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9

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

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

15 **Waldemar Dreher**, License Number GEOW-
000883, sole proprietor and doing business as
16 **Lake Bowl Cardroom**, License Number
GEGE-000354

17
18 511 East Bidwell Street
Folsom, California 95630

19
20 **Respondents.**

BGC Case No. HQ2020-00006AC

OAH No.

**STIPULATED SETTLEMENT;
DECISION AND ORDER**

21
22 **PURPOSE OF THIS STIPULATED SETTLEMENT**

23 This Stipulated Settlement resolves the disciplinary action set forth in the accusation
24 (Accusation), filed November 12, 2020, in the above-entitled matter. The Accusation alleges
25 violations of, and seeks to discipline Respondents' licenses under, the Gambling Control Act
26 (Act) (Bus. & Prof. Code, § 19800 et seq.) and the regulations adopted pursuant to the Act.
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1 **PARTIES**

2 1. Stephanie Shimazu (Complainant) filed the Accusation solely in her official
3 capacity as Director of the California Department of Justice, Bureau of Gambling Control
4 (Bureau).

5 2. Respondent Waldemar Dreher (Mr. Dreher) is the sole proprietor of, and does
6 business as, respondent Lake Bowl Cardroom (Casino) and holds a “cardroom business
7 license.”¹ The Casino is licensed as a gambling establishment. Mr. Dreher and the Casino are
8 referred to collectively in this Stipulated Settlement as “Respondents” and, individually, as
9 “Respondent.” The Commission issued the licenses to Respondents pursuant to the Act. The
10 Casino is a six-table card room presently operating at 511 East Bidwell Street, Folsom,
11 California.

12 **JURISDICTION**

13 3. On November 10, 2020, Complainant issued an emergency order (Emergency
14 Order) to Respondents. The Emergency Order ordered Respondents to suspend and cease any
15 and all gambling and gambling-related activities at the Casino unless and until Respondents
16 complied with guidelines for the operation of card rooms during the COVID-19 pandemic. The
17 Casino has been, and remains, closed since November 10, 2020.

18 4. On November 12, 2020, Complainant served the Accusation, along with a
19 transmittal letter to Respondents, Statement to Respondent (Gov. Code, § 11505, subd. (b)),
20 Request for Discovery (Gov. Code, § 11507.6), copies of Government Code sections 11507.5,
21 11507.6 and 11507.7, and two copies of the Notice of Defense form (Gov. Code, §§ 11505 &
22 11506).

23 5. Respondents served timely Notices of Defense to the Accusation.
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26 ¹ Under California Gambling Control Commission (Commission) regulations that went
27 into effect on January 1, 2021, an owner licensee under the Act is issued a “cardroom business
28 license.” (Cal. Code Regs., tit. 4, § 12002, subd. (j).) Accordingly, the language used in this
Stipulated Settlement to describe the licenses held by Respondents is at variance from that of
the Accusation.

1 **ADVISEMENT AND WAIVERS**

2 6. Each Respondent has carefully reviewed, and has discussed or had the opportunity
3 to discuss with counsel, the legal and factual allegations in the Accusation. Each Respondent
4 has also carefully reviewed, and has discussed or had the opportunity to discuss with counsel,
5 this Stipulated Settlement. Each Respondent fully understands the terms and conditions
6 contained within this Stipulated Settlement and the effects thereof.

7 7. Each Respondent is fully aware of his or its legal rights in this matter, including:
8 the right to a hearing on all the allegations in the Accusation; the right to be represented by
9 counsel of his or its choice at his or its own expense; the right to confront and cross-examine
10 the witnesses against him or it; the right to present evidence and testify on his or its own behalf;
11 the right to the issuance of subpoenas to compel the attendance of witnesses and the production
12 of documents; the right to apply for reconsideration and court review of an adverse decision;
13 and all other rights afforded by the California Administrative Procedure Act (Gov. Code, §
14 11370 et seq.), the Act, and all other applicable state and federal laws, including, without
15 limitation, title 42 United States Code section 1983.

16 8. Each Respondent voluntarily, knowingly, and intelligently waives and gives up
17 each and every right set forth in paragraph 7 above, agrees not to request further hearing on the
18 Accusation, and agrees to be bound by this Stipulated Settlement. Except as otherwise
19 provided herein, each Respondent further voluntarily, knowingly, and intelligently waives any
20 right to judicial, administrative, or other review of any matter related to or covered by this
21 Stipulated Settlement.

22 **STIPULATED AGREEMENT OF SETTLEMENT**

23 9. For the purposes of resolving and settling the Accusation and for any other matter
24 now and in the future involving the Commission, the Bureau, or licensed gambling, each
25 Respondent admits that the factual and legal allegations in, and supporting, the Accusation are
26 true, accurate, and complete. Each Respondent further admits, and agrees, that such facts
27 establish that his or its license are subject to discipline.

1 10. Each Respondent understands and agrees that the admissions made in paragraph 9
2 above may be entered into evidence in any legal proceeding brought or prosecuted by the
3 Commission or the Bureau as if those admissions were made under oath and penalty of perjury.
4 The admissions made by Respondents herein are only for the purposes of this proceeding, or
5 any future proceedings in which the Bureau, the Commission, or any successor agency is
6 involved, and shall not be otherwise admissible in any criminal, civil, or unrelated
7 administrative proceeding.

8 11. Upon the effective date of the Decision and Order issued by the Commission
9 adopting this Stipulated Settlement (Effective Date), each Respondent's state gambling license
10 will be suspended for 12 months (Suspension Period). Except as provided in paragraph 13
11 below, the suspensions, however, shall be stayed provided that Respondents, and each of them,
12 perform and comply with each and every condition and term of this Stipulated Settlement. If
13 the suspensions remain stayed in accordance with this paragraph 11 for the entire Suspension
14 Period, the suspensions shall be deemed satisfied and shall expire at the end of the Suspension
15 Period without any further order by the Commission. In addition to and as part of their waivers
16 set forth in paragraphs 7 and 8 above, each Respondent expressly, voluntarily, and knowingly
17 waives any privilege or right available under, or conferred by, Government Code section 11522.

18 12. Respondents, jointly and severally, agree to pay the Bureau a fine in the amount of
19 \$3,522 (Fine) for the acts and omissions alleged in the Accusation and admitted to in
20 paragraphs 9 and 10 above. Respondents further agree that the Fine shall be paid in full within
21 45 days after the Effective Date. The Fine will be deposited in accordance with Business and
22 Professions Code section 19950, subdivision (a).

23 13. Notwithstanding the stay of the 12-month suspension of their licenses described in
24 paragraph 11 above, between 45 and 120 days (75-day window) after the Casino reopens from
25 its current closure, Respondents will actually serve a 10-day suspension of their licenses during
26 which time the Casino will be closed as discipline in addition to paying the Fine set forth
27 herein. The timing of the actual suspension within the 75-day window shall be at the sole
28 discretion of the Bureau upon 30-days' written notice to Respondents. For purposes of this

1 paragraph, the Casino shall be deemed to have reopened after being open to the public and
2 operating controlled gaming for a period of not less than 15 days, but the timing of the 75-day
3 window shall be calculated from the first day of operation after actually reopening.

4 14. Respondents have demonstrated, or proffered, certain mitigating factors including,
5 among others, cooperating with the Bureau with respect to the Emergency Order and remaining
6 closed since November 10, 2020. Based upon Respondents' demonstrated and proffered
7 mitigation and as further consideration for this Stipulated Settlement, Complainant waives her
8 prayer for, or claim to, costs under Business and Professions Code section 19930, subdivision
9 (d).

10 15. During the Suspension Period, Respondents, jointly and severally, may resume
11 gambling and gambling-related activities and reopen the Casino if and for as long as they meet,
12 or perform, all of the following conditions:

13 a. Respondents shall abide by all laws, regulations, and orders, including,
14 without limitation, any further orders and guidance from the California Department of
15 Public Health, the California Division of Occupational Safety and Health, the
16 Commission, the Bureau, and any other state or local agency. This specifically
17 includes, but is not limited to, any emergency regulations that may be adopted by the
18 Commission with respect to COVID-19.

19 b. Respondents shall abide by and obey immediately any future order to cease
20 or modify its operations for public health reasons.

21 c. Respondents shall comply in all material respects with the Act, the
22 regulations adopted under the Act, the Penal Code, and any federal, state, or local laws,
23 ordinances, and regulations governing gambling or the operation of gambling
24 establishments.

25 16. Pending the Commission's adoption of this Stipulated Settlement, Respondents
26 shall comply in all respects with the conditions set forth in paragraph 15 above.

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1 17. Respondents agree that they shall be a default under this Stipulated Settlement to
2 (a) fail to pay the Fine when due or (b) otherwise fail to comply with any term or condition of
3 this Stipulated Settlement.

4 18. Respondents agree that upon a default during the Suspension Period, the stay shall
5 be lifted, and any state gambling license issued by the Commission to them shall be deemed to
6 be suspended automatically and immediately, and the stay shall be of no effect for the
7 remainder of the Suspension Period. Each Respondent expressly waives any right to a hearing
8 with respect to, or arising out of, any license suspension based upon a default in paying the
9 Fine, based upon a violation of a public health rule or regulation relating to COVID-19 during
10 the Suspension Period, or based upon the allegations of the Accusation that are admitted to in
11 paragraphs 9 and 10 above. The parties understand and acknowledge that Respondents may
12 request a hearing as to any other basis for default.

13 19. If Respondents default in payment of any monies due under this Stipulated
14 Settlement in any way, Respondents agree that the Stipulated Settlement; Decision and Order as
15 adopted by the Commission may be presented to the Sacramento County Superior Court and,
16 after notice to Respondents and an opportunity to be heard, judgment entered thereon.
17 Respondents further agree that the judgment shall include interest, calculated at the maximum
18 rate allowed by law to accrue from the Effective Date. Respondents also agree that the
19 judgment shall include the Bureau's costs of obtaining, enforcing, and collecting the judgment.
20 Costs shall include reasonable attorney fees calculated at then-prevailing hourly rates for
21 services provided in the private sector for attorneys of comparable experience.


22 20. Respondents acknowledge and agree that any renewal licenses granted to them by
23 the Commission will require their continued compliance with this Stipulated Settlement for the
24 entire Suspension Period.

25 21. The parties agree that this Stipulated Settlement fully resolves their dispute
26 concerning the Accusation, and that, except upon default, no additional penalties, fines, and
27 costs shall be sought against Respondents based solely upon the allegations contained within
28 the Accusation.

ACCEPTANCE

Each Respondent has carefully read and considered the above Stipulated Settlement. Each Respondent has discussed its terms and effects with legal counsel or had the opportunity to discuss the Stipulated Settlement with legal counsel. Each Respondent also understands the Stipulated Settlement and the effects it will or may have on his or its state gambling license. Each Respondent further understands that his or its state gambling license will be suspended, subject to a 12-month stay and conditions. Respondents also understand that notwithstanding the 12-month stay, Respondents will actually serve a 10-day suspension of their licenses pursuant to paragraph 13 of the Stipulated Settlement. Respondents further understand that they, jointly and severally, will be obligated to pay the Bureau a total amount of \$3,522 as the Fine and that the failure to pay any portion of that amount when due, or to abide by the conditions and terms of the Stipulated Settlement, could result in lifting the stay and the immediate suspension of their state gambling licenses and have other effects. Each Respondent enters into this Stipulated Settlement voluntarily, knowingly and intelligently, and agrees to be bound by its terms.


Dated: March ____, 2021



WALDEMAR DREHER
Respondent

Dated: March ____, 2021


LAKE BOWL CARDROOM

By 

WALDEMAR DREHER
Respondent

Approved as to form and content:

Dated: March 29, 2021



J. BLONIEN
A Professional Law Corporation

Attorney for Respondents

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COMPLAINANT'S ACCEPTANCE

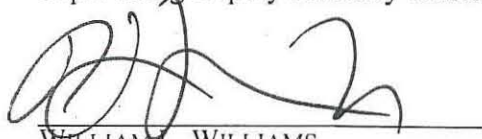
Dated: April 5, 2021


STEPHANIE SHIMAZU, Director
Bureau of Gambling Control
California Department of Justice

The foregoing Stipulated Settlement is hereby respectfully submitted for consideration by the California Gambling Control Commission.

Dated: April 5, 2021

MATTHEW RODRIQUEZ
Acting Attorney General of California
SARA J. DRAKE
Senior Assistant Attorney General
WILLIAM P. TORNGREN
Supervising Deputy Attorney General


WILLIAM L. WILLIAMS
Deputy Attorney General
Attorneys for the Complainant

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DECISION AND ORDER OF THE COMMISSION

The California Gambling Control Commission hereby adopts the foregoing Stipulated Settlement of the parties for the case of *In the Matter of the Accusation Against: Waldemar Dreher, et al.*, BGC Case No. HQ2020-00006AC, as its final Decision and Order in the matter to be effective upon execution below by its members.

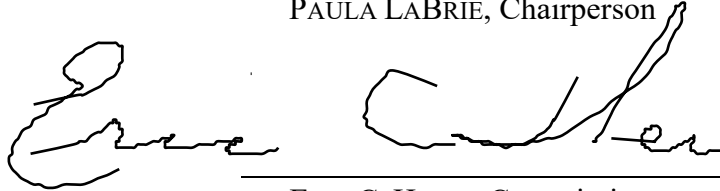
IT IS SO ORDERED

Dated: 6/10/21



PAULA LABRIE, Chairperson

Dated: 6/10/21



ERIC C. HEINS, Commissioner

Dated: 6/10/21



EDWARD YEE, Commissioner

Dated: 6/10/21



CATHLEEN GALGIANI, Commissioner