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10 **DEPARTMENT OF JUSTICE**
11 **BUREAU OF GAMBLING CONTROL**
12 **STATE OF CALIFORNIA**

13
14 **In the Matter of the Emergency Order Re:**

15
16 **Sacramento Casino Royale, LLC,**
license no. GEOW-003186,
17 dba: **Casino Royale,**
license no. GEGE-001295,
18 500 Leisure Lane
Sacramento, California 95815
19

BGC No. BGC-HQ2014-00001AC

EMERGENCY ORDER
(Bus. & Prof. Code, § 19931)

20
21 **EMERGENCY ORDER**

22 **TO: SACRAMENTO CASINO ROYALE, LLC,**
23 **doing business as: CASINO ROYALE**

24
25 **WAYNE J. QUINT, JR.,** solely in his official capacity as Chief of the California
26 Department of Justice, Bureau of Gambling Control (Bureau), **HEREBY ORDERS,** that
27 Sacramento Casino Royale, LLC, doing business as Casino Royale (Casino Royale), and/or any
28 entity or individual operating under or endorsed upon State Gambling License Number GEOW-

1 003186,¹ shall, **EFFECTIVE IMMEDIATELY**,

2 1. Suspend and cease any and all gambling and gambling related activities at Casino
3 Royale and close that gambling establishment.

4 2. Open and maintain a separate, specifically designated, insured account with a
5 licensed financial institution into which the amount of no less than \$275,000.00 shall be
6 deposited. The funds in this account shall be used only to repay Casino Royale's players or
7 patrons the monies they deposited (players banks²) with Casino Royale. No withdrawals shall
8 be made from this account without the Bureau's prior written consent. This account shall not
9 be used as collateral, or encumbered, or hypothecated in any fashion. Within 24 hours of
10 issuance and service of this Emergency Order, Sacramento Casino Royale, LLC, shall provide
11 proof satisfactory to the Bureau of the opening of this account and the amount deposited
12 therein.

13 3. Open and maintain a separate, specifically designated, insured account with a
14 licensed financial institution into which the amount of no less than \$48,500.00 shall be
15 deposited. The funds in this account shall be used only to pay Casino Royale's players or
16 patrons, who win or have won player-funded jackpots³ at Casino Royale. No withdrawals shall
17 be made from this account without the Bureau's prior written consent. This account shall not
18 be used as collateral, or encumbered, or hypothecated in any fashion. Within 24 hours of
19 issuance and service of this Emergency Order, Sacramento Casino Royale, LLC, shall provide
20 proof satisfactory to the Bureau of the opening of this account and the amount deposited
21 therein.

22
23 ¹ Which includes, but is not limited to, **James Kouretas**, managing member of
24 Sacramento Casino Royale, LLC, license no. GEOW-003185, **William Blanas**, member of
25 Sacramento Casino Royale, LLC, and the **Faye E. Stearns Living Trust**, license no. GEOW-
00391, with **Faye E. Stearns**, trustor, trustee and beneficiary, license no. GEOW-003392, and
Stanley Parish, trustee, license no. GEOW-003393. (Bus. & Prof. Code, § 19851.)

26 ² Which includes, but is not limited to, the player banks for Pacific Gaming, C. Nelson,
27 M. Johnson, and D. Tomyunger.

28 ³ Which includes, but is not limited to, Pai Gow Tile jackpot and Pai Gow jackpot.

1 approximately \$268,684.00 and lacked sufficient available funds to cover the chips-in-use, the
2 player's banks, the player-funded jackpots, and the house-funded jackpots. The Bureau
3 subsequently gave Sacramento Casino Royale, LLC, until October 24, 2014, to provide
4 evidence that it had sufficient cash available to meet, or cover, liabilities.

5 4. On October 29, 2014, the Bureau conducted a follow-up on-site evaluation of
6 Casino Royale's financing. That evaluation disclosed that Casino Royale was underfunded by
7 \$55,156.00 and lacked sufficient available funds to cover the chips-in-use, the player's banks,
8 the player-funded jackpots and the house-funded jackpots.

9 5. Sacramento Casino Royale, LLC's, inability or unwillingness to have adequate
10 funds available to cover the chips-in-use, the player's banks, the player-funded jackpots and the
11 house-funded jackpots poses an immediate threat to the public's health, safety and welfare. It
12 also undermines the public's trust and confidence that Casino Royale can meet its financial
13 obligations and/or fiduciary duties to its players and patrons.

14 **AUTHORITY FOR EMERGENCY ORDER**

15 6. Public trust and confidence in licensed, controlled gambling can be maintained
16 only by strict compliance with the laws and regulations related to the operation of licensed
17 gambling establishments. (Bus. & Prof. Code, § 19801, subd. (h).)

18 7. All gambling establishment owners, gambling establishments, and gambling
19 operations must be licensed and regulated to protect the public health, safety, and general
20 welfare. (Bus. & Prof. Code, § 19801, subd. (i).)

21 8. All gambling establishments must be operated in a manner suitable to protect the
22 public health, safety, and general welfare of the State's residents. The responsibility for the
23 employment and maintenance of suitable methods of operation rests with the licensed owner.
24 (Bus. & Prof. Code, § 19920.)

25 9. No licensed owner shall operate a gambling enterprise in violation of any
26 provision of the Gambling Control Act or any regulation adopted pursuant thereunder. (Bus. &
27 Prof. Code, § 19922.)

28 10. Gambling establishments are required to present satisfactory evidence that

1 adequate financing is available to protect the public's health, safety and welfare. (Cal. Code.
2 Regs., tit. 11, § 2053, subd. (a).)

3 11. Gambling establishments may be required to maintain a separate, specifically
4 designated, insured account with a licensed financial institution in an amount not less than the
5 total amount of monies that patrons of that gambling establishment have on deposit with the
6 gambling establishment. The funds from that account may only be used to return to the patrons
7 the balance of the monies on deposit with the gambling establishment. That account may not be
8 used as collateral or encumbered or hypothecated in any fashion. (Cal. Code. Regs., tit. 11, §
9 2053, subd. (a).)

10 12. The Bureau may issue any emergency orders against an owner licensee when the
11 Bureau deems it reasonably necessary for the immediate preservation of the public peace,
12 health, safety, or general welfare. (Bus. & Prof. Code, § 19931, subd. (a).)

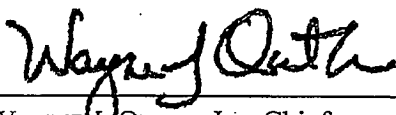
13 13. This Emergency Order is effective immediately upon issuance and its service on
14 Sacramento Casino Royale, LLC. (Bus. & Prof. Code, § 19931, subd. (c).)

15 14. This Emergency Order is effective until further order of the Commission or until
16 final disposition of any proceeding conducted pursuant to Business and Professions Code
17 section 19931, subdivision (d). (Bus. & Prof. Code, § 19931, subd. (c).)

18 15. Among other rights, the person or entity against whom the Emergency Order has
19 been issued and served is entitled to a hearing which, if so requested, shall commence within 10
20 business days of the date of the request if a gambling establishment is closed by the order. On
21 application of the Bureau, and for good cause shown, the superior court may extend the time
22 within which the hearing is required to be commenced, upon those terms and conditions that the
23 court deems equitable. (Bus. & Prof. Code, § 19931, subd. (d).)

24 IT IS SO ORDERED.

25 Dated: November 3, 2014



WAYNE QUINT, JR., Chief
Bureau of Gambling Control
California Department of Justice