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8

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

13
14 **In the Matter of the Application for**
Renewal of State Gambling License and the
15 **Statement of Reasons Against:**

16 **Mark Adam, Sole Proprietor,**
Oceana Cardroom,
17 1795 Front Street
Oceano, California 93445

18 License no. GEOW-003180

19 **Respondent.**
20

CGCC No. CGCC-2015-0730-6E

BGC Case No. BGC- HQ2015-0001AC

STIPULATED SETTLEMENT;
DECISION AND ORDER

21
22 **STIPULATED SETTLEMENT**

23 **PURPOSE OF THIS STIPULATED SETTLEMENT**

24 This Stipulated Settlement seeks to resolve the issue of Mark Adam's (Respondent)
25 continued suitability for licensure and the renewal of his state gambling license. The Statement
26 of Reasons that was filed with the Californian Gambling Control Commission (Commission) and
27 served on the Respondent in this matter by the California Department of Justice, Bureau of
28 Gambling Control (Bureau) sets forth the violations of, and lack of suitability for continued

1 licensure under, the Gambling Control Act (Act) (Bus. & Prof. Code, § 19800 et seq.) and the
2 regulations promulgated thereunder.

3 **PARTIES AND JURISDICTION**

4 1. Wayne J. Quint, Jr. (Complainant) brought the Statement of Reasons solely in his
5 official capacity as the Chief of the Bureau.

6 2. The Commission issued Respondent a state gambling license, number GEOW-
7 003180, as the sole proprietor of the Oceana Cardroom, license number GEGE-001301, which is
8 located in Oceano, California. On or about July 21, 2014, Respondent submitted an application to
9 renew his license. Respondent's license was to expire on July 31, 2015, unless renewed or
10 extended. At its July 30, 2015, meeting, the Commission voted to refer the renewal of
11 Respondent's license to an evidentiary hearing and issued an interim renewal license valid
12 through July 31, 2017, or the conclusion of this matter, whichever is earlier. (Cal. Code. Regs.,
13 tit. 4, §§ 12035, subd. (a)(1) & 12054, subd. (a)(2).)

14 3. On January 26, 2016, Respondent was served with the Statement of Reasons, a
15 Statement to Respondent, and copies of California Code of Regulations, title 4, section 12060,
16 and Business and Professions Code, sections 19870 and 19871. Copies of these documents were
17 also filed on or about that time with the Commission.

18 4. Respondent submitted a Notice of Defense dated August 14, 2015.

19 **ADVISEMENT AND WAIVERS**

20 5. Respondent has carefully reviewed, and has discussed with counsel, the legal and
21 factual allegations in the Statement of Reasons. Respondent has also carefully reviewed, and has
22 discussed with counsel, this Stipulated Settlement. Respondent fully understands the terms and
23 conditions contained within this Stipulated Settlement and the effects thereof.

24 6. Respondent is fully aware of his legal rights in this matter, including the right to a
25 hearing before the Commission on his suitability for licensure and all the allegations in the
26 Statement of Reasons; the right to be represented by counsel of his choice at his own expense; the
27 right to confront and cross-examine the witnesses against him; the right to present evidence and
28 testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of

1 witnesses and the production of documents; the right to apply for reconsideration and court
2 review of an adverse decision; and all other rights afforded by the Act, the regulations
3 promulgated thereunder, and all other applicable laws.

4 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
5 every right set forth in paragraph 6 above, withdraws his Notice of Defense requesting a hearing
6 on the propriety of renewing his license and his suitability for continued licensure, and agrees to
7 be bound by this Stipulated Settlement.

8 **STIPULATED AGREEMENT OF SETTLEMENT**

9 8. For the purposes of resolving the issue of his continued suitability for licensure and
10 for any other matters now and in the future involving the Commission or the Bureau, Respondent
11 admits that all the factual and legal allegations in the Statement of Reasons are true, accurate, and
12 complete, and that such allegations provide a sufficient legal and factual basis to deny the renewal
13 of his license and to revoke his license as provided for in paragraph 10 below.

14 9. Respondent understands and agrees that the admissions made in paragraph 8 above
15 may be entered into evidence in any legal proceeding brought or prosecuted by the Commission
16 or the Bureau, as if those admissions were made under oath and penalty of perjury. The
17 admissions made by Respondent herein are only for the purposes of this proceeding, or any future
18 proceedings in which the Bureau, the Commission, or any successor agency that is involved with
19 the regulation of gambling activities, and shall not be otherwise admissible in any criminal, civil,
20 or unrelated administrative proceeding.

21 10. Upon the effective date of the Decision and Order issued by the Commission
22 adopting this Stipulated Settlement, Respondent's application to renew his license shall be
23 granted and immediately thereafter, upon the same effective date, his state gambling license,
24 number GEOW-003180, shall be revoked.¹ The revocation, however, shall be stayed as provided

25 ¹ Respondent presently holds an interim renewal license. Because of the provisions of
26 California Code of Regulations, title 4, section 12035, subdivision (b)(2), the Commission
27 previously determined that it could not stay a denial of Respondent's renewal application. To
28 comply with the Commission's direction and to effectuate the ultimate goals of this Stipulated
Settlement, Respondent's application must be granted and then immediately revoked. There is no
prohibition on staying a revocation in the Act.

1 in paragraph 11 of this Stipulated Settlement. Respondent acknowledges, understands, and agrees
2 that the stay of the revocation of his state gambling license is intended solely to preserve the
3 existence of the Oceana Cardroom's license, number GECE-001301, for purposes of Business
4 and Professions Code sections 19962 and 19963, and to allow for a possible sale of 100 percent
5 of the Oceana Cardroom's assets (Assets). Respondent acknowledges, understands, and agrees
6 that the Commission must approve the sale of the Assets, and the licensure of any person(s) who
7 wishes to purchase the Assets and carry on a gambling operation at the gambling establishment
8 currently know as the Oceana Cardroom.

9 11. The revocation of Respondent's state gambling license shall be stayed for no longer
10 than 12 months (Stay Period) from the effective date of the Decision and Order issued by the
11 Commission adopting this Stipulated Settlement. Under no circumstances shall the Stay Period
12 be lengthened or extended. The Stay Period shall be shortened if (i) Respondent closes a sale of
13 the Assets, which includes the Commission's approval of the sale of the Assets and the licensure
14 of the person(s) who wishes to purchase the Assets, or (ii) Respondent violates any of the terms
15 and conditions imposed on his state gambling license during the Stay Period as provided for in
16 paragraph 13. Upon the expiration, or shortening, of the Stay Period, Respondent's state
17 gambling license shall be immediately and automatically revoked, without hearing or any right to
18 appeal. Respondent expressly waives any right to appeal, or to contest, such a revocation.
19 Respondent further expressly waives any right to a hearing on such a revocation.

20 12. Respondent further agrees that he shall be deemed unqualified, disqualified and
21 unsuitable for any type of licensure, registration, permitting, or finding of suitability necessary to
22 own, operate, be employed in, or contract with, an establishment, operation and/or enterprise
23 involved in gambling activities for a period of 15 years from the effective date of the Decision
24 and Order issued by the Commission adopting this Stipulated Settlement.

25 13. Pending the Commission's adoption of this Stipulated Settlement and during the
26 Stay Period, Respondent shall comply in all respects with the following conditions. Respondent
27 understands and agrees that the failure to comply with any of the conditions set forth in this
28 paragraph shall constitute a sufficient basis, in and of itself, to lift the stay, resulting in the

1 immediate and automatic revocation of his license.

- 2 a. Respondent shall obey all federal, state, and local laws, including, but not limited to
3 the Act, the regulations promulgated thereunder, and all other laws applicable to
4 controlled gambling.
- 5 b. Respondent or a properly licensed key employee must be present in the gambling
6 establishment at all times it is open for business. There shall be no exceptions.
- 7 c. A violation of any of the above conditions will result in the lifting of the stay and the
8 immediate and automatic revocation of Respondent's state gambling license.

9 In entering into this Stipulated Settlement, Respondent knowingly, voluntarily, and upon the
10 advice of counsel, waives any and all rights to appeal the lifting of the stay and the immediate and
11 automatic revocation of his state gambling license, except he may appeal the sole issue of
12 whether a violation of a condition set forth in this paragraph 13 occurred. Respondent further
13 agrees that upon the Bureau making the determination that a condition was violated, the Oceana
14 Cardroom must be immediately closed, and the gambling establishment shall remain closed
15 during the pendency of an appeal, if any, of the sole issue of whether a violation of a condition
16 occurred.

17 14. The parties agree that this Stipulated Settlement fully resolves their dispute
18 concerning the Statement of Reasons and Respondent's suitability for licensure.

19 15. This Stipulated Settlement shall be subject to adoption by the Commission.
20 Respondent understands and specifically agrees that counsel for the Complainant, and the
21 Bureau's staff, may communicate directly with the Commission regarding this Stipulated
22 Settlement, without notice to, or participation by, Respondent or his counsel, and that no such
23 communication shall be deemed a prohibited ex parte communication. Respondent specifically
24 acknowledges and agrees that such communications are permissible pursuant to Government
25 Code section 11430.30, subdivision (b).

26 16. By signing this Stipulated Settlement, Respondent understands and agrees that he
27 may not withdraw his agreement or seek to rescind the Stipulated Settlement prior to the time the
28 Commission considers and acts upon it. If the Commission fails to adopt this Stipulated

1 Settlement as its Decision and Order, this Stipulated Settlement shall be of no force or effect, and,
2 except for actions taken pursuant to this paragraph and paragraph 15 above, it shall be
3 inadmissible in any legal action between the parties. The Commission's consideration of this
4 Stipulated Settlement shall not disqualify it from any further action regarding Respondent's
5 licensure, including, but not limited to, disposition of the Statement of Reasons and Respondent's
6 application for renewal of his license by a decision and order following a hearing on the merits.

7 17. The parties agree that a photocopy, facsimile or electronic copy of this Stipulated
8 Settlement, including copies with signatures thereon, shall have the same force and effect as an
9 original.

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

13 ACCEPTANCE

14 Respondent has carefully read and considered the above Stipulated Settlement.
15 Respondent has discussed the above Stipulated Settlement's terms and effects with legal counsel.
16 Respondent understands the Stipulated Settlement and the effects it will have on his state
17 gambling license. Respondent also understands that he will be deemed unqualified, disqualified
18 and unsuitable for any type of licensure, registration, permitting, or finding of suitability for a
19 period of 15 years from the effective date of the Decision and Order issued by the Commission
20 adopting this Stipulated Settlement. Respondent further understands that he may only operate the
21 Oceana Cardroom in accordance with the conditions set forth in the Stipulated Settlement and
22 that the failure to do so will result in the immediate and automatic revocation of his state
23 gambling license and the closing of the gambling establishment. Respondent enters into this

24 ///

25 ///

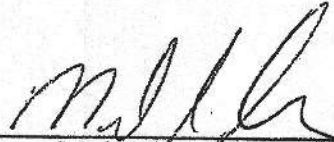
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1 Stipulated Settlement voluntarily, knowingly and intelligently, and agrees to be bound by its
2 terms.

3
4 Dated: February 24, 2017

5 
6 _____
7 Mark Adam, Sole Proprietor,
8 Oceana Cardroom

9 Approved as to Form

10 Dated: February 24, 2017

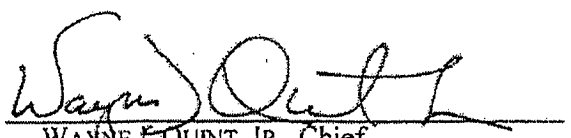
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12 _____
13 JARHETT BLONIEN
14 Attorney for Respondent

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COMPLAINANT'S ACCEPTANCE


Dated: February 21, 2017


WAYNE J. QUINT, JR., Chief
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: February 27, 2017

XAVIER BECERRA
Attorney General of California
SARA J. DRAKE
Senior Assistant Attorney General

By: 
RONALD L. DIEDRICH
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 Application for Renewal of State Gambling License and Statement of Reason Against: Mark Adam, sole proprietor, Oceana Cardroom, CGCC Case No. CGCC-2015-0730-6E, BGC Case No. HQ2015-00005AC, as its final Decision and Order in this matter to be effective upon execution below by its members.

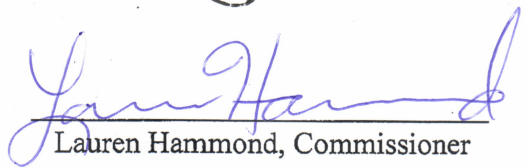
IT IS SO ORDERED

Dated: 4-6-17



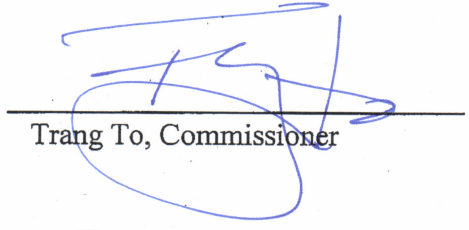
Jim Evans, Chairperson

Dated: 4-6-17



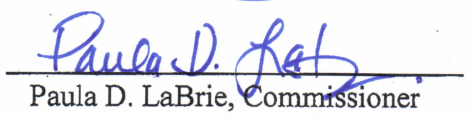
Lauren Hammond, Commissioner

Dated: 4-6-17



Trang To, Commissioner

Dated: 4/6/17



Paula D. LaBrie, Commissioner