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CALIFORNIA GAMBLING CONTROL COMMISSION

MAY 26 AM 11:25

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

15 In the Matter of the Statement of Issues
Against:

BGC Case No. _____

17 GLORIA GUTIERREZ, Sole Proprietor
GLORIA'S LOUNGE & CASINO
18 30435 Road 68
Visalia, CA 93227

OAH No. _____

STATEMENT OF ISSUES

19 License Number GEGE-001162

21 Jacob A. Appelsmith, Complainant herein, alleges as follows:

22 PARTIES

23 1. Jacob A. Appelsmith ("Complainant") brings this Statement of Issues solely in his
24 official capacity as the Chief of the Bureau of Gambling Control, California Department of Justice
25 ("Bureau").

26 2. Gloria Gutierrez ("Respondent Owner") owns, as a sole proprietor, the gambling
27 enterprise presently known and doing business as Gloria's Lounge & Casino, located at 30435
28 Road 68, Visalia, California 93227 ("Cardroom"). On or about December 19, 2008, Respondent

1 Owner submitted an application to renew her State Gambling License as the owner of the
2 Cardroom.

3 APPLICATION STATUS

4 3. On or about February 25, 2009, the California Gambling Control Commission
5 (Commission) extended Respondent Owner's State Gambling License to April 30, 2009, on the
6 condition that Respondent Owner submit a chip account statement quarterly.

7 4. On or about April 8, 2009, the Commission removed the condition for license renewal
8 cited in paragraph 3 above and extended Respondent Owner's State Gambling License to October
9 31, 2009, on the following conditions:

10 1) Applicant [Respondent Owner] will submit a copy(s) of the
11 promissory note (or loan agreement) reflecting the mortgage information
involving the gambling establishment.

12 2) Applicant [Respondent Owner] will submit to the Bureau all
13 transactional documents that will clearly establish the business
relationship between the applicant and all property owners.

14 5. On or about October 22, 2009, the Commission extended Respondent Owner's State
15 Gambling License to November 30, 2009, to allow Commission staff to notify Respondent Owner
16 of the staff recommendation to the Commission to deny renewal of her State Gambling License.

17 6. On or about November 4, 2009, Commission staff sent to Respondent Owner the staff
18 recommendation to the Commission to deny the renewal of her State Gambling License.

19 7. On or about November 24, 2009, the Commission considered Respondent Owner's
20 application to renew her State Gambling License, and denied it. At that Commission meeting,
21 counsel for Respondent Owner requested a hearing, giving rise to this Statement of Issues to
22 commence the hearing process.

23 JURISDICTION

24 8. This Statement of Issues is brought before the Commission pursuant to the authority
25 detailed in paragraphs 9 through 17 below.

26 9. Business and Professions Code section 19810 states:
27
28

1 Except as otherwise provided in this chapter, any power or authority
2 of the department^[1] described in this chapter may be exercised by the
3 Attorney General or any other person as the Attorney General may
4 delegate.

5 10. Business and Professions Code section 19826 provides in part as follows:

6 The department shall have all of the following responsibilities:

7 (a) To investigate the qualifications of applicants before any license,
8 permit, or other approval is issued, and to investigate any request to the
9 commission for any approval that may be required pursuant to this
10 chapter. The department may recommend denial or the limitation,
11 conditioning, or restriction of any license, permit or other approval.

12 11. Business and Professions Code section 19811, in relevant part, states:

13 (b) Jurisdiction, including jurisdiction over operation and
14 concentration, and supervision over gambling establishments in this
15 state and over all persons or things having to do with the operation of
16 gambling establishments is vested in the commission.

17 12. Business and Professions Code section 19823 provides as follows:

18 (a) The responsibilities of the commission include, without
19 limitation, all of the following:

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

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

(b) For the purposes of this section, "unqualified person" means
a person who is found to be unqualified pursuant to the criteria set
forth in Section 19857, and "disqualified person" means a person

¹ The "department" referred to in the Gambling Control Act, Business and Professions Code section 19800 et seq., is the Department of Justice (Bus. & Prof. Code, § 19805; subd. (h)). The Bureau of Gambling Control is within the Department of Justice, Division of Law Enforcement.

1 who is found to be disqualified pursuant to the criteria set forth in
2 Section 19859.

3 13. Business and Professions Code section 19824 provides in part as follows:

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

8 * * *

9 (b) For any cause deemed reasonable by the commission, deny any
10 application for a license, permit, or approval provided for in this chapter or
11 regulations adopted pursuant to this chapter, limit, condition, or restrict any
12 license, permit, or approval, or impose any fine upon any person licensed or
13 approved.

14 * * *

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

18 14. Business and Professions Code section 19876 provides as follows:

19 Subject to the power of the commission to deny, revoke, suspend,
20 condition, or limit any license, as provided in this chapter, a license shall
21 be renewed upon application for renewal and payment of state gambling
22 fees as required by statute or regulation. Licenses renewed on or before
23 July 31, 2008, shall be for the renewal period in effect at the time of the
24 renewal but shall not expire any sooner than 15 months after the approval
of the renewal application. Licenses renewed on or after August 1, 2008,
shall expire 24 months after the date of the approval of the renewal
application or after the expiration of the prior license, whichever is later.

(b) An application for renewal of a gambling license shall be filed by
the owner licensee or key employee with the commission no later than 120
calendar days prior to the expiration of the current license. The
commission shall act upon any application for renewal prior to the date of
expiration of the current license. Upon renewal of any owner license, the
commission shall issue an appropriate renewal certificate or validating
device or sticker.

(c) Unless the commission determines otherwise, renewal of an
owner's gambling license shall be deemed to effectuate the renewal of every
other gambling license endorsed thereon.

(d) In addition to the penalties provided by law, any owner licensee
who deals, operates, carries on, conducts, maintains, or exposes for play any

1 gambling game after the expiration date of the gambling license is liable to
2 the state for all license fees and penalties that would have been due upon
renewal.

3 (e) If an owner licensee fails to renew the gambling license as
4 provided in this chapter, the commission may order the immediate closure
5 of the premises and a cessation of all gambling activity therein until the
license is renewed.

6 15. Business and Professions Code section 19870 provides in part as follows:

7 (a) The commission, after considering the recommendation of the
8 chief and any other testimony and written comments as may be presented
9 at the meeting, or as may have been submitted in writing to the
10 commission prior to the meeting, may either deny the application or grant
a license to an applicant who it determines to be qualified to hold the
license.

11 (b) When the commission grants an application for a license or
12 approval, the commission may limit or place restrictions thereon as it may
13 deem necessary in the public interest, consistent with the policies
described in this chapter.

14 (c) When an application is denied, the commission shall prepare and
15 file a detailed statement of its reasons for the denial.

16 (d) All proceedings at a meeting of the commission relating to a
17 license application shall be recorded stenographically or on audiotape or
videotape.

18 16. Business and Professions Code section 19871 provides as follows:

19 (a) The commission meeting described in Section 19870 shall be
20 conducted in accordance with regulations of the commission and as
follows:

21 (1) Oral evidence shall be taken only upon oath or
22 affirmation.

23 (2) Each party shall have all of the following rights:

24 (A) To call and examine witnesses.

25 (B) To introduce exhibits relevant to the issues of
26 the case.

27 (C) To cross-examine opposing witnesses on any
28 matters relevant to the issues, even though the matter
was not covered on direct examination.

1 (D) To impeach any witness, regardless of which
2 party first called the witness to testify.

3 (E) To offer rebuttal evidence.

4 (3) If the applicant does not testify in his or her own behalf,
5 he or she may be called and examined as if under cross-
6 examination.

7 (4) The meeting need not be conducted according to
8 technical rules relating to evidence and witnesses. Any relevant
9 evidence may be considered, and is sufficient in itself to support
10 a finding, if it is the sort of evidence on which responsible
11 persons are accustomed to rely in the conduct of serious affairs,
12 regardless of the existence of any common law or statutory rule
13 that might make improper the admission of that evidence over
14 objection in a civil action.

15 (b) Nothing in this section confers upon an applicant a right to
16 discovery of the department's investigative reports or to require
17 disclosure of any document or information the disclosure of which is
18 otherwise prohibited by any other provision of this chapter.

19 17. Commission regulation section 12050 (Cal. Code Regs., tit. 4, § 12050) provides in
20 pertinent part as follows:

21 (a) If the Bureau, after an investigation pursuant to Business and
22 Professions Code section 19826, subdivision (a), issues a
23 recommendation to deny, limit, restrict, or condition a license, permit, or
24 finding of suitability, the Bureau shall provide the applicant with a copy
25 of the Bureau's final report as described in Business and Professions
26 Code section 19868, subdivision (b), which includes a detailed factual
27 and/or legal basis for any recommendation as well as the Bureau's
28 recommendation to the Commission and any supplemental documents
provided to the Commission at the time of the report and
recommendation. Any applicant for any license, permit, or finding of
suitability for whom Commission staff has issued a recommendation of
denial or imposition of conditions shall be given notice by certified mail
of the Commission meeting at which the application is scheduled to be
heard and the Commission staff recommendation [made] at least 10 days
prior to the meeting. The applicant shall be afforded the opportunity to:

(1) Address the Commission by way of an oral statement at a
noticed Commission meeting, and/or may submit documents in
support of the application, or

(2) Request an evidentiary hearing.

1 (b) If the applicant requests an evidentiary hearing or the
2 Commission elects to have an evidentiary hearing, the Executive Director
3 shall set the matter for hearing pursuant to Business and Professions
4 Code sections 19870 and 19871, or pursuant to Business and Professions
5 Code section 19825 (conducted pursuant to Chapter 5 (commencing with
6 section 11500) of Part 1 of Division 3 of Title 2 of the Government
7 Code).

8 * * *

9 (2) If the hearing is to proceed pursuant to Business and
10 Professions Code sections 19870 and 19871, notice shall be
11 effected by the Commission, and the hearing before the
12 Commission shall be conducted pursuant to Business and
13 Professions Code section 19871:

14 (A) The Bureau or Commission staff or Deputy
15 Attorney General or other representative presenting the
16 case (Complainant) shall provide the applicant, at least 30
17 calendar days prior to the hearing, a list of potential
18 witnesses with the general subject of the testimony of each
19 witness and shall disclose and make available copies of all
20 documentary evidence intended to be introduced at the
21 hearing and not previously provided, reports or statements
22 of parties and witnesses and all other writings containing
23 relevant evidence, including all evidence made available
24 to the Commissioners. The applicant shall provide
25 Complainant with similar information to be introduced at
26 the hearing and not previously provided at least ten
27 calendar days prior to the hearing. The Commissioners
28 may prohibit testimony of a witness that is not disclosed
and may prohibit the introduction of documents that have
not been disclosed.

(B) Nothing in this section confers upon an applicant
a right to discovery of the Commission's or Bureau's
confidential information or to require production of any
document or information the disclosure of which is
otherwise prohibited by any provision of the Gambling
Control Act, or is privileged from disclosure or otherwise
made confidential by law. Documentary evidence may be
redacted as needed to prevent the disclosure of
confidential information. Exculpatory or mitigating
information shall not be withheld from the applicant, but
may be redacted.

(C) Within the guidelines of subsection (b)(2)(A)
above, each party shall have the right to call and examine

1 witnesses; to introduce relevant exhibits and documentary
2 evidence; to cross-examine opposing witnesses on any
3 relevant matter, even if the matter was not covered in the
4 direct examination; to impeach any witness, regardless of
5 which party first called the witness to testify; and to offer
6 rebuttal evidence. If the applicant does not testify on the
7 applicant's own behalf, the applicant may be called and
8 examined as if under cross-examination.

9 (D) The hearing need not be conducted according to
10 technical rules of evidence. Any relevant evidence may be
11 considered, and is sufficient in itself to support findings if
12 it is the sort of evidence on which responsible persons are
13 accustomed to rely in the conduct of serious affairs,
14 regardless of the existence of any common law or
15 statutory rule that might make improper the admission of
16 that evidence over objection in a civil action. A presiding
17 officer, which shall be an administrative law judge or an
18 attorney designated by the Commission, shall rule on the
19 admissibility of evidence and on any objections raised.

20 (E) Oral evidence shall be taken upon oath or
21 affirmation, which may be administered by a staff member
22 of the Commission or by a Commissioner.

23 (F) The hearing shall be stenographically or
24 electronically recorded by the Commission.

25 (G) At the conclusion of the hearing, the Commission
26 shall take the matter under submission and may schedule
27 future closed session meetings for deliberation. In taking
28 the matter under consideration, any Commissioner who
participated at the hearing shall be allowed to vote by mail
or by other appropriate method. Within 30 days of the
conclusion of the hearing, the Commission shall issue a
decision which complies with Business and Professions
Code section 19870, subdivision (c), and shall serve the
decision by certified mail on the applicant and on any
business entity with which the applicant is associated.

(3) At the hearings described in subsections (b)(1) and (2)
above, the burden of proof rests with applicant to demonstrate why
a license, permit, or finding of suitability should be issued or not
conditioned. The applicant may choose to represent himself,
herself, or itself, or may retain an attorney or lay representative at
his, her, or its own expense. A representative of the Bureau shall
present the reasons why the license, permit, or finding of suitability
should not be granted or should be granted with conditions

1 imposed. In the event that the Bureau does not present the case, the
2 Commission may seek outside representation or one or more
3 Commission staff members shall be segregated and present the
4 case.

(c) If the application is denied or conditions imposed:

5 (1) The Commission's decision shall provide the effective
6 date of the decision and may include further directions as to stay
7 provisions or orders to divest. (2) If the denied applicant is an
8 officer, director, employee, agent, representative, or independent
9 contractor of a corporation licensed, registered, or found suitable
10 by the Commission, the denied applicant shall resign according to
11 the date specified in the decision and shall so notify the
12 Commission in writing.

13 * * *

14 (6) An applicant denied a license, permit, registration, or
15 finding of suitability, or whose license, permit, registration, or
16 finding of suitability has had conditions imposed upon it may
17 request reconsideration by the Commission within 30 days of
18 notice of the decision. The request shall be in writing and shall
19 outline the reasons for the request, which must be based upon
20 either newly discovered evidence or legal authorities that could
21 not reasonably have been presented before the Commission's
22 issuance of the decision or at the hearing on the matter, or upon
23 other good cause for which the Commission in its discretion
24 decides merits reconsideration. The Commission Chair may
25 delegate to the Executive Director the authority to determine
26 whether to place requests for reconsideration on the Commission
27 agenda or to act on them at the Commission staff level. If placed
28 on the Commission agenda, the applicant requesting
reconsideration shall be notified of the date and time of the
agenda item. The granting or denial of reconsideration is at the
discretion of the Commission. The Commission shall notify the
applicant requesting reconsideration whether or not
reconsideration is granted or denied within 30 days of the
applicant's request. If the Commission grants reconsideration, the
effective date of the decision shall be stayed or vacated, at the
Commission's discretion, while the decision is reconsidered.

OTHER PERTINENT STATUTORY AND REGULATORY PROVISIONS

18. Business and Professions Code section 19805 provides in part as follows:

As used in this chapter, the following definitions shall apply:

* * *

1 (b) "Applicant" means any person who has applied for, or is about to
2 apply for, a state gambling license, . . . or an approval of any act or
3 transaction for which the approval or authorization of the commission or
4 department is required or permitted under this chapter.

5 * * *

6 (d) "Chief" means the head of the entity within the department that is
7 responsible for fulfilling the obligations imposed upon the department by
8 this chapter.

9 (e) "Commission" means the California Gambling Control
10 Commission.

11 * * *

12 (h) "Department" means the Department of Justice.

13 * * *

14 (p) "Gambling license" or "state gambling license" means any license
15 issued by the state that authorizes the person named therein to conduct a
16 gambling operation.

17 * * *

18 (aj) "Renewal license" means the license issued to the holder of an
19 initial license that authorizes the license to continue beyond the expiration
20 date of the initial license.

21 19. Commission regulation section 12344, subdivision (a) (Cal. Code Regs., tit. 4, §
22 12344, subd. (a)), provides as follows:

23 (a) Each application for renewal of a state gambling license or
24 for renewal of a key employee license shall be accompanied by all
25 of the following:

26 (1) A completed application:

27 * * *

28 (2) A nonrefundable application fee in the amount specified in
subsection (a) of Section 12008 for a gambling license or
subsection (b) of Section 12008 for a key employee license.

29 20. Business and Professions Code section 19841 provides in pertinent part as follows:

The regulations adopted by the commission shall do all of the following:

* * *

1 (d) Require owner licensees to report and keep records of
2 transactions, including transactions as determined by the department,
3 involving cash or credit. The regulations may include, without limitation,
4 regulations requiring owner licensees to file with the department reports
5 similar to those required by Sections 5313 and 5314 of Title 31 of the
6 United States Code, and by Sections 103.22 and 103.23 of Title 31 of the
7 Code of Federal Regulations, and any successor provisions thereto, from
8 financial institutions, as defined in Section 5312 of Title 31 of the United
9 States Code and Section 103.11 of Title 31 of the Code of Federal
10 Regulations, and any successor provisions.

11 21. Business and Professions Code section 19857 provides in part as follows:

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

15 * * *

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

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

24 22. Business and Professions Code section 19859 provides in part as
25 follows:

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

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

* * *

(b) Failure of the applicant to provide information, documentation,
and assurances required by this chapter or requested by the chief, or
failure of the applicant to reveal any fact material to qualification

FIRST CAUSE FOR DENIAL OF APPLICATION

(Failure to Comply with License Conditions)

23 23. On April 8, 2009, the Commission extended the April 30, 2009 expiration date of
24 Respondent Owner's license to October 31, 2009, subject to the following conditions:

1 1) Applicant will submit a copy(s) of the promissory note (or loan
2 agreement) reflecting the mortgage information involving the gambling
3 establishment.

4 2) Applicant will submit to the Bureau all transactional documents
5 that will clearly establish the business relationship between the applicant
6 and all property owners.

7 24. By Commission letter dated April 20, 2009, Respondent Owner was informed of the
8 license conditions set forth in the preceding paragraph, and Respondent Owner was informed of
9 her right to appeal imposition of the license conditions. A copy of the Commission April 20, 2009
10 letter is attached hereto and incorporated herein by this reference as Attachment A. By Bureau
11 letter dated May 7, 2009, Respondent Owner was provided further notice of the April 8, 2009,
12 Commission license conditions; this letter detailed the required supplemental documentation, and
13 requested a response thereto by May 29, 2009. Thereafter, by a document captioned "Second and
14 Final Notice" addressed to Respondent Owner and sent June 23, 2009, the Bureau again demanded
15 production of the information detailed in the Bureau's May 7, 2009, letter.

16 25. Respondent Owner has, despite demand, failed to provide to the Commission or the
17 Bureau information and documentation to satisfy the license conditions imposed by the
18 Commission's April 8, 2009, action.

19 26. Respondent Owner is subject to denial of her application under Business and
20 Professions Code section 19859, subdivisions (a) and (b), and is in violation of the terms of the
21 conditional renewal license issued by the Commission on April 8, 2009, pursuant to its authority
22 under Business and Professions Code section 19824, subdivision (b).

23 **SECOND CAUSE FOR DENIAL OF APPLICATION**

24 **(Failure to Submit Annual Mandatory Financial Statements)**

25 27. Section 12403 of title 4 of the California Code of Regulations, adopted pursuant to the
26 Gambling Control Act, provides in part as follows:

27 (a) A licensee shall prepare financial statements covering all financial
28 activities of the licensee's gambling operation for each fiscal year, in
accordance with generally accepted accounting principles unless otherwise
provided in this section.

1 * * *

2 (b) Unless otherwise provided in this section, a licensee shall submit
3 copies of the annual financial statements, with the independent auditor's or
4 accountant's report issued to meet the requirements under this section, to the
5 Bureau and Commission no later than 120 calendar days following the end
6 of the fiscal year covered by the financial statements. If a management
7 letter is issued, a copy of the management letter must also be submitted to
8 the Bureau and Commission, including the licensee's reply to the
9 management letter, if any.

10 28. Complainant is informed and believes and thereon alleges that Respondent Owner
11 operates the Cardroom on a calendar year fiscal year, and is subject to the financial statement and
12 reporting requirements of Commission regulation section 12403.

13 29. By Bureau Letter of Warning dated May 19, 2009, Respondent Owner was informed
14 that the Cardroom had failed to submit within 120 days of the close of the Respondent Owner's
15 fiscal year the financial statement and other reports mandated by Commission regulation section
16 12403. Respondent Owner and the Cardroom were directed by the May 19, 2009 Letter of
17 Warning to submit the required financial documentation within 15 days.

18 30. Respondent Owner and Cardroom have, despite demands, failed to provide to the
19 Commission or the Bureau the financial documentation for the calendar year 2008 that is required
20 by Commission regulation section 12403 to be submitted within 120 days of the end of the 2008
21 calendar year.

22 31. Respondent Owner is subject to denial of her renewal application pursuant to Business
23 and Professions Code sections 19859, subdivision (b) and 19857, subdivisions (b) and (c) for
24 violations of Business and Professions Code sections 19922 and 19944 for failure to provide the
25 financial documentation required by Commission regulation section 12403.

26 **THIRD CAUSE FOR DENIAL OF APPLICATION**

27 **(Failure to Remit Fees Required by Law or Statute)**

28 32. At all times relevant hereto, Business and Professions Code section 19867 provided as
follows:

(a) An application for a license or a determination of suitability
shall be accompanied by the deposit of a sum of money that, in the

1 judgment of the chief, will be adequate to pay the anticipated costs and
2 charges incurred in the investigation and processing of the application.
3 The chief shall adopt a schedule of costs and charges of investigation for
4 use as guidelines in fixing the amount of any required deposit under this
section. The schedule shall distinguish between initial and renewal
licenses with respect to costs and charges.

5 (b) During an investigation, the chief may require an applicant to
6 deposit any additional sums as are required by the department to pay
final costs and charges of the investigation.

7 (c) Any money received from an applicant in excess of the costs
8 and charges incurred in the investigation or the processing of the
9 application shall be refunded pursuant to regulations adopted by the
10 department. At the conclusion of the investigation, the chief shall
11 provide the applicant a written, itemized accounting of the costs and
charges thereby incurred.

12 33. Under Business and Professions Code section 19876, subdivision (a), renewal of
13 Respondent Owner's State Gambling License is conditioned upon the "payment of state gambling
14 fees as required by statute or regulation."

15 34. By Bureau letter dated April 29, 2009, Respondent Owner was requested to submit by
16 May 11, 2009, \$3,833 to cover the investigation costs associated with Respondent Owner's still
17 pending application to renew her license to operate the Cardroom. This Bureau request and the
18 reasons therefore are detailed in the April 29, 2009 letter, which is attached hereto and
19 incorporated herein as Attachment B. By letter dated May 15, 2009, captioned Second and Final
20 Notice, Respondent Owner was informed that if the additional deposit was not received by May
21 28, 2009, the Bureau would submit a recommendation to the Commission that Respondent's
22 license application be denied.

23 35. Respondent Owner has, despite demand and the requirements of Business and
24 Professions Code sections 19867 and 19876, subdivision (a), failed to provide to the Bureau the
25 additional deposit to cover costs of investigation detailed in the prior paragraphs of this Third
26 Cause for Denial of Application.

27 36. Respondent Owner is subject to denial of her application pursuant to Business and
28 Professions Code section 19857, subdivisions (b) and (c) for violations of sections 19922 and

1 19944 for failure to pay an additional deposit to cover investigation costs associated with
2 Respondent Owner's pending license renewal application as required by Business and Professions
3 Code, sections 19867 and 19876.

4 **PRAYER**

5 WHEREFORE, Complainant requests that a hearing be held pursuant to the procedures set
6 forth in Business and Professions Code sections 19870 and 19871 on the matters herein alleged,
7 and that following the hearing, the Commission issue a decision:

8 1. Denying the application of Respondent Gloria Gutierrez for renewal of her State
9 Gambling License as the owner of Gloria's Lounge and Casino.

10 2. Awarding Complainant, pursuant to subdivisions (d) and (f) of Business and
11 Professions Code section 19930, the costs of investigation and costs of preparation and
12 prosecution of this Statement of Issues before the Commission, in a sum according to proof; and

13 3. Taking such and further action as the Commission may deem appropriate.

14
15 Dated: May 7, 2010



16 JACOB A. APPELSMITH, Chief
17 Bureau of Gambling Control
18 California Department of Justice
19 Complainant
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