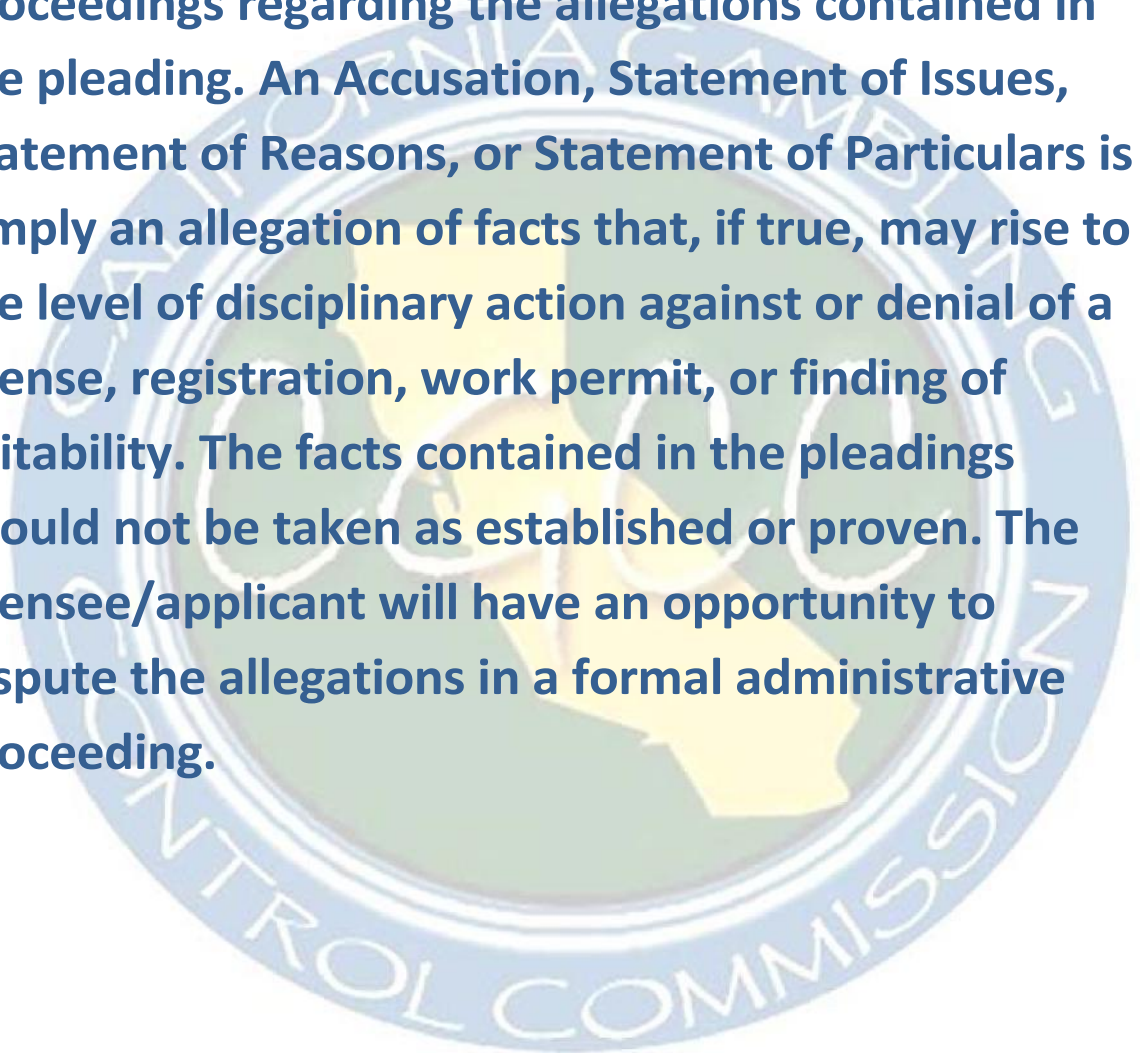


The Commission is providing a copy of this pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation, Statement of Issues, Statement of Reasons, or Statement of Particulars is simply an allegation of facts that, if true, may rise to the level of disciplinary action against or denial of a license, registration, work permit, or finding of suitability. The facts contained in the pleadings should not be taken as established or proven. The licensee/applicant will have an opportunity to dispute the allegations in a formal administrative proceeding.



**RECEIVED**

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

14  
15 **In the Matter of the Second Amended**  
16 **Accusation Against and Statement of Issues**  
17 **Regarding:**

18 **WIZARD GAMING, INC. (GEOW-**  
19 **000533), doing business as DIAMOND**  
20 **JIM'S CASINO (GEGE-000236);**

21 **DAROLD M. SHIRWO (GEOW-000538);**  
22 **SIGIFREDO S. REVUELTA (GEOW-**  
23 **000542); MARGARITA REVUELTA**  
24 **(GEOW-000543); GEORGE T. DEITCH**  
25 **(GEOW-000544); GEORGE G. HARDIE,**  
26 **JR. (GEOW- 003452); and JAMES ELA**  
27 **JONES (GEOW-003715)**

28 **118 20th Street West**  
**Rosamond, CA 93560**

**Respondents.**

**BGC Case No. BGC- HQ2017-00002AC**

**OAH Case No. \_\_\_\_\_**

**SECOND AMENDED ACCUSATION AND**  
**STATEMENT OF ISSUES**

**Hearing Date: TBA**

1 Complainant alleges as follows:

2 **PARTIES**

3 1. Wayne J. Quint, Jr. brought the initial Accusation in this case solely in his official  
4 capacity as the Director of the California Department of Justice, Bureau of Gambling Control  
5 (Bureau) and Stephanie Shimazu brought the First Amended Accusation and Statement of Issues  
6 solely in her capacity as the Bureau's Director. Yolanda Morrow (Complainant) brings this  
7 Second Amended Accusation and Statement of Issues solely in her capacity as the Bureau's  
8 Director.

9 2. Respondent Diamond Jim's Casino (Casino) is a licensed gambling establishment,  
10 California State Gambling License Number GEGE-000236, which is owned and operated by  
11 Respondent Wizard Gaming, Inc. (Corporation). The Casino is a 30-table card room presently  
12 operating at 118 20th Street West, Rosamond, California.

13 3. Respondent George G. Hardie, Jr. (Mr. Hardie, Jr.), license number GEOW-003452, is  
14 endorsed on the Casino's license. Respondents Darold M. Shirwo (license number GEOW-  
15 000538), Sigifredo S. Revuelta (license number GEOW-000542), Margarita Revuelta (license  
16 number GEOW-000543), George T. Deitch (GEOW-000544), and James Ela Jones (GEOW-  
17 003715) (collectively, Other Shareholders) are also endorsed on the Casino's license. Mr. Hardie,  
18 Jr. and the Other Shareholders are the shareholders of the Corporation, a licensed gambling  
19 enterprise, California State Gambling License Number GEOW-000533, which does business as  
20 the Casino and is endorsed on its license.

21 4. The Casino, Mr. Hardie, Jr., the Other Shareholders, and the Corporation are referred to  
22 collectively as the "Respondents."

23 5. The California Gambling Control Commission (Commission) issued the above-  
24 described licenses to Respondents pursuant to the Gambling Control Act (Act) (Bus. & Prof.  
25 Code, § 19800 et seq.). An application for renewal is pending as to each license. On September  
26 21, 2017, the Commission considered the renewal applications. At that time, the Commission  
27 voted to refer the renewal applications to an evidentiary hearing pursuant to California Code of  
28 Regulations, title 4, section 12054, subdivision (a)(4), to be conducted as an Administrative

1 Procedures Act hearing. (Cal. Code Regs., tit. 4, § 12058.)<sup>1</sup> At that time, the Commission issued  
2 Interim Renewal State Gambling Licenses to the Casino and its owners. The Interim Renewal  
3 State Gambling Licenses were subsequently renewed by the Commission and are currently active.

4 **JURISDICTION, STANDARD OF PROOF, AND COST RECOVERY**

5 6. The Commission has jurisdiction over the operation and concentration of gambling  
6 establishments and all persons and things having to do with the operation of gambling  
7 establishments. (Bus. & Prof. Code, § 19811, subd. (b).) The Act tasks the Bureau with, among  
8 other responsibilities, investigating suspected violations of the Act and initiating disciplinary  
9 actions. (Bus. & Prof. Code, §§ 19826, subds. (c), (e), & 19930, subd. (b).) Upon the Bureau  
10 filing an accusation, the Commission proceeds under Government Code section 11500 et seq.  
11 (Bus. & Prof Code, § 19930, subd. (b); see Cal. Code Regs., tit. 4, § 12554, subd. (a).) The  
12 Commission’s disciplinary powers include, among other things, revocation and imposition of  
13 fines or monetary penalties. (Cal. Code Regs., tit. 4, § 12554, subd. (d).)

14 7. In an accusation brought under the Act, the standard of proof is the preponderance of the  
15 evidence. (Cal. Code Regs., tit. 4, § 12554, subd. (c).)

16 8. In a matter heard by an administrative law judge involving the revocation, suspension, or  
17 denial of a license, the Bureau may recover its costs of investigation and prosecuting the  
18 proceeding. (Bus. & Prof. Code, § 19930, subd. (d).)

19 **LICENSING AND THE DUTY OF DISCLOSURE**

20 9. Operating a card room in California is a revocable privilege. (Bus. & Prof. Code, §  
21 19801, subd. (k).) The Act provides for comprehensive regulation to prevent that privilege from  
22 being abused. The Act requires licensure of natural persons employed in a supervisory capacity  
23 or empowered to make discretionary decisions. (Bus. & Prof. Code, §§ 19805, subd. (x), 19854,  
24 subd. (a).) The Commission’s powers include licensing and taking actions to ensure that  
25 ineligible, unqualified, disqualified, or unsuitable persons are not associated with controlled  
26 gambling activities. (Bus. & Prof. Code, § 19824, subds. (a) & (d).) The Act directs that every

27 \_\_\_\_\_  
28 <sup>1</sup> The statutes and regulations applicable to this Second Amended Accusation and Statement  
of Issues are quoted in pertinent part in Appendix A.

1 applicant for licensing or any approval required by the Act make full and true disclosure of all  
2 information necessary to carry out the state's policies relating to licensing and control of  
3 gambling. (Bus. & Prof. Code, § 19866.)

4 **FIRST CAUSE FOR REVOCATION OR DENIAL**

5 **(Unqualified for Continued Licensure)**

6 10. Respondents' gambling licenses are subject to revocation, and their renewal  
7 applications are subject to denial, pursuant to Business and Professions Code sections 19823,  
8 19857, subdivisions (a) and (b), and 19859, subdivisions (a) and (b), and California Code of  
9 Regulations, title 4, section 12566, subdivision (c)(6), and section 12568, subdivisions (c)(3) and  
10 (c)(4). Respondents' conduct in their dealings with the Commission and the Bureau demonstrate  
11 that they are unqualified for licensure. This conduct includes, but is not limited to, the following  
12 acts and omissions:

- 13 a. Respondents allowed one or more unlicensed persons to make, or substantially  
14 participate in, decisions regarding the card room's operations and policies, or  
15 perform key employee duties. This conduct was a breach of Respondents' duties  
16 under the Act and made them unqualified for licensing.
- 17 b. Respondents failed to disclose the participation of one or more unlicensed persons  
18 in decisions regarding the card room's operations and policies, or the performance  
19 of key employee duties, to the Bureau or the Commission. This failure to disclose  
20 was a breach of Respondents' duties under the Act and made them unqualified for  
21 licensing.
- 22 c. Respondents failed to provide all documents requested by the Bureau acting on  
23 behalf of the Director. For example, on March 24, 2017, the Bureau requested  
24 documents and information. At Respondents' request, the Bureau extended the  
25 time to respond. In May 2017, Respondents provided documents. Respondents,  
26 however, did not provide all requested documents. Even though the Bureau  
27 requested documents evidencing telephone, mobile phone, cell phone, or similar  
28

1 communications between Mr. Hardie, Jr. and Respondents' agent, no responsive  
2 documents were provided.

3 d. Respondents provided untrue or misleading information to the Bureau. For  
4 example, on March 9, 2017, Respondents' agent represented to the Commission  
5 and the Bureau that "Mr. Hardie, Jr. is calling me twice a week." This was untrue  
6 or misleading. The documents provided in response to the Bureau's request did  
7 not include records of any telephone, mobile phone, cell phone, or similar  
8 communication between Respondents' agent and Mr. Hardie, Jr. On March 9,  
9 2017, Respondents' agent also represented to the Commission and the Bureau that  
10 "I get emails from [Mr. Hardie, Jr.] all the time, so he's very engaged in what's  
11 going on." The documents provided in response to the Bureau's request included  
12 only one email from Mr. Hardie, Jr.'s executive assistant to the agent in 2017 and  
13 did not include any emails directly from Mr. Hardie, Jr. to the agent.

14 (Bus. & Prof. Code, §§ 19823, 19826, 19850, 19851, 19854, 19856, subd. (c), 19857, subds. (a)  
15 & (b), 19859, subds. (a) & (b), & 19866; Cal. Code Regs., tit. 4, §§ 12554, subd. (d), 12566,  
16 subd. (c)(6), 12568, subds. (c)(3) & (c)(4).)

## 17 **SECOND CAUSE FOR REVOCATION OR DENIAL**

### 18 **(Disqualified for Failure to Reveal Material Information to the Bureau)**

19 11. Respondents' gambling licenses are subject to revocation, and their renewal  
20 applications are subject to denial, pursuant to Business and Professions Code sections 19823,  
21 19857, subdivisions (a) and (b), and 19859, subdivisions (a) and (b), and California Code of  
22 Regulations, title 4, section 12566, subdivision (c)(6), and section 12568, subdivision (c)(3).  
23 Respondents breached their duty of full and true disclosure to the Commission and the Bureau.  
24 Respondents allowed one or more unlicensed persons to make, or substantially participate in,  
25 decisions regarding the card room's operations and policies, or perform key employee duties.  
26 Respondents failed to disclose this information to the Bureau and the Commission. This was a  
27 fact material to Respondents' qualification for licensure.  
28

1 (Bus. & Prof. Code, §§ 19823, 19826, 19850, 19851, 19854, 19856, subd. (c), 19857, subds. (a)  
2 & (b), 19859, subds. (a) & (b), & 19866; Cal. Code Regs., tit. 4, §§ 12554, subd. (d), 12566,  
3 subd. (c)(6), 12568, subds. (c)(3) & (c)(4).)

### 4 **THIRD CAUSE FOR REVOCATION OR DENIAL**

#### 5 **(Disqualified for Providing Untrue or Misleading Material Information)**

6 12. Respondents' gambling licenses are subject to revocation, and their renewal  
7 applications are subject to denial, pursuant to Business and Professions Code sections 19823,  
8 19857, subdivisions (a) and (b), and 19859, subdivisions (a) and (b), and California Code of  
9 Regulations, title 4, section 12568, subdivisions (c)(3) and (c)(4). Respondents breached their  
10 duty of full and true disclosure to the Commission and the Bureau. Respondents provided untrue  
11 or misleading information to the Bureau as to a material fact pertaining to the qualification  
12 criteria. For example, on March 9, 2017, Respondents' agent represented to the Commission and  
13 the Bureau that "Mr. Hardie, Jr. is calling me twice a week." This was untrue or misleading. The  
14 documents provided in response to the Bureau's request did not include records of any telephone,  
15 mobile phone, cell phone, or similar communication between Respondents' agent and Mr. Hardie,  
16 Jr. On March 9, 2017, Respondents' agent also represented to the Commission and the Bureau  
17 that "I get emails from [Mr. Hardie, Jr.] all the time, so he's very engaged in what's going on."  
18 This was untrue or misleading. The documents provided in response to the Bureau's request  
19 included only one email from Mr. Hardie, Jr.'s executive assistant to the agent in 2017 and did  
20 not include any emails directly from Mr. Hardie, Jr. to the agent.

21 (Bus. & Prof. Code, §§ 19823, 19826, 19856, subd. (c), 19857, subds. (a) & (b), 19859, subds. (a)  
22 & (b), & 19866; Cal. Code Regs., tit. 4, §§ 12554, subd. (d), 12568, subds. (c)(3) & (c)(4).)

### 23 **FOURTH CAUSE FOR REVOCATION OR DENIAL**

#### 24 **(Disqualified for Failure to Provide Requested Documents and Information)**

25 13. Respondents' gambling licenses are subject to revocation, and their renewal  
26 applications are subject to denial, pursuant to Business and Professions Code sections 19823,  
27 19857, subdivisions (a) and (b), and 19859, subdivisions (a) and (b), and California Code of  
28 Regulations, title 4, section 12568, subdivisions (c)(3) and (c)(4). Respondents failed to provide

1 all documents requested by the Bureau acting on behalf of the Director. For example, on March  
2 24, 2017, the Bureau requested documents and information. At Respondents' request, the Bureau  
3 extended the time to respond. In May 2017, Respondents provided documents. Respondents,  
4 however, did not provide all requested documents. Even though the Bureau requested documents  
5 evidencing telephone, mobile phone, cell phone, or similar communications between Mr. Hardie,  
6 Jr. and Respondents' agent, no responsive documents were provided.

7 14. During its continuing investigation, the Bureau conducted interviews of employees and  
8 former employees of the Casino, and other individuals, in 2021, 2022, and 2023. As part of its  
9 follow up efforts in its investigation, the Bureau attempted to schedule interviews with  
10 Respondents on numerous occasions in 2023. Respondents Darold M. Shirwo and George T.  
11 Deitch participated with Bureau agents in interviews in 2023. None of the other Respondents  
12 agreed to a date to participate in an interview. On January 5, 2024, counsel for the Bureau sent  
13 letters to Respondents Sigifredo S. Revuelta, Margarita Revuelta, Mr. Hardie, Jr., and James Ela  
14 Jones, reminding them of their obligation to cooperate with the Bureau's investigation and asking  
15 them to contact the Bureau to schedule an interview with Bureau agents. Darold M. Shirwo,  
16 received a letter from the Bureau's counsel on January 5, 2024, requesting that he contact the  
17 Bureau regarding an additional interview. Following the January 5, 2024, letters, only counsel  
18 for Mr. Hardie, Jr. responded, and only Mr. Hardie, Jr. indicated that he would cooperate in  
19 scheduling an interview.

20 (Bus. & Prof. Code, §§ 19823, 19826, 19856, subd. (c), 19857, subds. (a) & (b), 19859, subds. (a)  
21 & (b), & 19866; Cal. Code Regs., tit. 4, §§ 12554, subd. (d), 12568, subds. (c)(3) & (c)(4).)

## 22 **PRAYER**

23 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,  
24 and that following the hearing, the Commission issue a decision:

25 1. Revoking, or denying the application to renew, California State Gambling License  
26 Number GEGE-000236, issued to Respondent Diamond Jim's Casino;

27 2. Revoking, or denying the application to renew, California State Gambling License  
28 Number GEOW-000533, issued to Respondent Wizard Gaming, Inc.;

1           3. Revoking, or denying the application to renew, California State Gambling License  
2 Number GEOW-000538, issued to Respondent Darold M. Shirwo;

3           4. Revoking, or denying the application to renew, California State Gambling License  
4 Number GEOW-000542, issued to Respondent Sigifredo S. Revuelta;

5           5. Revoking, or denying the application to renew, California State Gambling License  
6 Number GEOW-000543, issued to Respondent Margarita Revuelta;

7           6. Revoking, or denying the application to renew, California State Gambling License  
8 Number GEOW-000544, issued to Respondent George T. Deitch;

9           7. Revoking, or denying the application to renew, California State Gambling License  
10 Number GEOW-003452, issued to Respondent George G. Hardie, Jr.;

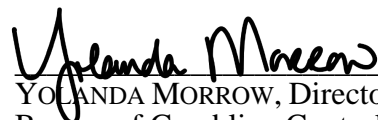
11           8. Revoking, or denying the application to renew, California State Gambling License  
12 Number GEOW-003715, issued to Respondent James Ela Jones;

13           9. Imposing fines or monetary penalties against Respondents, jointly and severally,  
14 according to proof and to the maximum extent allowed by law;

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

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

19  
20 Dated: February 13, 2025

  
YOLANDA MORROW, Director  
Bureau of Gambling Control  
California Department of Justice



1  
2 Jurisdiction, including jurisdiction over operation and concentration, and supervision over  
3 gambling establishments in this state and over all persons or things having to do with the  
operations of gambling establishments is vested in the commission.

4 4. Business and Professions Code section 19823 provides:

5 (a) The responsibilities of the commission include, without limitation, all of the  
6 following:

7 (1) Assuring that licenses, approvals, and permits are not issued to, or held by,  
8 unqualified or disqualified persons, or by persons whose operations are conducted  
in a manner that is inimical to the public health, safety, or welfare.

9 (2) Assuring that there is no material involvement, directly or indirectly, with a  
10 licensed gambling operation, or the ownership or management thereof, by  
11 unqualified or disqualified persons, or by persons whose operations are conducted  
in a manner that is inimical to the public health, safety, or welfare.

12 (b) For the purposes of this section, “unqualified person” means a person who is found to  
13 be unqualified pursuant to the criteria set forth in Section 19857, and “disqualified  
14 person” means a person who is found to be disqualified pursuant to the criteria set forth in  
Section 19859.

15 5. Business and Professions Code section 19824 provides, in part:

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

18 (a) Require any person to apply for a license, permit, registration, or approval as  
19 specified in this chapter, or regulations adopted pursuant to this chapter.

20 (b) For any cause deemed reasonable by the commission, deny any application for  
21 a license, . . . limit, condition, or restrict any license, permit, or approval, or  
impose any fine upon any person licensed or approved. The commission may  
22 condition, restrict, discipline, or take action against the license of an individual  
owner endorsed on the license certificate of the gambling enterprise whether or not  
23 the commission takes action against the license of the gambling enterprise.

24 \* \* \*

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

27 6. Business and Professions Code, section 19825, provides:  
28

1 The commission may require that any matter of an adjudicative nature regarding a license,  
2 permit, or finding of suitability, that the commission is authorized or required to consider  
3 in an evidentiary hearing, including a hearing held pursuant to Section 19870, be heard  
4 and determined in accordance with Chapter 5 (commencing with Section 11500) of Part 1  
5 of Division 3 of Title 2 of the Government Code.

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17 7. Business and Professions Code section 19826 provides, in part:

The department . . . shall have all of the following responsibilities:

(a) To receive and process applications for any license, permit, or other approval . . . The department shall investigate the qualifications of applicants before any license, permit, or other approval is issued . . . . The department may recommend the denial or the limitation, conditioning, or restriction of any license, permit, or other approval.

\* \* \*

(c) To investigate suspected violations of this chapter or laws of this state relating to gambling . . . .

\* \* \*

(e) To initiate, where appropriate, disciplinary actions as provided in this chapter. In connection with any disciplinary action, the department may seek restriction, limitation, suspension, or revocation of any license or approval, or the imposition of any fine upon any person licensed or approved.

18  
19  
20  
21  
22 8. Business and Professions Code section 19850 provides, in part:

Every person . . . who receives, directly or indirectly, any compensation or reward, or any percentage or share of the money or property played, for keeping, running, or carrying on any controlled game in this state, shall apply for and obtain from the commission, and shall thereafter maintain, a valid state gambling license, key employee license, or work permit . . . . In any criminal prosecution for violation of this section, the punishment shall be as provided in Section 337j of the Penal Code.

23 9. Business and Professions Code section 19851, subdivision (a), provides:

The owner of a gambling enterprise shall apply for and obtain a state gambling license. The owner of a gambling enterprise shall be known as the owner-licensee.

24  
25 10. Business and Professions Code section 19852 provides, in part:

[A]n owner of a gambling enterprise that is not a natural person shall not be eligible for a state gambling license unless each of the following persons individually holds a state gambling license:

1 \* \* \*

2 (i) Every employee, agent, guardian, personal representative, lender, or holder of  
3 indebtedness of the owner who, in the judgment of the commission, has the power  
4 to exercise significant influence over the gambling operation.

5 11. Business and Professions Code section 19854, subdivision (a), provides:

6 A person shall not be employed as a key employee<sup>[4]</sup> unless that person applies for and  
7 obtains a key employee license.

8 12. Business and Professions Code section 19855 provides, in part:

9 [E]very person who, by statute or regulation, is required to hold a state license shall obtain  
10 the license prior to engaging in the activity or occupying the position with respect to  
11 which the license is required.

12 13. Business and Professions Code section 19856 provides:

13 (a) Any person who the commission determines is qualified to receive a state license,  
14 having due consideration for the proper protection of the health, safety, and general  
15 welfare of the residents of the State of California and the declared policy of this state, may  
16 be issued a license. The burden of proving his or her qualifications to receive any license  
17 is on the applicant.

18 (b) An application to receive a license constitutes a request for a determination of the  
19 applicant's general character, integrity, and ability to participate in, engage in, or be  
20 associated with, controlled gambling.

21 (c) In reviewing an application for any license, the commission shall consider whether  
22 issuance of the license is inimical to public health, safety, or welfare, and whether  
23 issuance of the license will undermine public trust that the gambling operations with  
24 respect to which the license would be issued are free from criminal and dishonest  
25 elements and would be conducted honestly.

26 14. Business and Professions Code section 19857 provides:

27 No gambling license shall be issued unless, based on all the information and documents  
28 submitted, the commission is satisfied that the applicant is all of the following:

(a) A person of good character, honesty and integrity.

---

27 <sup>4</sup> A "key employee" is any natural person employed in the operation of a gambling  
28 enterprise in a supervisory capacity or empowered to make discretionary decisions that regulate  
gambling operations. (Bus. & Prof. Code, § 19805(x).)

1 (b) A person whose prior activities, criminal record, if any, reputation, habits, and  
2 associations do not pose a threat to the public interest of this state, or to the  
3 effective regulation and control of controlled gambling, or create or enhance the  
4 dangers of unsuitable, unfair, or illegal practices, methods, and activities in the  
conduct of controlled gambling or in the carrying on of the business and financial  
arrangements incidental thereto.

5 (c) A person that is in all other respects qualified to be licensed as provided in this  
6 chapter.

7 15. Business and Professions Code section 19859 provides, in part:

8 The commission shall deny a license to any applicant who is disqualified for any of the  
9 following reasons:

10 (a) Failure of the applicant to clearly establish eligibility and qualification in  
accordance with this chapter.

11 (b) Failure of the applicant to provide information, documentation, and assurances  
12 required by this chapter or requested by the chief,<sup>5</sup> or failure of the applicant to  
13 reveal any fact material to qualification, or the supplying of information that is  
untrue or misleading as to a material fact pertaining to the qualification criteria.

14 16. Business and Professions Code section 19866 provides:

15 An applicant for licensing or for any approval or consent required by this chapter, shall  
16 make full and true disclosure of all information to the department and the commission as  
17 necessary to carry out the policies of this state relating to licensing, registration, and  
control of gambling.

18 17. Business and Professions Code section 19920 provides:

19 It is the policy of the State of California to require that all establishments wherein  
20 controlled gambling is conducted in this state be operated in a manner suitable to protect  
21 the public health, safety, and general welfare of the residents of the state. The  
responsibility for the employment and maintenance of suitable methods of operation rests  
22 with the owner licensee, and willful or persistent use or toleration of methods of operation  
deemed unsuitable by the commission or by local government shall constitute grounds for  
23 license revocation or other disciplinary action.

24 18. Business and Professions Code section 19922 provides:

25 No owner licensee shall operate a gambling enterprise in violation of any provision of this  
26 chapter or any regulation adopted pursuant to this chapter.

27 19. Business and Professions Code section 19930 provides, in part:

28 <sup>5</sup> “Chief” refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1  
2 (b) If, after any investigation, the department is satisfied that a license, permit, finding of  
3 suitability, or approval should be suspended or revoked, it shall file an accusation with the  
4 commission in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of  
5 Division 3 of Title 2 of the Government Code.

6 \* \* \*

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

11 (1) The costs assessed pursuant to this subdivision shall be fixed by the  
12 administrative law judge and may not be increased by the commission. When the  
13 commission does not adopt a proposed decision and remands the case to the  
14 administrative law judge, the administrative law judge may not increase the  
15 amount of any costs assessed in the proposed decision.

16 (2) The department may enforce the order for payment in the superior court in the  
17 county in which the administrative hearing was held. The right of enforcement  
18 shall be in addition to any other rights that the department may have as to any  
19 licensee directed to pay costs.

20 (3) In any judicial action for the recovery of costs, proof of the commission's  
21 decision shall be conclusive proof of the validity of the order of payment and the  
22 terms for payment.

23 \* \* \*

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

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

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

28 **CALIFORNIA CODE OF REGULATIONS**

20. California Code of Regulations, title 4, section 12054 provides, in part:

(a) At a Commission meeting, the Commission may take, but is not limited to taking, one  
of the following actions:

\* \* \*

(4) Elect to hold or retract an evidentiary hearing in accordance with Section  
12056 and, for a renewal application, issue an interim renewal license pursuant to

1 Section 12035. The Commission will identify those issues for which it requires  
2 additional information or consideration related to the applicant's suitability.

3 21. California Code of Regulations, title 4, section 12058 provides, in part:

4 (a) When the Commission elects to hold an APA hearing the Commission will determine  
5 whether the APA hearing will be held before an Administrative Law Judge sitting on  
6 behalf of the Commission or before the Commission itself with an Administrative Law  
7 Judge presiding in accordance with Government Code section 11512. Notice of the APA  
8 hearing will be provided to the applicant pursuant to Government Code section 11500 et  
9 seq.

10 (b) The burden of proof is on the applicant to prove his, her, or its qualifications to  
11 receive any license or other approval under the Act.

12 22. California Code of Regulations, title 4, section 12554 provides, in part:

13 (a) Upon the filing with the Commission of an accusation by the Bureau recommending  
14 revocation, suspension, or other discipline of a holder of a license, registration, permit,  
15 finding of suitability, or approval, the Commission will proceed under Chapter 5  
16 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government  
17 Code.

18 \* \* \*

19 (c) The Administrative Law Judge and Commission will base their decisions on written  
20 findings of fact, including findings concerning any relevant aggravating or mitigating  
21 factors. Findings of fact will be based upon a preponderance of the evidence standard.  
22 The "preponderance of the evidence standard" is such evidence as when considered and  
23 compared with that opposed to it, has more convincing force, and produces a belief in the  
24 mind of the fact-finder that what is sought to be proved is more likely true than not true.

25 (d) Upon a finding of a violation of the Act, any regulations adopted pursuant thereto, any  
26 law related to gambling or gambling establishments, violation of a previously imposed  
27 disciplinary or license condition, or laws whose violation is materially related to  
28 suitability for a license, registration, permit, or approval, the Commission may do any one  
or more of the following:

(1) Revoke the license, registration, permit, finding of suitability, or approval;

(2) Suspend the license, registration, or permit;

\* \* \*

(5) Impose any fine or monetary penalty consistent with Business and Professions  
Code sections 19930, subdivision (c), and 19943, subdivision (b).

23 23. California Code of Regulations, title 4, section 12566, subdivision (c), provides, in part:

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A cardroom business licensee will be subject to a minimum discipline of suspension for five days of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in paragraph (7) of subsection (d) of Section 12554, if the Commission finds that the establishment has:

\* \* \*

(6) Concealed or persistently did not disclose ownership, interest, or key employee status, pursuant to Business and Professions Code, sections 19850, 19851, 19853, 19854, 19855, 19883, or 19901.

24. California Code of Regulations, title 4, section 12568, subdivision (c), provides, in part:

(c) A cardroom owner type license, finding of suitability, or approval granted by the Commission, other than a work permit, and a cardroom endorsee licensee who has committed a separate violation from the cardroom business licensee must be subject to revocation by the Commission on any of the following grounds:

\* \* \*

(3) If the Commission finds the holder no longer meets any criterion for eligibility, qualification, suitability or continued operation, including those set forth in Business and Professions code sections 19857, 19858, or 19880, as applicable, or

(4) If the Commission finds the holder currently meets any of the criteria for mandatory denial of an application set forth in Business and Professions Code sections 19859 or 19860.