

1 ROB BONTA  
Attorney General of California  
2 SARA J. DRAKE  
Senior Assistant Attorney General  
3 WILLIAM P. TORNGREN  
Supervising Deputy Attorney General  
4 State Bar No. 58493  
1300 I Street, Suite 125  
5 P.O. Box 944255  
Sacramento, CA 94244-2550  
6 Telephone: (916) 210-7782  
Fax: (916) 327-2319  
7 E-mail: William.Torngren@doj.ca.gov  
*Attorneys for Complainant  
and Acting Director*

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

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

15 **STANLEY S. PENN (GEOW-002251), doing**  
16 **business as LUCKY LADY CARD ROOM**  
17 **(GEGE-000950)**

18 5526 El Cajon Boulevard  
San Diego, CA 92115

19 **Respondent.**

**BGC Case No. BGC- HQ2016-00003AC**

**STIPULATED SETTLEMENT,  
DECISION, AND ORDER**

20  
21 This Stipulated Settlement resolves the First Amended Accusation and Statement of  
22 Issues (Operative Pleading), dated February 25, 2020, in the above-entitled matter. Respondent  
23 Stanley S. Penn (Respondent) holds a gambling establishment owner license and has an  
24 application pending for renewal of that license pursuant to the Gambling Control Act (Act)  
25 (Bus. & Prof. Code, § 19800 et seq.). This Stipulated Settlement resolves the Operative  
26 Pleading. The Operative Pleading alleges violations of, and seeks to revoke Respondent's  
27 license, and to deny his renewal application, for lack of suitability for licensing under, the Act  
28 and the regulations adopted pursuant to the Act.

1 **THE PARTIES**

2 1. Wayne J. Quint, Jr. (former complainant) brought the initial Accusation solely in  
3 his official capacity as the Chief of the California Department of Justice, Bureau of Gambling  
4 Control (Bureau). Stephanie Shimazu (Complainant) succeeded the former complainant and  
5 brought the Operative Pleading solely in her official capacity as the Bureau's Director.  
6 Yolanda Morrow (Acting Director) signs this Stipulated Settlement solely in her official  
7 capacity as the Bureau's Acting Director.

8 2. Pursuant to Owner's Gambling License, license number GEOW-002251,  
9 Respondent is the sole proprietor of, and does business as, the Lucky Lady Card Room (Card  
10 Room), license number GECE-000950. The California Gambling Control Commission  
11 (Commission) issued these licenses. Respondent is 83 years of age and not in good health. He  
12 closed the card room on March 16, 2020, due to the COVID pandemic and has kept it closed.  
13 Respondent does not wish to reopen the card room himself, and the San Diego ordinance  
14 prohibits the transfer of Respondent's license.

15 3. An application for renewal is pending as to each license. On November 16,  
16 2017, the Commission considered the renewal applications. At that time, the Commission  
17 voted to refer the renewal applications to an evidentiary hearing pursuant to California Code of  
18 Regulations, title 4, section 12054, subdivision (a)(2) to be conducted as an Administrative  
19 Procedure Act hearing and consolidated with the filed initial Accusation. (Cal. Code Regs., tit.  
20 4, § 12058.) At that time, the Commission issued interim renewal licenses to the Card Room  
21 and Respondent.

22 **JURISDICTION**

23 4. On August 30, 2016, former complainant served the initial Accusation, along  
24 with a Statement to Respondent (Gov. Code, § 11505, subd. (b)), Request for Discovery (Gov.  
25 Code, § 11597.6), copies of Government Code sections 11507.5, 11507.6 and 11507.7, and two  
26 copies of the Notice of Defense form (Gov. Code, §§ 11505 & 11506).



1 to judicial, administrative, or other review of any matter related to or covered by this Stipulated  
2 Settlement.

3 **STIPULATED AGREEMENT OF SETTLEMENT**

4 11. For the purposes of resolving and settling the Charging Pleading and for any  
5 other matter now and in the future involving the Commission, the Bureau, or licensed gambling,  
6 Respondent admits that all the factual and legal allegations in the First Cause for Revocation  
7 and Denial in the Charging Pleading paragraphs 10(a), 10(b), and 10(d) are true, accurate, and  
8 complete, and that such allegations provide a sufficient legal and factual basis to revoke, and  
9 deny renewal of, his license and for invalidation of any interim renewal license. Respondent  
10 further admits that the remaining factual and legal allegations in the First Cause for Revocation  
11 and Denial in the Charging Pleading, if proven, provide sufficient legal and factual basis to  
12 revoke, and deny renewal of, his license and for invalidation of any interim renewal license.

13 12. Respondent understands and agrees that the admissions made in paragraph 11  
14 above may be entered into evidence in any legal proceeding brought or prosecuted by the  
15 Commission or the Bureau as if those admissions were made under oath and penalty of perjury.  
16 The admissions made by Respondent herein are only for the purposes of this proceeding, or any  
17 current or future proceedings in which the Bureau, the Commission, or any successor agency is  
18 involved, and shall not be otherwise admissible in any criminal, civil, or unrelated  
19 administrative proceeding.

20 13. Upon the effective date of the Decision and Order issued by the Commission  
21 adopting this Stipulated Settlement (Effective Date), Respondent's pending state gambling  
22 license renewal application will be denied and his state gambling license will be revoked. In  
23 addition to and as part of his waivers set forth in paragraphs 9 and 10 above, Respondent  
24 expressly, voluntarily, and knowingly waives any privilege or right available under, or  
25 conferred by, Government Code section 11522.

26 14. Respondent agrees to pay the Bureau a monetary penalty in the amount of  
27 \$125,000 (Penalty) for the acts and omissions alleged in the Operative Pleading and admitted to  
28 in paragraphs 11 and 12 above. Respondent further agrees that the Penalty shall be paid in full

1 within 30 days after the Effective Date. The Penalty will be deposited in accordance with  
2 Business and Professions Code section 19950, subdivision (a).

3 15. Respondent agrees to pay the Bureau the sum of \$50,000 (Cost Recovery) as the  
4 reasonable costs of investigation and prosecution of this matter as provided for in Business and  
5 Professions Code section 19930. Respondent further agrees to pay the Cost Recovery in full  
6 within 30 days after the Effective Date. The Cost Recovery will be paid, and will be deposited,  
7 in accordance with Business and Professions Code sections 19930, subdivision (e), and 19950,  
8 subdivision (a).

9 16. Respondent has been advised and, therefore, understands and acknowledges that  
10 upon the Effective Date, his interim renewal license will cease to be valid and will be  
11 automatically canceled. (Cal. Code Regs., tit. 4, § 12035, subd. (b)(2).)

12 17. The Card Room presently is closed and shall remain closed.

13 18. If Respondent fails to pay any monies due under this Stipulated Settlement in a  
14 timely manner or in any other way, Respondent agrees that the Commission's Decision and  
15 Order adopting the Stipulated Settlement may be presented to the Sacramento County Superior  
16 Court and, after notice to Respondent and an opportunity to be heard, judgment entered thereon.  
17 Respondent further agrees that the judgment shall include interest, calculated at the maximum  
18 rate allowed by law to accrue from the Effective Date. Respondent also agrees 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 19. The parties agree that this Stipulated Settlement fully resolves their dispute  
23 concerning the Operative Pleading, and that, except upon default, no further penalties, fines,  
24 and costs shall be sought against Respondent based solely upon the allegations contained within  
25 the Operative Pleading.

26 20. This Stipulated Settlement shall be subject to adoption by the Commission.  
27 Respondent understands and specifically agrees that counsel for the Acting Director, and the  
28 Bureau's staff, may communicate directly with the Commission regarding this Stipulated

1 Settlement, without notice to, or participation by, Respondent or his counsel, and that no such  
2 communication shall be deemed a prohibited ex parte communication. Respondent specifically  
3 acknowledges and agrees that such communications are permissible pursuant to Government  
4 Code section 11430.30, subdivision (b).

5 21. By signing this Stipulated Settlement, Respondent understands and agrees that  
6 he may not withdraw his agreement or seek to rescind the Stipulated Settlement prior to the  
7 time the Commission considers and acts upon it. If the Commission fails to adopt this  
8 Stipulated Settlement as its Decision and Order, this Stipulated Settlement shall be of no force  
9 or effect and, except for actions taken pursuant to this paragraph and paragraph 20 above, it  
10 shall be inadmissible in any legal action between the parties. The Commission's failure to  
11 adopt the Stipulated Settlement shall not disqualify the Commission from any further action  
12 regarding Respondent's licensure, including, but not limited to, disposition of the Operative  
13 Pleading by a decision and order following a hearing on the merits.

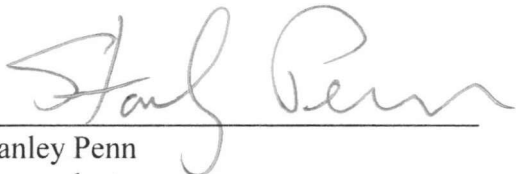
14 22. This Stipulated Settlement may be executed in counterparts. The parties agree  
15 that a photocopy, facsimile or electronic copy of this Stipulated Settlement, including copies  
16 with signatures thereon, shall have the same force and effect as an original.

17 23. In consideration of the above admissions and stipulations, the parties agree that  
18 the Commission may, without further notice or formal proceeding, issue and enter the Decision  
19 and Order adopting this Stipulated Settlement.

#### 20 ACCEPTANCE

21 Respondent has carefully read and considered the above Stipulated Settlement.  
22 Respondent has discussed its terms and effects with legal counsel. Respondent also understands  
23 the Stipulated Settlement and the effects it will or may have on Respondent's state gambling  
24 license. Respondent further understands that his state gambling license will be revoked.  
25 Respondent further understands that he will be obligated to pay the Bureau a total sum of  
26 \$175,000 (\$125,000 as the Penalty and \$50,000 in Cost Recovery). Respondent enters into this  
27 Stipulated Settlement voluntarily, knowingly and intelligently, and agrees to be bound by its  
28 terms.

1 Dated: June 15, 2021

  
Stanley Penn  
Respondent

2  
3 Approved as to Form:


4 Dated: June 16, 2021

NEILSON MERKSAMER  
PARRINELLO GROSS & LEONI LLP

6  
7 By:   
James R. Parrinello  
Attorneys for Respondent

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9 **ACTING DIRECTOR'S ACCEPTANCE**

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11 Dated: June 16, 2021

  
Yolanda Morrow, Acting Director  
Bureau of Gambling Control  
California Department of Justice

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

19 Dated: June 16, 2021

ROB BONTA  
Attorney General of California  
SARA J. DRAKE  
Senior Assistant Attorney General

22  
23 By:   
William P. Torngren  
Supervising Deputy Attorney General  
Attorneys for the Complainant and Acting  
24 Director  
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**DECISION AND ORDER OF THE COMMISSION**

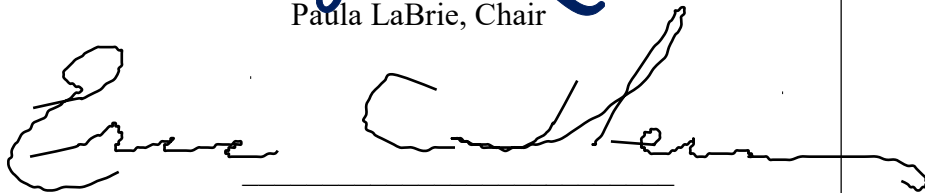
The California Gambling Control Commission hereby adopts the foregoing Stipulated Settlement of the parties for the case of *In the Matter of the First Amended Accusation and Statement of Issues against: Stanley S. Penn, etc.*, BGC Case No. HQ2016-00003AC, as its final Decision and Order in the matter to be effective upon execution below by its members.

**IT IS SO ORDERED**


Dated: 8/12/21

  
Paula LaBrie, Chair

Dated: 8/12/21

  
Eric C. Heins, Commissioner

Dated: 8/12/21

  
Edward Yee, Commissioner

Dated: 8/12/21

  
Cathleen Galgiani, Commissioner

Dated: 8.12.2021

  
William Liu, Commissioner