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

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

14 **Normandie Club**, General Partnership, License
15 No. GEOW-001099, dba:
16 **Normandie Club**, Gambling Establishment,
license no. GEGE-000448;
General Partners:
17 **Russell Miller**, License No. GEOW-001100,
18 **Lawrence Miller**, License No. GEOW-001102,
Gregory Miller, License No. GEOW-001103, &
19 **Stephen Miller**, License No. GEOW-001104.
1045 West Rosecrans Avenue
Gardena, CA 90247

20 and

21 **Michelle Miller-Wahler**,
22 Key Employee License No. GEKE-001290
23 2345 Fordham Drive
Costa Mesa, CA 92626

24 and

25 **David La**,
26 Key Employee License No. GEKE-001387
1312 Highland Oak Drive
Arcadia, CA 91006

27 **Respondents.**
28

BGC No.: BGC-HQ2013-00002AC
(Normandie Club, gambling establishment;
Normandie Club, general partnership; and
general partners: Russell Miller, Lawrence
Miller, Gregory Miller & Stephen Miller.)

BGC No.: BGC-HQ2013-00007AC
(Michelle Miller-Wahler)

BGC No.: BGC-HQ2013-00001PC
(David La)

OAH No. 2013120253

**REVISED STIPULATED
SETTLEMENT, DECISION, AND
ORDER (DAVID LA)**

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PURPOSE OF THIS STIPULATED SETTLEMENT

This Stipulated Settlement resolves the above-titled Accusation as it pertains to respondent David La (Respondent). The Accusation, among other things, seeks revocation of Respondent’s state key employee license for violations of, and lack of suitability for continued licensing under, the Gambling Control Act (Act) (Bus. & Prof. Code, § 19800 et seq.) and the regulations adopted thereunder. On April 25, 2016, the California Gambling Control Commission (Commission) approved a settlement of the Accusation with respect to Normandie Club, a general partnership that previously owned and operated the Normandie Club (Casino), a licensed gambling establishment, and its partners, Russell Miller, Lawrence Miller, Gregory Miller, and Stephen Miller..

PARTIES

1. Wayne J. Quint, Jr. filed and served the Accusation solely in his official capacity as the Chief of the California Department of Justice, Bureau of Gambling Control (Bureau). Stephanie Shimazu (Complainant) is currently the Bureau’s Director¹ and is signing this Stipulated Settlement solely in her official capacity.

2. Respondent holds state key employee license number GEKE-001387, which is active. The Commission issued this license, which is stayed pending the Accusation’s outcome.

JURISDICTION

3. Respondent was served with the Accusation, as well as a Statement to Respondent (Gov. Code, § 11505, subd. (b)), copies of Government Code sections 11507.5, 11507.6 and 11507.7, and two copies of the Notice of Defense form (Gov. Code, §§ 11505 & 11506).

4. Respondent served a timely Notice of Defense with respect to the Accusation.

ADVISEMENT AND WAIVERS

5. Respondent has carefully reviewed, and has discussed with counsel, the legal and factual allegations in the Accusation. Respondent has also carefully reviewed, and has discussed

¹ In 2016, the title of the person in charge of the Bureau changed from “Chief” to “Director.”

1 with counsel, this Stipulated Settlement. Respondent fully understands the terms and conditions
2 contained within this Stipulated Settlement and the effects thereof.

3 6. Respondent is fully aware of his legal rights in this matter, including: the right to a
4 hearing on all the allegations in the Accusation; the right to be represented by counsel of his
5 choice at his own expense; the right to confront and cross-examine the witnesses against him; the
6 right to present evidence and testify on his own behalf; the right to the issuance of subpoenas to
7 compel the attendance of witnesses and the production of documents; the right to apply for
8 reconsideration and court review of an adverse decision; and all other rights afforded by the
9 California Administrative Procedure Act (Gov. Code, § 11370 et seq.), the Act, and all other
10 applicable laws.

11 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
12 every right set forth in paragraph 6 above as it specifically pertains to this matter, withdraws his
13 request for a hearing on the Accusation, and agrees to be bound by this Stipulated Settlement.

14 **STIPULATED ADMISSIONS**

15 8. Respondent admits to the truth of the following facts, and warrants, represents, and
16 agrees that each is true, accurate, and complete:

17 a. In September 2012, Respondent was hired with the title “Casino Manager.”
18 Later, Respondent’s title was changed to “Chief Operating Officer.” Respondent reported
19 directly to the Casino’s partners. Respondent and the Casino’s president negotiated an
20 agreement for Respondent’s employment, which included provisions for him to earn a
21 bonus based upon the Casino’s revenues. The bonus was calculated as a percentage of the
22 amount by which the Casino’s revenues exceeded a certain level. Respondent and the
23 president signed the agreement on September 18, 2012. Despite having his compensation
24 based upon, and calculated in part as a percentage of, the Casino’s revenues, Respondent
25 did not apply for or obtain a state gambling license as an owner or person having an
26 interest in a card room’s gambling revenues. Respondent’s employment agreement was
27 not provided to the Bureau for review or to the Commission for approval.
28

1 b. In his capacity as Casino Manager, Respondent recommended that the Casino
2 enter into arrangements with promoters or marketing groups to build up its business.
3 Respondent sought out, and negotiated with, promoters and marketing groups. He
4 negotiated written and verbal agreements that compensated promoters and marketing
5 groups based upon percentages of the Casino's revenues from certain controlled games or
6 tables at which controlled games were played. None of the agreements was presented to
7 the Bureau for review or to the Commission for approval. Despite having fees calculated
8 as a percentage of the Casino's revenues, none of the promoters or marketing groups
9 applied for a state gambling license.

10 c. Respondent brought in a gambler named "Sunny" who, along with a promoter,
11 played high stakes baccarat in the Casino's "Smoking Room." Sunny often bet more than
12 \$10,000 on a given hand. Pursuant to an agreement that Respondent negotiated, the
13 promoter was paid a percentage of the Casino's revenues from the baccarat table at which
14 Sunny played. Respondent observed and allowed the promoter and a Casino floor
15 manager to purchase gaming chips using funds provided by Sunny and to cash in gaming
16 chips for Sunny. According to information provided by third-party providers of
17 proposition player services, during February and March 2013, Sunny won in excess of
18 \$2.5 million playing baccarat at the Casino. No cash transaction reports or suspicious
19 activity reports pursuant to the federal Bank Secrecy Act were filed for Sunny. The
20 Casino did not gather any information regarding Sunny's identity or his transactions.
21 Respondent became aware of the failure to gather information and prepare Bank Secrecy
22 Act reports shortly after these events, but did not correct it. On January 14, 2014,
23 Respondent told the Bureau's investigators that Sunny was rumored to make money by
24 growing marijuana.

25 d. A walk-in closet in the Smoking Room was known as the "Cigar Closet" and
26 was designated as an area restricted to Casino employees. Keys to the Cigar Closet,
27 however, were held by the promoter who played controlled games with Sunny, and the
28 promoter's employees, none of whom was employed by the Casino. On March 28, 2013,

1 Bureau agents examined the contents of a bag in the Cigar Closet; in addition to gaming
2 chips and paperwork, that bag contained \$50,000 in cash. Respondent learned that cash,
3 gaming chips, and paperwork were stored in the Cigar Closet by the promoter on or
4 shortly after March 28, 2013.

5 e. On March 11, 2013, the Casino's surveillance employees observed, among
6 other things: a large amount of cash was brought to the Casino in a bag that was emptied
7 on to a gambling table; the cash was separated into bundles of approximately \$10,000 or
8 less; and the cash was converted into gaming chips by several persons, including Casino
9 employees. Sometime after March 11, 2013, Respondent viewed, or became
10 knowledgeable of, surveillance video of the events. Respondent had recommended the
11 hiring of the Casino floor staff employees who were involved in the chip conversion
12 process. Despite the open and notorious nature of the event, Respondent advised the
13 Casino's Board of Directors that, aside from suspending one of the Casino employees
14 involved in the event, no other discipline of the employees was warranted. No discipline
15 beyond that advised by Respondent was imposed.

16 f. Respondent's employment with the Casino was terminated on or about
17 September 23, 2013. Respondent has not worked in a licensed capacity at a California
18 card room since then.

19 **STIPULATED AGREEMENT OF SETTLEMENT**

20 9. The foregoing admitted facts and any other admissions made by Respondent
21 herein are made for the purpose of resolving the Accusation and also are made to be used in any
22 other matter now and in the future involving the Commission or the Bureau. Respondent admits,
23 and agrees, that under the Act such facts provide a sufficient factual basis to revoke his license
24 and to deny his renewal application for licensure. Respondent further admits, and agrees, that
25 such facts establish that his license is subject to revocation.

26 10. Respondent understands and agrees that the admissions made in paragraphs 8 and
27 9 above may be entered into evidence in any legal proceeding brought or prosecuted by the
28 Commission or the Bureau as if those admissions were made under oath and penalty of perjury.

1 The admissions made by Respondent herein are only for the purposes of this proceeding, or any
2 future proceedings in which the Bureau, the Commission, or any successor agency is involved,
3 and shall not be otherwise admissible in any criminal, civil, or unrelated administrative
4 proceeding.

5 11. Upon the effective date of the Decision and Order issued by the Commission
6 adopting this Stipulated Settlement (Effective Date), Respondent's state key employee license
7 shall be revoked.

8 12. Respondent agrees that for a period of five years following the Effective Date
9 (Ineligibility Period), he shall be deemed ineligible to hold any license, registration, or permit
10 issued by the Bureau or the Commission under the Act. Respondent further agrees that during the
11 Ineligibility Period, he shall not apply, directly or indirectly, for any license, registration, or
12 permit to be issued by the Bureau or the Commission under the Act or any other law relating to
13 gambling in the state, or for any activity that is under the Commission's, the Bureau's, or any
14 successor agency's jurisdiction.

15 a. Nothing in this Stipulated Settlement prohibits, prevents, or precludes
16 Respondent, during the Ineligibility Period, from applying for and holding a license,
17 registration, or work permit issued by a local jurisdiction with respect to controlled
18 gambling. Nothing in this Stipulated Settlement prevents or precludes the Bureau from
19 objecting to issuance of such license, registration, or work permit or otherwise notifying
20 the local jurisdiction of this Stipulated Settlement or the Commission's Decision and
21 Order. The Parties acknowledge and agree that a local jurisdiction's determination to
22 grant or deny an application for a license, registration, or permit that Respondent may
23 submit is subject to the ordinances and regulations adopted by the local jurisdiction.

24 b. Respondent understands and acknowledges that even though he may apply for
25 licensure, registration, or permit, this Stipulated Settlement in no way assures that he will
26 be granted a license, registration, or permit by any local jurisdiction during the
27 Ineligibility Period or by the Bureau or Commission after the Ineligibility Period expires.
28

1 c. Respondent further understands and acknowledges that in connection with any
2 future application after the Ineligibility Period expires: (1) he will have the burden of
3 establishing his suitability and qualification for licensure, registration, or permit; and (2)
4 the Bureau in making a recommendation and the Commission in making a decision on
5 Respondent's application may consider, among other things, (a) the revocation and denial
6 arising from this Stipulated Settlement, (b) the admissions contained in paragraphs 8 and 9
7 above, (c) Respondent's activities and conduct both before and after the Effective Date,
8 and (d) any factors in mitigation he might present in connection with or in support of the
9 application.

10 d. Respondent shall have the right, in connection with any future application, to
11 contend that the terms of this Stipulated Settlement sufficiently sanction the nature and
12 extent of Respondent's conduct through the Effective Date.

13 e. Nothing in this Stipulated Settlement shall estop, prevent, or preclude (1)
14 Respondent from applying to the Bureau or the Commission for licensure, registration, or
15 permit after the Ineligibility Period expires, or (2) the Bureau from recommending
16 approval or denial of, or the Commission from approving or denying, any such application
17 submitted by Respondent.

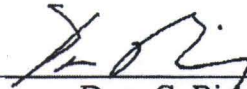
18 13. The parties agree that this Stipulated Settlement fully resolves their dispute
19 concerning the Accusation, and that no further penalties, fines, and costs shall be sought against
20 Respondent by Complainant based upon the allegations contained within the Accusation and/or
21 this Stipulated Settlement.

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

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Approved as to Form:

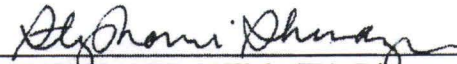
Dated: July 1, 2019



Dorn G. Bishop
The Law Offices of Dorn G. Bishop APC
Attorney for Respondent David La

COMPLAINANT'S ACCEPTANCE

Dated: July 3, 2019




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

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

Dated: July 3, 2019

XAVIER BECERRA
Attorney General of California
SARA J. DRAKE
Senior Assistant Attorney General
T. MICHELLE LAIRD
Supervising Deputy Attorney General
RONALD DIEDRICH
Deputy Attorney General



WILLIAM P. TORNGREN
Deputy Attorney General
Attorneys for the Complainant

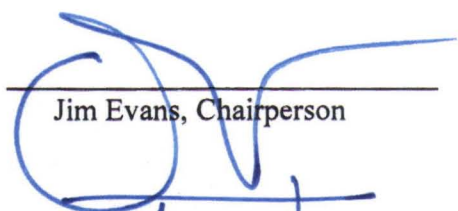
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DECISION AND ORDER OF THE COMMISSION

The California Gambling Control Commission hereby adopts the foregoing Stipulated Settlement of the parties for the case of *In the Matter of the Accusation Against: Normandie Club, et al.*, BGC Case No. HQ2013-00001PC (OAH No. 201320253), as its final Decision and Order in the matter to be effective upon execution below by its members.

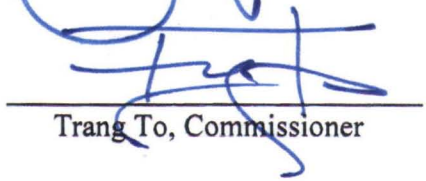
IT IS SO ORDERED

Dated: 8/29/19



Jim Evans, Chairperson

Dated: 8/29/19



Trang To, Commissioner

Dated: 8/29/19



Paula LaBrie, Commissioner

Dated: 8/29/19



Gareth Lacy, Commissioner