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7 Attorneys for Plaintiffs
 8 NICOLE WHITEHOUSE, JOHNNIE MATRANGA,
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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 11 IN AND FOR THE COUNTY OF SACRAMENTO

12 NICOLE WHITEHOUSE, JOHNNIE
 13 MATRANGA, JOHN FIERRO, and
 CHERLYN ORTIZ
 14 Plaintiffs,
 15 v.
 16 SACRAMENTO CASINO ROYALE, LLC,
 17 PACIFIC GAMING SERVICES, LLC, and
 DOES 1 THROUGH 30,
 18 Defendants.

Case No.
**VERIFIED COMPLAINT TO ABATE
 AND ENJOIN NUISANCE PURSUANT TO
 CALIFORNIA PENAL CODE § 11225
 ET SEQ.**

APR - 4 2014

21 Plaintiffs Nicole Whitehouse, Johnnie Matranga, John Fierro, and Cherlyn Ortiz
 22 (collectively, "Plaintiffs") for their Complaint against Defendants Sacramento Casino Royale,
 23 LLC, Pacific Gaming Services, LLC, and DOES 1 through 30 (collectively, "Defendants"),
 24 hereby state and allege as follows:

INTRODUCTION

26 1. Since at least March 2014, Sacramento Casino Royale, LLC ("Casino Royale")
 27 has run an illegal gambling operation for its own profit. California law prohibits a licensed
 28 gaming establishment from having an interest in a card game, either by acting as bank or taking a

1 percentage of the wagers. But Casino Royale, with the assistance of Pacific Gaming Services,
2 LLC ("Pacific Gaming"), does just that. Defendants regularly flout the State's prohibition on
3 "banking" games, which declares illegal any game in which the bank does not systematically and
4 continuously rotate amongst players, or in which there is the potential for the bank *not* to rotate.
5 Ignoring these prohibitions, Casino Royale and Pacific Gaming regularly "bank" card games and
6 engage in illegal gambling, thereby conducting and maintaining a public nuisance in violation of
7 the California Penal Code.

8 2. California has long recognized the adverse impact of unregulated gambling on
9 individuals and communities. The California Gambling Control Act ("GCA") acknowledges that
10 "[u]nregulated gambling enterprises are inimical to the public health, safety, welfare, and good
11 order. Accordingly, no person in this state has a right to operate a gambling enterprise except as
12 may be expressly permitted by the laws of this state and by ordinances of local governmental
13 bodies." Cal. Bus. & Prof. Code § 19801(d). California has restricted legal gambling in the state
14 to the California lottery, tribal casinos, race tracks, and cardrooms. State law and local
15 ordinances make virtually all other forms of gambling illegal.

16 3. The GCA created a comprehensive scheme for statewide regulation of legal
17 gambling while recognizing that state law "prohibits commercially operated lotteries, banked or
18 percentage games, and gambling machines, and strictly regulates pari-mutuel wagering on horse
19 racing." Cal. Bus. & Prof. Code § 19801(a).

20 4. The California Penal Code expressly prohibits certain games, including "twenty-
21 one" and "banking or percentage" games.. "Banking game" has come to have a fixed and
22 accepted meaning: the "house" or the "bank" is a participant in the game, paying all winners and
23 collecting from all losers. In banking games, the house's status as the ultimate source and
24 repository of funds dwarfs all other participants in the game. Section 330 of the California Penal
25 Code prohibits banking games in legal gambling establishments in order to prevent the house
26 from having an interest in the game, either by acting as banker or taking a percentage of the
27 wagers.

1 23. The California Supreme Court has held that a casino of “the type . . . operating in
2 Nevada and New Jersey” and prohibited by the Constitution includes “especially banked table
3 games and slot machines.” *Hotel Employees & Rest. Employees Int’l Union v. Davis*, 21 Cal. 4th
4 585, 605 (1999). A prohibited banking game under California law is a game in which one player
5 has the opportunity to continuously and systematically serve as the “bank” and has a fund of
6 money against which all players bet. A game may be a prohibited banking game regardless of
7 whether the house or another person or entity provides the funds to bank the game. The Supreme
8 Court has explained the history and the meaning of the statutory prohibition on banked card
9 games, now enshrined in the California Constitution:

10 [C]ommencing in 1872, section 330 of the Penal Code has prohibited all ‘banking’
11 games, that is, those games in which there is a person or entity that participates in
12 the action as ‘the one against the many’ . . . ‘taking on all comers, paying all
winners, and collecting from all losers’ . . . [and] doing so through a fund generally
called the bank.

13 *Id.* at 593 (internal citations omitted); *see also In re Camarillo*, No. 03-45580-N7, 03-4858AN,
14 2005 WL 2203163, at *3 (Bankr. N.D. Cal. May 10, 2005) (noting that in “Nevada-style
15 gambling,” a player plays against “the house,” which may “bank” its own games, meaning it
16 “collects from the losers and is responsible for paying all winners”).

17 24. The Constitution further provides that the Governor is authorized to negotiate and
18 conclude compacts, subject to ratification by the Legislature, for the operation of banking and
19 percentage card games by federally-recognized Indian tribes on tribal land in California. *See Cal.*
20 *Const.* art. IV, § 19(f). Accordingly, banking and percentage card games are permitted to be
21 conducted *exclusively* on tribal lands, subject to those compacts. The State of California has
22 signed and ratified tribal gaming compacts with 70 tribes, including the United Auburn Indian
23 Community (“UAIC”). The Tribal-State Gaming Compact between UAIC and the State of
24 California (the “Compact”) recognizes UAIC is entitled to operate its gaming facilities “in an
25 economic environment free of competition” for Class III gaming “on non-Indian lands in
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1 California.”¹ The Compact defines the scope of Class III gaming to include “[a]ny banking or
2 percentage card game.” *Id.* at § 4.1(b).

3 25. California law expressly prohibits banking and percentage card games played on
4 non-tribal lands. Section 330 of the California Penal Code provides as follows:

5 Every person who deals, plays, or carries on, opens, or causes to be opened, or
6 who conducts, either as owner or employee, whether for hire or not, any game of
7 faro, monte, roulette, lansquenet, rouge et noire, rondo, tan, fan-tan, seven-and-a-
8 half, twenty-one, hokey-pokey, *or any banking or percentage game played with*
9 *cards*, dice, or any device, for money, checks, credit, or other representative of
10 value, and every person who plays or bets at or against any of those prohibited
11 games, is guilty of a misdemeanor, and shall be punishable by a fine not less than
12 one hundred dollars (\$100) nor more than one thousand dollars (\$1,000), or by
13 imprisonment in the county jail not exceeding six months, or by both the fine and
14 imprisonment.

15 Cal. Penal Code § 330 (emphasis added).

16 26. The games specifically listed in section 330 are traditionally considered casino or
17 banking games, pitting an individual player against the house, as opposed to player versus player.
18 The Legislature found banking games particularly suspect because “(1) the house has an
19 advantage in the player position it chooses for itself, and/or (2) the house has seemingly unlimited
20 funds.” *Oliver v. Cnty. of Los Angeles*, 66 Cal. App. 4th 1397, 1408 n.6 (1998). “[T]he evil
21 sought to be controlled by section 330 is the house having an interest in the game, whether
22 through acting as banker or taking a percentage of the wagers.” *Id.* at 1404-1405 (citations
23 omitted). By prohibiting banking games through the enactment of section 330, the Legislature
24 barred cardrooms from making their income from the percentage advantage they would otherwise
25 have, as the casinos in Nevada and New Jersey do.

26 27. The California Supreme Court has made clear that banking games played on non-
27 tribal lands are illegal, regardless of who provides the funds to bank the game—whether it be the
28 cardroom, or some other entity. *See Hotel Employees*, 21 Cal. 4th at 608 (an illegal banking
game includes a game “banked by someone other than the owner of the gambling facility”).

¹ See Tribal-State Compact Between the State of California and the United Auburn Indian
Community, May 5, 2000,
www.cgcc.ca.gov/documents/compacts/original_compacts/United_Auburn_Compact.pdf (last
accessed Mar. 19, 2014) at 2.

1 Thus, a card game played for money can be a banking game prohibited by section 330, even when
2 the cardroom does not act as the bank.

3 **B. A game that does not provide for systematic and continuous rotation of the**
4 **player-dealer position is a prohibited banking game.**

5 28. While California law prohibits cardrooms from offering banking games or Las
6 Vegas-style gambling, cardrooms may legally operate certain games provided that they comply
7 with the law's requirement that the player-dealer position, or what the industry has come to refer
8 to as the "bank," "continuously and systematically" rotates among the players at the table. When
9 the player-dealer position rotates in a game, neither the house nor any one player is in exclusive
10 possession of the advantage inherent in being the player-dealer.

11 29. The courts and the Legislature have clarified that even where a player-dealer
12 doesn't cover *all* bets in a game, a game may still be a "banking game" if the rules of the game do
13 not provide for continuous and systematic rotation of the player-dealer position. Specifically, the
14 Penal Code provides that a "banking game" or a "banked game"

15 *does not include a controlled game if the published rules of the game feature a*
16 *player-dealer position and provide that this position must be continuously and*
17 *systematically rotated amongst each of the participants during the play of the*
18 *game, ensure that the player-dealer is able to win or lose only a fixed and limited*
19 *wager during the play of the game, and preclude the house, another entity, a*
20 *player, or an observer from maintaining or operating as a bank during the*
21 *course of the game. For the purposes of this section it is not the intent of the*
22 *Legislature to mandate acceptance of the deal by every player if the division finds*
23 *that the rules of the game render the maintenance of or operation of a bank*
24 *impossible by other means. The house shall not occupy the player-dealer position.*

25 Cal. Penal Code § 330.11 (emphasis added).

26 30. The history of section 330.11 is instructive. In his floor statement to the
27 Assembly, the author of AB1416, Assembly Member Herb Wesson, stated:

28 This bill attempts to clarify that card clubs may offer games that feature a player-
29 dealer position, so long as the rules of the game require a continuous and
30 systematic rotation of the player-dealer position . . . This bill clarifies that these
31 games are not 'banked games.' Moreover, this bill does not legalize 21 or any
32 other new card game.

33 Chapter 1023, AB1416 (1999-2000 Session), Author's Senate floor sponsor's statement and
34 notes, Feb. 26, 1999.

1 31. Section 330.11 is consistent with the interpretation of “banking game” previously
2 advanced by the California courts. For example, in *Oliver v. Cnty. of Los Angeles*, the California
3 Court of Appeal considered whether the game “Newjack” constituted a prohibited banking game.
4 66 Cal. App. 4th 1397, 1408 (1998). In Newjack, each player has the option to be the player-
5 dealer for two consecutive hands; after that, the option passes to the player on the left and the
6 option keeps passing until a player accepts. *Id.* But Newjack’s rules also allow a player to
7 decline the offer to be the player-dealer; as a result, one player could end up serving as player-
8 dealer for more than two consecutive hands if all other players at the table decline to be player-
9 dealer. The *Oliver* court found that because the player-dealer position in Newjack does not *have*
10 to rotate among players, Newjack is a prohibited banking game under section 330. *See id.* (“It is
11 the *potential* for a banked game under [the] rules . . . which determines whether [a game] is a
12 banking game”) (emphasis in original).

13 32. Thus, the Penal Code and California courts have made clear that games where the
14 rules of play do not provide that a player-dealer position must continuously and systematically
15 rotate, the game is a prohibited banking game.

16 **C. Cardrooms and the role of third-party proposition players.**

17 33. Cardrooms are gambling establishments licensed by the California Gambling
18 Control Commission (the “CGCC”). Unlike Las Vegas-style casinos where players bet against
19 the house, cardrooms facilitate player versus player games, while the cardroom collects a per-
20 round fee for operating the game. As of 2013, California was home to 88 licensed cardrooms.

21 34. Because California law prohibits banking games where “the house” covers the
22 bets, in cardrooms, it is up to players to cover bets against each other. Traditionally, California
23 cardrooms provided poker, a non-banked game also known as a “round” game. In poker, there is
24 no “bank” or house against which all players bet; instead, the player-dealer position
25 systematically and continuously rotates among the players, and the house’s only interest in the
26 game is in collecting specified table fees.

27 35. Recently, certain California cardrooms have moved beyond traditional poker
28 games and expanded their offerings to include variants of casino-style games such as blackjack,

1 baccarat, and pai gow. Cardrooms like Casino Royale purport to provide these games in
2 compliance with the State's prohibition on banking games by requiring players to bank the game
3 in turn, while the cardroom dealers, or "house" dealers, deal cards, collect player fees, and run the
4 game.

5 36. This framework has given rise to a niche business—that of the third-party
6 proposition player company ("TPP"). A TPP provides services to a gambling establishment, like
7 a cardroom, pursuant to a written contract. These "proposition player services" include "play as a
8 participant in any controlled game that has a rotating-dealer position as permitted by Penal Code
9 § 330.11." Cal. Code Regs. tit. 4, § 12200(28).

10 37. For a cardroom that contracts with a TPP, each table generally has a "proposition
11 player"—an employee of the TPP whose job is to bankroll the game. The proposition player does
12 not act as the dealer, but rather sits at the table and covers some or all of the bets that take place
13 each round. In this way, the TPP acts as the *de facto* house and provides liquidity to the games.

14 **D. Illegal Banking Games**

15 38. The Gambling Control Act charges the BGC with the responsibility of reviewing
16 and approving the rules of any game or gaming activity in a cardroom prior to them being offered
17 for play. *See* Cal. Bus. & Prof. Code § 19800 *et seq.* The BGC maintains a list of standard
18 games and their rules. *See* <http://oag.ca.gov/gambling/standard> (last accessed Apr. 2, 2014). This
19 list includes the games "Pure 21.5 Blackjack," "Pure 21.5 Buster Blackjack," and "Pure 21.5 Red
20 Flex Blackjack" (the "Blackjack Games"); "Commission Free Baccarat," "Commission Free
21 Baccarat Dragon Bonus," "EZ Baccarat," and "EZ Baccarat Panda 8" (the "Baccarat Games");
22 and "Fortune Pai Gow Poker" and "Fortune Pai Gow Poker Progressive" (the "Pai Gow Games").
23 Plaintiffs refer to the Blackjack Games, Baccarat Games, and the Pai Gow Games collectively as
24 the "California Games."

25 **1. The Blackjack Games**

26 39. The rules of play for each of the Blackjack Games provide that a standard round of
27 play begins when a player-dealer is designated. The player-dealer will place a wager in a betting
28 circle in front of their seated position. That wager will be used to pay the winners and will set the

1 amount that he or she can collect from the losers. The house dealer places a button in front of the
2 player-dealer which designates that they are taking the “bank” position and further designates
3 whether it is the first or second turn for the player-dealer in the banking position.

4 40. The rules for each of the Blackjack Games further require that “[t]he player-dealer
5 position shall be offered systematically and continuously in a clockwise manner around the table
6 after every two hands. The player-dealer shall collect all losing wagers, pay all winning wagers,
7 and may not win or lose more than the original amount wagered. Once the player-dealer’s wager
8 has been exhausted, the wagers not covered by the player-dealer shall be returned to the
9 respective players.” Further, “Third Party Providers of Proposition Player Services . . . are
10 permitted to play.” *Id.*

11 41. Casino Royale does not advertise any of the Blackjack Games described above.
12 Instead, Casino Royale advertises “Buster Blackjack,” or just “Blackjack”:



25 See <http://playcasinoroyale.com/games/> (last accessed Apr. 2, 2014). As discussed in further
26 detail below, the Casino Royale cardroom offers these games for play as illegal banking games.

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1 2. **The Baccarat Games**

2 42. The rules of play for each of the Baccarat Games provide that at the start of a
3 game, a player is offered the player-dealer position. A standard round of play begins when a
4 player-dealer is designated, and the object of the games is to assemble a hand with a point value
5 as close to nine (9) as possible.


6 43. The rules for each of the Baccarat Games require that the player-dealer position
7 shall be offered “systematically and continuously” around the table after every two hands. “The
8 player-dealer shall collect all losing wagers, pay all winning wagers, and may not win or lose
9 more than the original amount wagered. Once the player-dealer’s wager has been exhausted, the
10 wagers not covered by the player-dealer shall be returned to the respective players.”²

11 <http://oag.ca.gov/gambling/standard> (last accessed Apr. 2, 2014).

12 44. Casino Royale advertises the Baccarat Games by name, but as discussed in further
13 detail below, offers them for play as illegal banking games.

14 **EZ BACCARAT**


15 **Casino Royale features no commission Baccarat with Dragon 7 and Panda 8 bonus wagers!**

16 

17 **DRAGON 7 pays 40 to 1**

18 **PANDA 8 pays 25 to 1**

19 **TIE pays 9 to 1**

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21 See <http://playcasinoroyale.com/games/> (last accessed Apr. 2, 2014).

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25 ² The precise wording of the EZ Baccarat rules differs slightly, but similarly requires that: “The
26 player/dealer position rotates in a systematic and continuous way so that the opportunity to act as
27 the player/dealer does not constantly remain with a single person for many hands. The person in
28 the player/dealer position may not act as player/dealer position more than two consecutive hands
or rounds of play. The opportunity to act as the player/dealer must be offered to all seated players
after two hands or rounds of play so that a single player cannot repeatedly act as the player dealer
within the meaning of *Oliver v. County of Los Angeles* (1998) 66 Cal. App. 4th 1397, 1408-09 or
section 330.11 of the California Penal Code. . . .” *Id.*

1 i) On March 11, 2014, Plaintiffs' agent observed and participated in
2 approximately 94 hands of illegal blackjack at the Property. At all times Plaintiffs' agent
3 observed, Pacific Gaming provided proposition player services at the table, and Pacific Gaming
4 assumed the "bank" position, collecting all losing wagers and paying all winning wagers. The
5 house dealer offered to rotate the bank to another player fewer than 5 times out of the 94 hands of
6 play observed. But the bank never rotated and Defendant Pacific Gaming operated as the bank
7 for every hand of play observed. Plaintiffs' agent never observed the house dealer turn over the
8 bank button to indicate whether it was the first or second turn for the proposition player in the
9 banking position. At no time did the table close, or did play cease, after the proposition player
10 banked two hands and no other players banked a hand.

11 ii) On March 12, 2014, Plaintiffs' agent observed and participated in
12 approximately 42 hands of illegal blackjack at the Property. At all times Plaintiffs' agent
13 observed, Pacific Gaming provided proposition player services at the table, and Pacific Gaming
14 assumed the "bank" position, collecting all losing wagers and paying all winning wagers. The
15 house dealer offered to rotate the bank to another player fewer than 5 times out of the 42 hands of
16 play observed. But the bank never rotated and Defendant Pacific Gaming operated as the bank
17 for every hand of play observed. Plaintiffs' agent never observed the house dealer turn over the
18 bank button to indicate whether it was the first or second turn for the proposition player in the
19 banking position. At no time did the table close, or did play cease, after the proposition player
20 banked two consecutive hands and no other players banked a hand.

21 iii) On March 13, 2014, Plaintiffs' agent observed and participated in
22 approximately 44 hands of illegal blackjack at the Property. On information and belief, Pacific
23 Gaming provided proposition player services at the table at all times, and Pacific Gaming
24 assumed the "bank" position, collecting all losing wagers and paying all winning wagers. The
25 house dealer offered to rotate the bank to another player fewer than 8 times out of the 44 hands of
26 play observed. But the bank never rotated and Defendant Pacific Gaming operated as the bank
27 for every hand of play observed. Plaintiffs' agent never observed the house dealer turn over the
28 bank button to indicate whether it was the first or second turn for the proposition player in the

1 banking position. At no time did the table close, or did play cease, after the proposition player
2 banked two consecutive hands and no other players banked a hand.

3 iv) On March 23, 2014, Plaintiffs' agent observed and participated in
4 approximately 102 hands of illegal blackjack at the Property. On information and belief, Pacific
5 Gaming provided proposition player services at the table at all times, and Pacific Gaming
6 assumed the "bank" position, collecting all losing wagers and paying all winning wagers. The
7 house dealer offered to rotate the bank to another player approximately 24 times out of the 102
8 hands of play observed. But the bank never rotated and Defendant Pacific Gaming operated as
9 the bank for every hand of play observed. Plaintiffs' agent never observed the house dealer turn
10 over the bank button to indicate whether it was the first or second turn for the proposition player
11 in the banking position. At no time did the table close, or did play cease, after the proposition
12 player banked two consecutive hands and no other players banked a hand.

13 v) On March 25, 2014, Plaintiffs' agent observed and participated in
14 approximately 25 hands of illegal pai gow at the Property. On information and belief, Pacific
15 Gaming provided proposition player services at the table at all times, and Pacific Gaming
16 assumed the "bank" position, collecting all losing wagers and paying all winning wagers. The
17 house dealer offered to rotate the bank to another player approximately 6 times out of the 24
18 hands of play observed. But the bank never rotated and Defendant Pacific Gaming operated as
19 the bank for every hand of play observed. At no time did the table close, or did play cease, after
20 the proposition player banked two consecutive hands and no other players banked a hand.

21 vi) Also on March 25, 2014, Plaintiffs' agent observed and participated in
22 approximately 6 hands of illegal baccarat at the Property. On information and belief, Pacific
23 Gaming provided proposition player services at the table at all times, and Pacific Gaming
24 assumed the "bank" position, collecting all losing wagers and paying all winning wagers. The
25 house dealer offered to rotate the bank to another player approximately 3 times out of the 6 hands
26 of play observed. But the bank never rotated and Defendant Pacific Gaming operated as the bank
27 for every hand of play observed. At no time did the table close, or did play cease, after the
28 proposition player banked two consecutive hands and no other players banked a hand.

1 vii) On March 26, 2014, Plaintiffs' agent observed and participated in
2 approximately 8 hands of illegal baccarat at the Property. On information and belief, Pacific
3 Gaming provided proposition player services at the table at all times, and Pacific Gaming
4 assumed the "bank" position, collecting all losing wagers and paying all winning wagers. The
5 house dealer never offered to rotate the bank to another player out of the 8 hands of play
6 observed. The bank never rotated and Defendant Pacific Gaming operated as the bank for every
7 hand of play observed. At no time did the table close, or did play cease, after the proposition
8 player banked two consecutive hands and no other players banked a hand.

9 viii) On March 31, 2014, Plaintiffs' agent observed and participated in
10 approximately 20 hands of illegal pai gow at the Property. On information and belief, Pacific
11 Gaming provided proposition player services at the table at all times, and Pacific Gaming
12 assumed the "bank" position, collecting all losing wagers and paying all winning wagers, for
13 nearly every hand of play. The house dealer never offered to rotate the bank to another player out
14 of the approximately 20 hands of play observed. The bank rotated twice during the
15 approximately 20 hands of play observed by Plaintiffs' agent, after another player at the table
16 requested to serve as the bank. At no time did the table close, or did play cease, after the
17 proposition player banked two consecutive hands.

18 ix) Also on March 31, 2014, Plaintiffs' agent observed and participated in
19 approximately 10 hands of illegal baccarat at the Property. On information and belief, Pacific
20 Gaming provided proposition player services at the table at all times, and Pacific Gaming
21 assumed the "bank" position, collecting all losing wagers and paying all winning wagers. The
22 house dealer never offered to rotate the bank to another player out of the approximately 10 hands
23 of play observed. The bank never rotated and Defendant Pacific Gaming operated as the bank for
24 every hand of play observed. At no time did the table close, or did play cease, after the
25 proposition player banked two consecutive hands and no other players banked a hand.

26 x) On April 2, 2014, Plaintiffs' agent observed and participated in
27 approximately 20 hands of illegal pai gow at the Property. At all times Plaintiffs' agent observed,
28 Pacific Gaming provided proposition player services at the table, and Pacific Gaming assumed

1 the "bank" position, collecting all losing wagers and paying all winning wagers. The house
2 dealer never offered to rotate the bank to another player out of the approximately 20 hands of play
3 observed. The bank never rotated and Defendant Pacific Gaming operated as the bank for every
4 hand of play observed. At no time did the table close, or did play cease, after the proposition
5 player banked two consecutive hands and no other players banked a hand.

6 xi) Also on April 2, 2014, Plaintiffs' agent observed and participated in
7 approximately 18 hands of illegal baccarat at the Property. At all times Plaintiffs' agent
8 observed, Pacific Gaming provided proposition player services at the table, and Pacific Gaming
9 assumed the "bank" position, collecting all losing wagers and paying all winning wagers. The
10 house dealer never offered to rotate the bank to another player out of the approximately 18 hands
11 of play observed. The bank never rotated and Defendant Pacific Gaming operated as the bank for
12 every hand of play observed. At no time did the table close, or did play cease, after the
13 proposition player banked two consecutive hands and no other players banked a hand.

14 52. Defendants' offering of the California Games at the Property violates California's
15 prohibition on banking games. The California Games described in paragraphs 38 through 47
16 above are offered by Defendants as banking games because the player-dealer position does not
17 "continuously and systematically rotate[] amongst each of the participants . . . ensur[ing] that the
18 player-dealer is able to win or lose only a fixed and limited wager during the play of the game,
19 and preclude[ing] the house, another entity, a player, or an observer from maintaining or
20 operating as the bank during the course of the game." See Cal. Penal Code § 330.11.

21 53. Such illegally "banked" games regularly occur at the Property. Despite what the
22 rules do or do not require, the player-dealer position in the California Games played at Casino
23 Royale does not actually "continuously and systematically rotate" in practice. As described in
24 paragraph 51 above, in every observation of the California Games by Plaintiffs' agents, the
25 rotation of the player-dealer position was only rarely offered to the game participants. And on the
26 few occasions rotation of the player-dealer position was offered, it was refused. Instead,
27 Defendant Pacific Gaming invariably occupied the player-dealer position and maintained an
28 interest in the game by acting as banker, in violation of Section 330.

1 dealing, playing, or carrying on, opening or causing to be opened, or conducting, either as owner
2 or employee, illegal banking games in the form of blackjack, baccarat, and pai gow.

3 60. By engaging in such conduct, Defendants have violated and continue to violate
4 Penal Code § 330 at the Property. The use of the Property for the purpose of illegal gambling, or
5 as a place in or upon which acts of illegal gambling are held or occur, constitutes a nuisance as a
6 matter of law under Penal Code § 11225.

7 61. Unless said nuisance is abated, the surrounding community and neighborhood, and
8 the residents and citizens of the City and County of Sacramento, including Plaintiffs, will suffer
9 irreparable injury and damage, in that said conditions will continue to be dangerous to the life,
10 safety, or health of those who live and work near the Property and the general public.

11 62. Plaintiffs have no adequate remedy at law in that damages alone are insufficient to
12 protect Plaintiffs from the present injury and harm caused by the conduct described above.

13 **PRAYER FOR RELIEF**

14 WHEREFORE, Plaintiffs pray for judgment as follows:

15 63. That the Property be declared a public nuisance pursuant to California Penal Code
16 § 11225(a);

17 64. That Defendants be preliminarily and permanently enjoined from permitting or
18 maintaining the Property as a public nuisance, pursuant to the California Penal Code § 11225
19 *et seq.*;

20 65. That Plaintiffs recover costs, including attorneys' fees, from each of the
21 Defendants pursuant to California Civil Code § 3496(b);

22 66. That Defendants each pay damages pursuant to California Penal Code § 11225(a);

23 67. That Defendants each pay a civil penalty in the amount of \$25,000.00 pursuant to
24 California Penal Code § 11230(b);

25 68. That an order of abatement is entered as part of the judgment in this case pursuant
26 to California Penal Code § 11230(a)(1), and that it direct the following:

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i) All fixtures, musical instruments and movable property used in conducting, maintaining, aiding, or abetting the nuisance be removed from the Property and sold in the manner provided for the sale of chattels under execution;

ii) That the building at the Property shall be closed against its use for any purpose, and kept closed for a period of one year. In lieu of closing, if the Court finds that any vacancy resulting from closure may create a nuisance or that closure is otherwise harmful to the community, the Court shall order Defendants to each pay damages in an amount equal to the fair market rental value of the building on the premises for one year to the City of Sacramento;

69. That the proceeds from the sale of the fixtures, musical instruments, and movable property described in paragraph 68 above be paid to the City of Sacramento pursuant to California Penal Code §§ 11230(a)(4) and 11231(1) and (2);

70. That the proceeds from the sale of the fixtures, musical instruments, and movable property described in paragraph 68 above be paid to Plaintiffs, pursuant to California Penal Code § 11231(3); and

71. That Plaintiffs have such further and other relief as the Court deems proper.

Dated: April 4, 2014

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By:



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