission has approved agenda Item 3.A. no action by the Commission was necessary with regards to Item 4.A.

B. Lucky Derby Casino: Point Walker, Inc.

Kermit Schayltz, President Leo Chu, CFO/Secretary

Sandra Schayltz, CPI Ivy Chu, CPI

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve renewal of the state gambling license for the remainder of the licensure period through December 31, 2009 and removing the existing condition for Lucky Derby Casino, Item 4.B. Upon motion of Commissioner Shimazu, seconded by Commissioner Vukisch and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

5. Applications for Renewal of Temporary State Gambling License (Pursuant to Business and Professions Code section 19824):

A. Delta Casino, downtown: Delta C, LP – Delta CM, Inc., General Partner

Fazel Mostashari, Delta C, LP, Limited Partner; Delta CM, Inc., Shareholder

B. Delta Casino: Delta C, LP – Delta CM, Inc., General Partner

Fazel Mostashari, Delta C, LP, Limited Partner; Delta CM, Inc., Shareholder

Acting Deputy Director Littleton indicated that staff recommended that the Commission extend Fazel Mostashari's temporary state gambling license through February 28, 2009 with the following conditions:

1. *Upon approval of Mr. Nader Tafty's initial state gambling license application, the transfer to Mr. Tafty 30 of the 49 shares of Delta CM, Inc. held by Mr. Mostashari will be approved.*
2. *Transfer 26 of the 35 shares of Delta RE, LLC currently held by Moe Mostashari to Fazel Mostashari; transfer the remaining nine shares to Mr. Tafty. A copy of the executed transfer of shares must be submitted to the Commission.*
3. *Issuance of a temporary license does not obligate the Commission to grant a permanent license. Issuance of a temporary license does not create a vested right in the holder to either extension of the temporary license or to a regular license.*
4. *Issuance of the temporary license does not in any way change the legal requirement that the applicant bears the burden of establishing that he/she is suitable pursuant to Business and Professions Code section 19856(a) for a regular license.*
5. *Issuance of the temporary license does not change the license qualification requirements of the Gambling Control Act, including but not limited to Business and Professions Code sections 19856, 19857, 19858, and 19859.*
6. *The applicant has pending applications for regular state gambling licenses. A regular license may or may not be issued, depending upon the results of the complete*

*background investigation and upon the conduct of the applicant and its employees during the term of the temporary license.*

7. *If, during the term of the temporary license, the Executive Director determines that any particular applicant is disqualified for any of the reasons set forth in Business and Professions Code section 19859, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting. The applicant may request an evidentiary hearing either in writing not less than five days prior to the meeting or at the meeting itself.*
8. *If, during the term of the temporary license, the Executive Director determines that any particular applicant may have violated one or more of the conditions under which the temporary license was issued, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting. Either in writing not less than five days prior to the meeting or at the meeting itself, the applicant may request an evidentiary hearing.*
9. *The Commission is relying on the applicant's agreement and acknowledgement that the applicant shall make no argument challenging the validity of the foregoing conditions in any future proceedings concerning this temporary license.*

Upon motion of Chairman Shelton, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

6. Application for Approval for State Gambling License Including All Associated Applicants and Endorsees— Request to Withdraw (Pursuant to Business and Professions Code section 19851):

Wine Country Restaurant and Casino: David Ryan Lewis

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve, without prejudice, the request for withdrawal of the application for a state gambling license for Wine Country Restaurant and Casino. Upon motion of Commissioner Schmidt, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

7. Applications for Initial Key Employee Personal Portable License (Pursuant to Business and Professions Code section 19854(d)):
  - A. Theresa Dong
  - B. Michael Fink
  - C. Nicholas Forese
  - D. Michael Giacomini
  - E. Keith Jeske
  - F. Robert McCaullay

G. Victor Paras  
H. Anthony San Marchi

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve the initial application for a personal key employee license for the period of October 23, 2008 through October 31, 2010 for the individuals listed in Items 7.A. through 7.F. Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

8. Applications for Work Permit - Request to Withdraw (Pursuant to Business and Professions Code section 19869):

The 101 Casino: Luz Cardenas      Miguel Ramos

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve, without prejudice, the request for withdrawal of the application for a work permit for Luz Cardenas and Miguel Ramos. Upon motion of Commissioner Shimazu, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

9. Application for License as an Owner of Gambling Business (Pursuant to Business and Professions Code section 19853 and California Code of Regulations, Title 4, section 12233):

Gaming Fund Group, Inc.: Gaming Fund Group, Inc., a Nevada Corporation  
William Schipani, Shareholder/ President/Secretary/Treasurer  
Gamesource, LLC

10. Application for License as an Owner of Third Party Provider of Proposition Services (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):

Gaming Fund Group, Inc.: Gaming Fund Group, Inc., a Nevada Corporation  
William Schipani, Shareholder/President/Secretary/Treasurer  
Gamesource, LLC

Acting Deputy Director Littleton indicated that staff recommended that the Commission extend the license for the licensure period of November 1, 2008 through January 31, 2009 with the following conditions remaining on the license:

1. *Gaming Fund Group, Inc. will not provide third-party proposition player services to, or operate as a gambling business at S&S Gaming dba Club Caribe until S&S Gaming, Inc. has repaid in full all outstanding loans owed to Gaming Fund Group, Inc. and/or Game Source, LLC.*
2. *Gaming Fund Group, Inc. and Game Source, LLC will provide a copy of the reconveyance to the Commission and Bureau when S&S Gaming, Inc. has repaid in full the loans owed to Gaming fund Group, Inc. and Game Source, LLC.*

3. *Gaming Fund Group, Inc. Game Source LLC and TAJA Enterprises submit requested documents and information as requested by the Commission and Bureau to determine if Mr. Aiello's role in the business interests should be discontinued in order to ensure Compliance with the Gambling Control Act. The documents and information will be submitted within 45 days of the date of the request.*

*Once the documents and information is reviewed by the Commission and Bureau, the Commission reserves the option to consider any additional required conditions that should be included in Gaming Fund Group Inc.'s licensure.*

Upon motion of Commissioner Shimazu, seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

11. Applications to Convert Gambling Business Player Registration to a License (Pursuant to Business and Professions Code section 19853 and California Code of Regulations, Title 4, section 12233):

Network Management Group, Inc.: Chris Phan    Lindy Smith

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve the applications to convert gambling business player registrations to a license for Chris Phan and Lindy Smith. Upon motion of Commissioner Shimazu, seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

12. Applications to Convert Third Party Proposition Player (TPPP) Registration to a License (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):

A. Certified Players, Inc.: Savuth Chhun

B. Network Management Group, Inc.:

Roeun Chhat

Robert Garcia

Lai Lin

Rachelle Martinez

Valencia McCraw

Chris Phan

Lindy Smith

Tian Shou Yin

Jeffrey Yusi

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve the applications to Convert TPPP registration to a license for the individuals listed in Items 12.A. and 12.B. Upon motion of Commissioner Schmidt, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

13. Applications for Request to Convert Third Party Proposition Player (TPPP) Registration to a License – Request to Withdraw (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):

Network Management Group, Inc.:

Greg Farley	Kevin Hubert	Darren Lancaster
Marvin Miranda	Hieu Nguyen	Brisa Sepulveda
Joseph Vasquez	Jonathan Vo	Brian Wachter

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve, without prejudice, the requests for withdrawal of the applications to convert TPPP registration to a license for the individuals listed in Item 13. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

14. Application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability – Request to Withdraw (Pursuant to Business and Professions Code section 19869):

GameTech International, Inc.: Bonnie Fedor, Shareholder

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve, without prejudice, the request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier finding of suitability for GameTech International, Inc. Upon motion of Commissioner Vukisch, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

15. Applications for Initial Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

A. Eagle Mountain Casino – Tule River Indian Tribe of the Tule River Reservation:  
Ralph Eugene

Acting Deputy Director Littleton indicated that staff recommended that the Commission deny Ralph Eugene's application for and initial key employee finding of suitability. Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

B. Sycuan Casino – Sycuan Band of Digueno Mission Indians: James Kelly II

Acting Deputy Director Littleton indicated that staff recommended that the Commission deny the application of James Kelly II for and initial key employee finding of suitability. Upon motion of Commissioner Shimazu, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

**CONSENT CALENDAR ITEMS**

16. Applications for Initial Work Permit (Pursuant to Business and Professions Code section 19912):
  - A. Ceasars Club: Jesus Galvan
  - B. Oasis Card Room: Peter Vongsouthy
  - C. The 101 Casino: i. Meghan Burns    ii. Barry Mok
  
17. Applications for Renewal Work Permit (Authority Pursuant to Business and Professions Code section 19870):
  - A. Central Coast Casino – Grover Beach: Stephanie Lim
  - B. Empire Sportsmen’s Association: Jesse Crawford
  - C. Napa Valley Casino: Jacob Crawford
  - D. Outlaws Card Parlour: Peggy Kreider
  - E. River Card Room: Shqipe Delia
  - F. Sundowner Cardroom: Billy Blackmon
  - G. The 101 Casino: Alice Stearns
  
18. Applications for Initial Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
  - A. Augustine Casino - Augustine Band of Cahuilla Mission Indians: Robert Jones, Jr.
  - B. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:  
William Bojorques
  - C. Cache Creek Casino Resort – Rumsey Indian Rancheria of Wintun Indians: Brent Waits
  - D. Harrah’s Rincon – Rincon Band of Luiseno Indians: Sergio Ayon
  - E. Jackson Rancheria Hotel & Casino – Jackson Rancheria Band of Miwuk Indians:  
Sopheunn Cheng                      Stephen Selback
  - F. Pala Casino – Pala Band of Mission Indians:  
Japp Chan                                  Matthew Christian
  - G. Pit River Casino – Pit River Tribe: Boyd Taylor
  - H. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians: Roy McNabb
  - I. Valley View Casino – San Pasqual Band of Mission Indians: Ramiro Guerra
  
19. Revenue Sharing Trust Fund Final Report for Distribution to Eligible Recipient Indian Tribes for Quarter Ending September 30, 2008 - Quarterly License Revenue Received and Shortfall

Acting Deputy Director Littleton indicated that staff recommended that the Commission approve Consent Calendar Items 16 through 19. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

### **PUBLIC COMMENT**

Frank Calamia presented a prepared statement concerning the Marina Club Card Room, which he read to the Commission. A copy of that statement is incorporated into these minutes as Attachment A.

Chief Counsel Evelyn Matteucci announced that Commission regulations concerning withdrawal, abandonment, or denial of licenses were approved by the Office of Administrative Law and will go into effect November 15, 2008.

### **CLOSED SESSION**

At 10:25 a.m. the Commission adjourned to Closed Session after Chairman Shelton announced that the Commission would adjourn to Closed Session under the authority of (1) Government Code section 11126(e) to discuss pending litigation and (2) Government Code section 11126(c)(3) to deliberate on decisions regarding disciplinary matters.

### **RECONVENE OPEN SESSION**

Chairman Shelton reconvened the meeting at 10:50 a.m. with Commissioners Schmidt, Shimazu, and Vuksich present.

Chairman Shelton announced that while in Closed Session the Commission had acted on the following:

1. Deliberation on Decisions Regarding Disciplinary Matters (Government Code section 11126(c)(3)):
  - A. Stipulated Settlement: Ronald M. Roberts

By a vote of 4 to 0, the Commission approved the Stipulated Settlement for Ronald M. Roberts.

- B. Stipulated Settlement and Disciplinary Order: Lewis & Lewis, Inc., Natalie Lewis and David Lewis, and the Cameo Club

By a vote of 4 to 0, the Commission approved the Stipulated Settlement and Disciplinary Order for Lewis & Lewis, Inc., Natalie Lewis and David Lewis, and the Cameo Club.

### **ADJOURNMENT**

Upon motion to adjourn the meeting by Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a roll call vote, with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the meeting adjourned at 10:53 a.m.



**STATEMENT**

**THANK YOU COMMISSIONERS FOR GIVING ME THE OPPORTUNITY TO BRING TO YOUR ATTENTION WHAT I FEEL IS A VERY IMPORTANT SYSTEMIC PROBLEM REQUIRING YOUR ATTENTION. I AM REFERRING TO SECTION 2052, TITLE 11, AND CALIFORNIA CODE OF REGULATIONS. THIS SECTION REQUIRES A KEY EMPLOYEE TO REPORT TO THE DIVISION VIOLATIONS OF THE GAMBLING CONTROL ACT, OR GAMING REGULATIONS WITHIN 5 DAYS OF THE VIOLATION. WHAT I WILL NOW DISCUSS IS THE RETALIATION BY THE GAMING ESTABLISHMENT FOR COMPLYING WITH THIS ACT, AS WELL AS, THE TOTAL LACK OF RESPONSE FROM THE DIVISION AS A RESULT OF THE RETALIATION.**

**I AM THE FORMER GENERAL MANAGER AND KEY EMPLOYEE OF THE MARINA CLUB CARD ROOM. IN NOVEMBER 2007 MY BROTHER DEON, A KEY EMPLOYEE, AND I RENDERED TO THE DIVISION A WRITTEN REPORT HIGHLIGHTING ALLEGATIONS OF VARIOUS INFRACTIONS OF DOJ GAMING REGULATIONS. SPECIFICALLY, AND BASED ON INFORMATION THAT WE BELIEVED TRUE, WE BROUGHT FORTH INFORMATION DEMONSTRATING THAT THE CARD ROOM'S DESIGNATED AGENT, AND DE-FACTO OWNER, WAS SKIMMING REVENUE FROM THE TIME COLLECTIONS. THE DIVISION WAS PROVIDED COPIES OF 18 MONTHS OF BANK STATEMENTS DEMONSTRATING THAT NOT ONE CASH DEPOSIT WAS**

MADE. WE PROVIDED THE DIVISION WITH STATEMENTS TO THE EFFECT THAT THE DESIGNATED AGENT ADMITTED TO SKIMMING. INFORMATION INDICATES THAT THE DESIGNATED AGENT EVEN ADMITTED TO THE LICENSEE'S WIFE AND HER ATTORNEY, HANSEN REED THAT SHE SKIMMED FROM THE TIME COLLECTIONS. DEON AND I REPORTED THAT THE DESIGNATED AGENT WAS PLACED ON PAID ADMINISTRATIVE LEAVE BECAUSE SHE REFUSED TO BRING THE COMPANY BOOKS TO THE BUSINESS SO THAT AN ACCOUNTING COULD BE PERFORMED. WE PROVIDED INFORMATION DEMONSTRATING THAT \$45K IN MISAPPROPRIATED MONEY WAS SHARED BETWEEN THE DESIGNATED AGENT AND THE LICENSEE'S WIFE WITHOUT THE LICENSEE'S KNOWLEDGE.

BUT, THE MOST IMPORTANT AND TROUBLING ALLEGATION THAT DEON AND I BROUGHT TO THE DIVISION WAS THE RELENTLESS AND ONGOING ELDER ABUSE OF THE LICENSEE. INFORMATION LEADS US TO BELIEVE THAT THE LICENSEE'S OWN WIFE, HER CHILDREN, AND THE DESIGNATED AGENT WERE PSYCHOLOGICALLY ABUSING HIM IN ORDER TO GAIN OPERATIONAL CONTROL OF THE GAMING ESTABLISHMENT AS WELL AS HIS MONEY. THE DIVISION WAS TOLD THAT THE ABUSE OF THE LICENSEE WAS IN PART, AND EFFORT TO STOP MY INVESTIGATION INTO THE ALLEGED EMBEZZLEMENT OF CARD ROOM MONEY BY THE LICENSEE'S SPOUSE AND DESIGNATED AGENT.

WITHIN DAYS AFTER RENDERING OUR REPORT TO THE DIVISION, INFORMATION INDICATES THAT THE DESIGNATED AGENT PROVIDED THE DIVISION WITH A FRAUDULENT DOCUMENT THAT IS KNOWN AS THE SEPTEMBER 2000 DOCUMENT. THE DOCUMENT WAS FRAUDULENTLY PREPARED BY THE DESIGNATED AGENT. PARAGRAPH 1 OF THE DOCUMENT STATED THAT THE LICENSEE AND HIS FORMER WIFE EACH OWNED THE REAL PROPERTY. THIS WAS FALSE BECAUSE THE FORMER SPOUSE QUIT CLAIMED HER REAL PROPERTY INTEREST TO HER CHILDREN IN 1996, FOUR YEARS EARLIER THAN THE 2000 DOCUMENT. THE DESIGNATED AGENT WAS A BENEFICIARY OF THE QUIT CLAIM. THE SECOND AND LAST PARAGRAPH IN THE 2000 DOCUMENT STATED THAT THE LICENSEE AND HIS EX-WIFE AGREED TO SPLIT THE MARINA CLUB INTO TWO BUSINESSES DURING THE DIVORCE PROCEEDINGS. THE SPLIT RESULTED IN THE BAR TO THE FORMER SPOUSE, AND THE CARD ROOM TO THE LICENSEE. THIS WAS FALSE GIVEN THE FACT THAT THE MSA, WHICH REMAINS IN EFFECT TO THIS DAY, SPECIFICALLY STATES THAT THE BUSINESS WILL BE KEPT IN THE JOINT NAMES OF THE PETITIONER AND <sup>Respondant</sup> DEFENDANT UNTIL SUCH TIME AS THE BUSINESS IS SOLD. THE BUSINESS HAS NEVER BEEN SOLD. INFORMATION LEADS US TO BELIEVE THAT SOMEHOW THIS DOCUMENT INFLUENCED THE

**DIVISION TO NOT PURSUE AN INVESTIGATION INTO THE KEY EMPLOYEE'S ALLEGATIONS.**

**SHORTLY AFTER THE KEY EMPLOYEES RENDERED THEIR WRITTEN REPORT, WHICH INCLUDED EVIDENCE OF A CO-OWNERSHIP RIGHT TO THE CARD ROOM, THE LICENSEE THROUGH HIS WIFE'S ATTORNEY, RETALIATED BY PLACING DEON AND MYSELF ON PAID ADMINISTRATIVE LEAVE. LATER, IN MARCH 08 WE WERE TERMINATED WITHOUT EXPLANATION.**

**ALSO, IT WAS IN MARCH 08 THAT THE LICENSEE'S TRUST WAS RADICALLY CHANGED LEAVING ALL HIS MONEY AND THE CARD ROOM TO HIS SPOUSE, HER CHILDREN, AND THE DESIGNATED AGENT.**

**SO, IN CONCLUSION, THE GAMING ESTABLISHMENT WAS TAKEN OVER BY DURESS, FRAUD, AND INTIMIDATION. THE VERY INDIVIDUALS, WHO ARE STILL SUBJECTS OF ALLEGATIONS OF CRIMINAL ELDER ABUSE, EMBEZZLEMENT, AND FRAUD, ARE NOW THE DESIGNATED OWNERS OF THE GAMING BUSINESS KNOWN AS THE MARINA CLUB.**

**I FIND IT MOST TROUBLING THAT TWO KEY EMPLOYEES ARMED WITH DOCUMENTATION AND STATEMENTS OF WRONGDOING, CAN COME BEFORE THE DIVISIONS TO BE IN COMPLIANCE WITH SECTION 2052, OF TITLE 11, ONLY**

**TO BE RETALIATED AGAINST WITHOUT SO MUCH AS A PHONE CALL FROM THE  
DIVISION TO FIND OUT WHAT TRANSPIRED.**

**LASTLY, I HOPE THE COMMISSION WILL DIRECT A REVIEW OF THE DIVISIONS  
INTERNAL PROCEDURES AND CONSIDER APPROPRIATE REGULATIONS TO  
ADDRESS THE RETALIATION OF KEY EMPLOYEES WHO REPORT VIOLATIONS OF  
THE GAMING LAWS AND REGULATIONS. AND, I HOPE THAT SINCE MY FATHER  
DID NOT LIVE LONG ENOUGH TO SEE AN AUDIT OF THE COMPANY BOOKS, THAT  
YOU WOULD TAKE ACTIONS TO ENSURE THAT ONE IS PERFORMED.**

**THANK YOU FOR YOUR TIME.**

A handwritten signature in black ink, appearing to read "Frank Calamia". The signature is written in a cursive, flowing style.

**Frank Calamia**

**831-917-9167**

**DIARY EXCERPTS**

## **A FAMILY TORN APART**

**SEPTEMBER 11, 2007**

### **DIARY ENTRIES**

**I pray my story is a wake-up call for those families with elder parents. My story begins in May 2007 when my brother Guy Allen and I had lunch with my father. My father is 77 years old and he was recovering from hip surgery. During lunch, dad makes an unexpected utterance that he was being blackmailed! I was shocked. We asked dad to explain, but he clammed up. As the eldest son, I assumed the responsibility to investigate dad's blackmail statement. I soon discovered that dad's comments were related to the ongoing dispute between my sister Leila and my brother Deon. They manage the day to day operations of my father's business. The dispute concerned sis' refusal to give my brother the bonus that his father had promised him. Her position was that the business did not make a profit. My brother, with more than 20 years experience in the business, knew better. So, he kept a secret revenue log book for four months. His log book contained daily revenue reports that significantly contradicted her figures. The family began discussing the ugly possibility that my sister misappropriated company money.**

**I discovered that my father was not involved in his business for at least four years. My sister, on the other hand, managed to become the de facto owner of the business. She became the designated agent for the business with sole signature authority for payroll, business accounts, and Department of Justice reports. I learned that she never showed my father a profit and loss statement. She never gave dad a bank statement, or detailed information about how much money the business generated. Moreover, I learned that she controlled my father's personal accounts. Dad and his wife came to her when they needed money. My sister's control over my father's estate and personal life was complete. When my brother brought his secret revenue log to my father to prove to him that the business made money, dad felt threatened. For months, dad complained to me and other members of the family that the business could not even pay him rent! With information in hand to refute his sister's revenue statements, my brother demanded his bonus. Sis freaked out, and complained to my father that she could go to jail if my brother's information got out. Consequently, dad felt he was being blackmailed.**

Then, tragedy struck. On June 7<sup>th</sup>, Dad was admitted to Monterey Community Hospital with a blood clot. A few days later, dad was diagnosed with lymphoma. While there, dad asked me to come back and run the business for him. I am the oldest child, completed a career in the Army, and along the way two University degrees. Also, I successfully managed several businesses before coming back to the family business. Dad charged me with the responsibility to heal the family which was being torn apart by the fighting between my siblings. I was designated General Manager with full responsibility for all aspects of the business following my Key Employee license was approved. I resigned as VP of Sales and CFO of Destiny Tool in June and dove into the family business. The allegations of embezzlement surrounding my sister were the first task that I set out to address. Along with my mother and father, I asked her for the company books so that I could perform an audit to put to rest once and for all the allegations. On behalf of my father, Elijah Zunega asked for the books to perform an audit. She refused to provide any of us with the company books. I insisted that two signatures be required for the business checking accounts. Again, she refused. I took this to my father who instructed her to bring the books to the business. She kept company records and reports at her home. Again, she refused to comply.

On June 29<sup>th</sup> Leila was placed on administrative leave by my father and mother for failure to comply with their audit requirements. Leila took off with the company books and checking accounts. Frank and Deon recommend to dad that a new bank account be opened until Leila comes to her senses. Dad approves the Bank of America for the new business account. On 17 July, Elijah Zunega speaking for dad states that the B of A account is now the primary account. Elijah also stated that dad wanted to hire a new CPA, one that was different from the CPA that Leila hired.

Soon thereafter, my father began calling me with accusations that I stole his business and money. Dad was undergoing CHEMO treatments for his cancer at the time. The powerful CHEMO drugs made him paranoid and delusional. Although his accusations were hurtful, I understood that it was the drugs talking to me and not my father. I learned that my sister was meeting with my father at 5am every day. She was telling my father lies in order to persuade him to fire me. She was desperate to stop my inquiries into her alleged misappropriation of company assets. As bad as this is, things quickly got worse. My step-mother learns that my father has close to \$8 million in assets. Soon, Ki Sun is telling my father that my brother Guy Allen blackmailed him years ago to get dad to give up his ownership in Step Tools Unlimited. She is calling for my father to disinherit this brother. When I visited my father at his home, he not only accused me of stealing his business, but he accused Guy



Allen of blackmailing him. I asked dad who told him this nonsense. He responded that Sunny (Ki Sun) told him. I objected, and he then told me that his attorney said Guy Allen blackmailed him too. The damage was done. My step-mother and sister created the environment necessary to gain my father's compliance with their desire to capture his vast estate.

My father and his wife created a Living Trust in 1991. The Trust contained the agreements that my father had with my mother for the disposition of their joint businesses. In accordance with the agreement with my mother (mom is half owner of the business per the 1972 divorce decree) dad left the business solely to his children. Also, mom and dad agreed that dad would invest her partnership profits in stocks that were to go to their children equally. I decided that I had to do something to stop my sister and step-mother from manipulating my father for their own selfish gain. Dad's accusations that Deon and I were stealing his money placed us in great jeopardy with possible law enforcement action. I believed that my father's bizarre behavior required immediate intervention.

On July 1, 2007 I contacted the Monterey Adult Protective Services. I pleaded with them to help me. In preparation for my visit to Adult Protective Services, I researched elder abuse. I discovered that the field of elder abuse called "undue Influence" fit the profile for what my father was experiencing. The psychological abuse of our elder parents is particularly effective when the parent is undergoing treatment for cancer because of the steroid based treatments. Steroids make you anxious, paranoid, and in my father's case, hallucinate. Much to my chagrin, Adult Protective Services is willfully unprepared to deal with this form of elder abuse. Imagine my shock when the social worker informed me that they could do nothing to stop the manipulation of my father! She suggested that my brother's and I start doing our own manipulation! My father was being psychologically abused, and the government agency responsible for helping him was impotent. I feel that my family was significantly harmed because of APS's failure to protect my father from the psychological abuse.

My father came home after a month in the hospital to continue his CHEMO treatments as an outpatient. My step-mother's daughter in law is a nurse at Monterey Community Hospital. She volunteered to coordinate dad's in home nursing care. At first, certified nurses were hired to care for my father. The business paid for the care, and money was no object. After a few weeks of this care, my step-mother decided to fire the certified nurses. They were replaced with employees from the house keeping staff at Monterey Community Hospital. I expressed my concerns to my step-mother because I wanted certified nurses to care for my father. Little did I know then, that most of the new care providers could not speak English. My step-mother was demanding that I give her \$50,000 a

month for dad's care. I asked for an accounting. I wanted to see the invoices for the care provider services. Once again, my request was refused. Each time this happened, I received a call from my father to come to his house. I would drop everything and go to his home. He would then threaten to leave me \$1.00 if I did not do as he said. I asked him to explain because I was doing everything that he told me to do. He could never explain to me what it was that I did that made him upset. Then, my step-mother took my father to the bank to had dad withdraw hundreds of thousands of dollars from the business account. For a time, I was successful in preventing the pilfering of this account. Later, my father (who could barely speak, and under the influence of steroids) was wheeled into the Bank of America to close his business account. Dad's care provider spoke for him with my step-mother at his side. Under the care provider's instructions, the bank facilitated the withdrawal of all of the money in this business account. These and other events demonstrate to me that the replacement of the certified nurse's enabled my father to be unduly influenced by those hoping to gain from his vast estate. Certified care providers are required by law to report elder abuse. My step-mother's interference with the gaming activities was troubling.

In a couple of months of on hands business experience, the revenue streams demonstrated to me that my sister's report to DOJ that 2006 revenue of \$860,000 was a million dollars under what I was seeing. In four months of business, gross revenue exceeded \$710,000. I took this information, the pilfering of the business account, and along with numerous examples of elder abuse, to the Marina Police Department. Like Adult Protective Services, the Chief of Police in Marina opted to do nothing. According to the Marina Police Department, they considered the matter a civil dispute.

In November 2007 Deon and I went to DOJ to report that the licensee, our father, was a victim of elder abuse that included emotional abuse and financial abuse. I provided DOJ with documents to support our allegations. Shortly thereafter, Deon and I were retaliated against by being placed on administrative leave with pay. Later we would be terminated.

My mother learned that dad's wife obtained an Estate Attorney. With my sister's encouragement, my step-mother effected the modification of the 1991 Trust to disinherit my fathers sons. Also, mom learned that the new Trust gave my step-mother and her children the Marina Club and her son's interests in the stocks. My sister also benefited handsomely from the new Trust. Mom, seeing that her agreement with my father was now changed took action and hired an attorney. Also, my mother learned that my sister gave dad's wife \$45,000 in cash of company money. The fact that my sister had this much money of company assets in her home did not sit well with mom given the allegations of

misappropriation of company money. I reported to mom that dad's wife refused to return the money to the business. I held a meeting with my step-mother's children (one is a police officer) and declared the \$45K misappropriated money. I asked for their support to get the money back to the business so that I could properly account for it. Two days later, I observed Ki Sun and her police officer son, Bobby, at the new accounts desk as Wells Fargo. Later, my step-mother would lie in a declaration that she gave me \$20,000 of the \$45,000 that my sister gave her.

My sister and step-mother retaliated against my mother by having my father oust my mother from her own business. They accomplished this by convincing my father that I stole his business and that my mother was in a conspiracy to harm his daughter and wife. I believe that my sister and step-mother told my father that if he did not act to protect them, that they would end up in jail. Dad has been lying ever since to protect them. To date, my parents are in litigation because after 37 years of running the business together, my father is now denying that my mother owns any interest in the business. Although my parents' divorce decree makes it clear that they are equal owners of the business, it will take legal action for my mother to be restored to her business. The ousting of my mother by my father and her daughter, devastate mom. At 71, mom cannot understand how my father could do this to his lifelong business partner, and to their children. The explanation is elder abuse perpetrated by my father's wife and his own daughter.

On November 17<sup>th</sup>, dad re-installs Leila by placing her in charge of the Marina Club. Deon and I informed dad that Leila admitted to skimming to his attorneys: Hansen Reed and Keith Sharp. Also, we told dad that restoring her would jeopardize the license. Dad was so sick that he really didn't know who to believe. Leila then proceeded over the course of the next months to wreck the business. Almost immediately revenue dropped 50%. Information leads us to believe that she drove customers off with her rude and belittling comments towards them. I believe she drove the revenue down so that she could explain away the revenue streams that I saw. At the end of my tenure of approximately 5 months, I eclipsed her total gross revenue for all of 2006. According to experienced dealers, 2007 was not much better than 2006! (Note: Salinas card room did not open for business until late 2008.)

Ki Sun and Leila kept dad in isolation. They created a siege mentality which caused him to believe that he was only safe under their care. To facilitate the atmosphere of this siege environment, Leila and Ki Sun orchestrated the violent removal of the card room's reserve safe which contained \$90K in cash. The cash build up was necessary because Ki Sun caused dad to close out the B of A business

account. Also, the cash was necessary to convert outstanding chips for cash. There was no reason to violently tear the safe off the wall and remove it from the premises other than for Ki Sun and Leila to re-enforce dad's mindset that removal of the safe was necessary to protect his business and money from his boys. It should be pointed out that Deon and I were banned from the business by our father when this took place.

Ki Sun, her children, and Leila took my father from his boys with lies that were repeated over and over again while he was under medication and duress. He said, he wished that his son's were never born. He says that he has a new family that consists of my sister, and his wife and her children. Efforts to obtain police help, the District Attorney's Office, DOJ, and Adult Protective services were futile. The fact that money is unaccounted for, and the fact, that my father was psychologically abused while undergoing CHEMO treatments, is apparently, not illegal. According to the government agencies mentioned above, anyone can psychologically abuse an elder without fear of retribution or prison in Monterey County. Sadly, my family's story is not unique.

As our parents age, they are highly susceptible to undue influence and elder abuse. The perpetrators can be spouses, children, nieces, or the Good Samaritan who just happens to move in to give the elder a helping hand. In many cases the perpetrators creates a siege mentality, us vs. them, to gain the victims total compliance. The victim literally will believe that truths are lies, and lies are truths. My research indicates that victims of this kind of undue influence take years to recover. Sadly, my father, who is 77, does not have many years left. He may never recover from the damage committed on him by the people he trusted most. My father believes that he is protecting his wife and daughter from evil sons and his best friend and ex-wife, my mom.

  
Frank Calamia

831-917-9167

**AGENCIES:**

Monterey District Attorney's Office: Lisa

Marina Police Department: Officer Russo

Monterey Department for Elder Abuse

Elder Angles: (415) 284-1160

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AN EMOTIONAL CON GAME** By MARY JOY QUINN

**UPDATE**

**SEPTEMBER 21, 2008**

Dad's birthday was September 11. Ki Sun and Leila will not let us see dad. I recently learned that the cancer is back. Mom's attorney's sent a letter asking permission for us to see our father. We received a letter back signed by dad stating that he never wanted to see us again. Dad passes away on September 28<sup>th</sup>. Leila and Ki Sun hire body guards and keep us from attending the viewing.

In looking back over the past year, it is painful to live with the fact that not one single agency from the DOJ to the DA stepped up to help us. Here is a recap of what the various declarations and depositions demonstrate:

Ki Sun falsified her written declaration when she said that she gave me \$20K of the \$45K that Leila gave to her. She testified in her Deposition that she split the \$45K with Leila. Also, Ki Sun falsified her written declaration when she gave sworn testimony that Guy Allen never met with the estate attorney in 1993. Guy Allen provided corporate records that demonstrated that Ki Sun, Dad and he conducted legal business in Mr. Gorman's office (estate attorney). Legal business included the execution of the first amendment to the 1991 Trust.

Ki Sun pilfered the Marina Club business accounts....need to follow the money. Information leads me to conclude that she may be guilty of financial elder abuse and fraud. In addition to taking cash, some attorney's think that a theoretical argument could be made whereby Ki Sun, her children, and Leila could be found guilty of financial elder abuse when dad executed the March 08 Trust leaving them everything. The Trust has a value exceeding \$5 million. Need to follow-up.

Leila admitted in her sworn declaration that she was the author of the September 2000 document that consisted of two paragraphs. The first paragraph states that mom and dad equally own the real property. The second paragraph states that "during the divorce" mom and dad split the Marina Club into two separate businesses, the bar for mom, and the card room for dad. Mom denies ever seeing this document. Paragraph 1 is false because in 1996 mom quit claimed the real property to her children, Leila included. Paragraph 2 is false because the MSA divided the business equally between mom and dad. In fact, the MSA states that the

business would be in both names. It appears that dad ignored the MSA. He continued in his role as head of the household all these years and never added mom's name to the business licenses. It is still not clear why Leila prepared this document. In her deposition following the sworn declaration, she denies preparing the September 2000 document. Her deposition is evidence of perjury. Also, she perjures herself when she says that dad never discussed his estate plan. Like Ki Sun, they are lying to protect the new trust.

A review of the DOJ documents provided in mom's litigation with dad demonstrates wide-spread fraud perpetrated by Leila and dad when it came to gross revenue and ownership of the card room. Leila always prepared the DOJ documents for my father. In 2005 she submitted dad's renewal application that included her own for a 10% share of the business. My father had no knowledge that Leila tried to grab an ownership interest in the business. When DOJ asked for a partnership agreement signed by dad and Leila demonstrating her 10% ownership, the matter was quietly dropped. The fraudulent September 2000 document is but one example of the false information sent to DOJ. Information will demonstrate that Leila falsified gross revenue reports. She has yet to explain how it is that managers reported that she often removed large amounts of money from the company safe, yet: 18 months of bank statements show that not one cash deposit was made into the business accounts. Information indicates that the \$45K that Leila had in her possession was but one example to support the reports that she often removed cash from the safe.

Dad's declaration is evidence of subordinated perjury. In his declaration he states that he "told Leila to give Ki Sun the \$45K". Leila was on paid administrative leave at this time and she did not have access to the company safe. The \$45K came from her home. I spoke to dad about this, and he told me that he had no knowledge of the \$45K. The declaration goes on to falsely state that he did not sign my employment agreement. It says that he never discussed his estate plan with his children. Later, he would testify in court that he never saw his declaration, nor did he sign the declaration. It is clear that the declaration was prepared by Mr. Reed on behalf of Ki Sun and Leila. More than likely, they just put it in front of dad and told him to sign it. During this same court appearance, he did not recognize the March 2008 Trust that bore his signature.

Information leads me to believe that Ki Sun, her children, and Leila psychologically manipulated dad to effect a change in his Trust that resulted in the theft of dad's business and money. Information leads me to believe that they committed fraud on dad by telling him lies about his sons. Dad was so far gone that when they told him that his sons opened an illegal bank account at the Bank of America, he actually went to the bank and took all the money out of the account. He believed that his name was not on the account. Yet, the fact that he was able to drain the account of all the money did not impress him with the fact that he was, indeed, the owner of the account! He was conditioned to believe by his wife that he needed to take all the money out of the illegal account. She used this same argument to have my access to his stock accounts terminated. Information leads me to believe that Ki Sun and Leila told dad that I would take his stocks if he did not terminate my access to his stock accounts.

In summary, my mother, Deon, and I developed information that leads us to believe that my sister and step-mother misappropriating card room money. Furthermore, information lead us to believe that dad was a victim of elder abuse, and that Ki Sun, members of her family, and Leila were complicit in violating elder abuse criminal statutes while pursuing their evil plan to take total control of this man's estate. When we reported this to DOJ and the police, Ki Sun and Leila took action resulting in the termination of our employment. Then, they implemented a plan to isolate our father from his children. Although dad was taken to the Marina Club often to gamble, he was never allowed to speak with anyone. His appearance at the business was nothing more than a well planned out sham to mislead the authorities. In the end, a card room in California was taken over by fraud and manipulation.

