



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-6
ATTACHMENT I

333 West Ocean Boulevard 6th Floor • Long Beach, California 90802 • (562) 570-5700

NOTICE OF FINAL ACTION

November 23, 2004

To: ACCO Enterprises, Inc.
6543 East Spring Street
Long Beach, CA 90808
ATTN: Griselda Sandoval

Request: Revocation Hearing to Revoke Business License No. BU20447180 Held by Gameplay.

Action Was Taken By: Pamela Wilson-Horgan, Manager, Commercial Services Bureau

Decision: Revocation Approved as Requested

Action is Final On: November 23, 2004

A report of the findings, conclusions and decision of the Manager, Commercial Services Bureau is attached. This decision can be appealed pursuant to LBMC 3.80.429.5. Should you wish to appeal the revocation of the business license to the Long Beach City Council, you may do so by filing a notice of appeal with the Director of Financial Management within ten days of the date of this notice. The notice of appeal shall set forth the specific grounds on which it is based. It should be sent to the undersigned along with a nonrefundable filing fee of \$1,050.00.

Sincerely,

Pamela Wilson-Horgan
Manager, Commercial Services Bureau

PW-H:jg

Attachment

cc: Michael Killebrew, Acting Director of Financial Management
✓ James A. Goodin, Business Services Officer
✓ Cristyl Meyers, Deputy City Attorney

**ACCO Enterprises, Inc
6543 East Spring Street
Long Beach, CA**

Subject: Revoke Business License
Hearing Date: November 17, 2004

Findings, Conclusions and Decision of the City of Long Beach, Department of Financial Management.

In a letter dated November 4, 2004, Business Services Officer James A. Goodin requested that the business license of ACCO Enterprises, Inc., located at 6543 E. Spring Street be revoked on the basis that the license was issued in error. The Acting Director of Financial Management reviewed this letter, and set a hearing date of November 17, 2004. Written notice was provided to ACCO Enterprises, Inc. on November 5, 2004.

The above-described matters were heard by the Manager, Commercial Services Bureau, Ms. Pamela Wilson-Horgan, designated to act as hearing officer by the Acting Director of Financial Management, on November 17, 2004 at 10:00 a.m. in the 6th Floor Conference Room of the Long Beach City Hall. The hearing was conducted pursuant to Long Beach Municipal Code (LBMC) section 3.80.429.1, with the purpose of the hearing being for ACCO Enterprises, Inc. to show cause why the business license should not be revoked. The hearing was taped-recorded.

Deputy City Attorney Cristyl Meyers represented the City of Long Beach and William D. Johnson and Thomas A. Widger of Johnson & Associates represented ACCO Enterprises, Inc. Michael Killebrew and Lois Catrett, of the Department of Financial Management, were also present.

Oral and documentary evidence was introduced by the City and by ACCO Enterprises, Inc. during the hearing. Opportunity was given to cross-exam all witnesses. Both sides presented final argument and submitted the matter to the hearing officer for decision. Ms. Wilson-Horgan took the matter under submission.

The following witnesses were called, sworn and gave testimony at this hearing:

Detective Mario Razo, Long Beach Police Department
Detective John Bruce, Long Beach Police Department
James Goodin, Long Beach Department of Financial Management
Jeannine Montoya, Long Beach Department of Financial Management
Lori Franz, Long Beach Department of Financial Management
Griselda Sandoval, C.E.O., ACCO Enterprises Inc.

The following evidence was introduced by the City:

- Exhibit 1** ACCO Enterprises – Organizational Chart 2003
- Exhibit 2** State of California, Application for Secondhand Dealer or Pawnbroker License (2/21/2002) Gameplay
- Exhibit 3** Request from Long Beach Chief of Police to revoke the business license for Gameplay
- Exhibit 4** Business card – Walter Sandoval, C.E.O. ACCO Enterprises
- Exhibit 5** State of California, Certificate of Status Domestic Corporation – ACCO Enterprises, Inc.
- Exhibit 6** Business License Application (8/3/2001) Gameplay
- Exhibit 7** Business License system summary – customer inquiry screen
- Exhibit 8** Business License Application (10/8/2004) ACCO Enterprises, Inc.
- Exhibit 9** Revocation Hearing to revoke business license 20132560 held by Gameplay, Located at 6543 East Spring Street, Long Beach, California
- Exhibit 10** Minutes of the Annual Meeting of Shareholders of ACCO Enterprises, Inc. (10/8/2004, 9:00 a.m.)
- Exhibit 11** California State Board of Equalization, Sales and Use Tax Information for Gameplay
- Exhibit 12** Business License – Delinquent Notice – Gameplay (10/01/2004)
- Exhibit 13** Check – ACCO Enterprises, Inc. DBA Gameplay and envelope

The following evidence was introduced by ACCO Enterprises, Inc.:

- Exhibit A** State of California – Articles of Incorporation
- Exhibit B** Minutes of Special Meeting of Shareholders of ACCO Enterprises (10/8/2004, 9:00 a.m.)
- Exhibit C** Minutes of a Special Meeting of the Board of Directors of ACCO Enterprises, Inc. (10/08/2004, 10:00 a.m.)

Testimony for the City

1. **Detective Mario Razo**, Long Beach Police Department. Detective Razo described the police investigation of Gameplay commencing in January 2004 after receiving information that they were buying stolen property. Additionally, Detective Razo testified that an undercover detective entered Gameplay and sold merchandise, which had been represented as stolen, to Gameplay Assistant Manager Ramon Lim. In the presence of the undercover detective, Mr. Lim called Griselda Sandoval for authorization to purchase the stolen property. He received the authorization from Griselda Sandoval over the telephone. Mr. Lim was subsequently convicted of receiving stolen property, a felony. Detective Razo stated that Griselda Sandoval and her attorney came to the Gameplay location at 6543 East Spring Street during the investigation. Griselda Sandoval was familiar with the layout of the facility and led Detective Razo to the business office. Assets of Gameplay were seized which included the ACCO Enterprises, Inc. organizational chart (Exhibit 1). Detective Razo reviewed the organizational chart and noted that Griselda Sandoval was the store manager for the Los Angeles location and responsible for Accounting for ACCO Enterprises, Inc. Statements were also obtained from store employees who said that stolen property had been exchanged from one location to another. Detective Razo testified that he had no knowledge of Griselda Sandoval receiving stolen property.
2. **Detective John Bruce**, Long Beach Police Department. Detective Bruce assisted Detective Razo in the investigation of Gameplay. Detective Bruce stated that Griselda Sandoval, on behalf of Gameplay, appeared at the evidence hearing to regain possession of the assets seized by the City of Long Beach. Some of the merchandise was brand new and still in the wrapper. Detective Bruce discussed Buy Back Books from Gameplay, which were used to record purchases of stolen property. Many of the entries had Griselda Sandoval's initials, authorizing the purchase of the merchandise.

Detective Bruce reviewed the application for a secondhand dealer or pawnbroker license for Gameplay (Exhibit 2) and stated to the owner, Walter Sandoval, the business name, Gameplay and the name of the corporation, ACCO Enterprises, Inc. Detective Bruce stated that this document appeared to be signed by Walter Sandoval on February 21, 2002.

Further, Detective Bruce indicated that the letter from Chief of Police Batts (Exhibit 3) reflected the facts of the investigation.

3. **James Goodin**, Long Beach Financial Management Department. Mr. Goodin was asked if he remembered receiving a business card (Exhibit 4) from Walter Sandoval, C.E.O. ACCO Enterprises, Inc. Counsel for Griselda Sandoval, Mr. Johnson objected to any testimony by Mr. Goodin as he was the hearing officer for the revocation hearing of Gameplay. This matter was not contested and Mr. Goodin did not respond nor was he asked any further questions.

4. **Jeannine Montoya**, Long Beach Financial Management Department. Ms. Montoya observed Walter Sandoval, C.E.O. provide his ACCO Business Card (Exhibit 4) to Hearing Officer, James Goodin at the October 12, 2004 Revocation Hearing to revoke business license No. BU20132560.

Ms. Montoya reviewed the State of California, Certificate of Status (Exhibit 5) Domestic Corporation – ACCO Enterprises, Inc. and stated the name of the officers; Walter Sandoval, Griselda Sandoval and Henry Sandoval and to state the name of the person that signed the document (Walter Sandoval).

Next, Ms. Montoya was asked to review the application for a business license for Gameplay (Exhibit 6) that was submitted on August 3, 2001 and state the officers of the business, which were Walter Sandoval and Henry Sandoval.

Ms. Montoya was provided a copy of a print screen from the Long Beach business license system (Exhibit 7) to review and provide testimony. Ms. Montoya stated that Griselda Sandoval was named as point of contact for Gameplay, located at 6453 East Spring Street.

Ms. Montoya also reviewed the business license application for ACCO Enterprises, Inc. (Exhibit 8) Ms. Montoya stated the application would require an investigation by the Police Department as used merchandise was going to be sold at the business. Police Department authorization is required prior to the issuance of a business license for this use. This step in the business license process did not occur.

Ms. Montoya was given for review the Notice of Final Action (Exhibit 9) that reported the finding, conclusions and decision of the revocation hearing of business license No. BU20132560 held by Gameplay, located at 6543 East Spring Street, Long Beach, California. Mr. Montoya was familiar with the document and stated that the above mentioned business license was still in full effect at the time of the application of the new business license BU20447180 was issued. Ms. Montoya stated that the application for business license BU20447180 should have been for a change of ownership and the inclusion of the intent to sell used property, which would require Police Department approval before the business license could be issued. In addition, no secondhand dealer license was provided which is also a requirement for this use.

Ms. Montoya was provided Minutes of the Annual Meeting of Shareholders of ACCO Enterprises, Inc. (Exhibit 10). Ms. Montoya stated that Griselda Sandoval did not present herself as C.E.O. but rather temporary chairman and temporary secretary of the corporation. Next, Ms. Montoya was provided a State Board of Equalization (Exhibit 11) document to review. Ms. Montoya stated the filing number on the document and compared this information to the business license application for ACCO Enterprises, Inc. and noted the information submitted on the application was in fact incorrect. Ms. Montoya was provided a copy of the business license delinquent notice-Gameplay, BU20132560 with total amount due of \$367.83 (Exhibit 12). Ms. Montoya reviewed this document.

Subsequently, Ms. Montoya was provided a copy of a check and envelope from ACCO Enterprises, Inc. DBA Gameplay to pay business license fees on business license BU20132560 (Exhibit 13). Ms. Montoya stated the check from ACCO Enterprises was received by the City after the business license for ACCO Enterprises, Inc. (BU20447180) had been issued. Ms. Montoya stated the signature on this check appeared to be signed by Griselda Sandoval. Ms. Montoya stated the approved business license issuance process would have been to receive approval from the Police Department to sell used merchandise and delay the issuance of a new business license pending the results of the revocation proceedings for business license BU20132560, the existing business license.

5. **Lori Franz**, Long Beach Department of Financial Management. Ms. Franz stated that she was assigned to work the business license counter on October 8, 2004. Ms. Franz stated that she was not aware of any pending business license revocation proceedings that were in process for Gameplay. When Griselda Sandoval came to the counter to apply for a new business license, Ms. Franz checked the business license system for a history of the business and the location. Ms. Franz noticed that Griselda Sandoval was on the active business license account as a point of contact for Gameplay located at 6543 East Spring Street. In addition she noted that there were delinquent fees due on the account. Ms. Franz stated that Griselda Sandoval stated that she had nothing to do with that business. Ms. Franz tried to reach the assigned field inspector as well as her supervisor to seek direction on the proper procedure to complete the pending business license application. Neither the field inspector nor the supervisor could be reached so Ms. Franz stated that she would need to hold the application until she could obtain direction from her supervisor. Ms. Franz also stated that she told Griselda Sandoval that she would call her on the next business day and she could also bill her for the required fees. Ms. Franz stated that Griselda Sandoval decided to pay the delinquent charges on business license BU20132560 to complete the application process for business license BU20447180. Business license BU20447180 was then, issued to ACCO Enterprises, Inc. Ms. Franz stated that had she been aware of all of the facts presented at the hearing she would not have issued the new business license to Griselda Sandoval.
6. **Griselda Sandoval**, C.E.O. of ACCO Enterprises, Inc. Ms. Sandoval testified she was aware of the Articles of Incorporation document of ACCO Enterprises, Inc. (Exhibit A) that was filed on April 8, 2002. A special shareholders meeting was held on October 8, 2004 at 9:00 a.m. to elect a board of directors. Present at this meeting were all of the shareholders, consisting of only Griselda Sandoval. A temporary chairman and a temporary secretary were appointed. Ms. Sandoval appointed herself, as chairman and secretary of ACCO Enterprises, Inc. Immediately following this meeting another special meeting of the board of directors of ACCO Enterprises, Inc was held. The purpose of the meeting was to elect officers and authorize the transaction of other business within the powers of the board of directors (Exhibit C). The following officers were elected: President – Griselda Sandoval, Secretary – Griselda Sandoval

and Treasurer – Griselda Sandoval. In addition, authorization was granted to obtain a business license.

Ms. Sandoval stated that Walter Sandoval wanted to get out of the retail business and that was the basis for the special shareholders meetings. Prior to this change she would come to the Gameplay located at 6543 East Spring Street to deliver merchandise. In addition she was responsible to pay the bills for both the Los Angeles and Long Beach locations. Ms. Sandoval testified Mr. Lim called her to get approval to purchase merchandise, but never mentioned that the property was stolen.

Ms. Sandoval testified that the business license application for ACCO Enterprises, Inc. was submitted, as it was her understanding that ACCO Enterprises, Inc. was a new business license with new management and new employees. Ms. Sandoval testified that she was the C.E.O. of ACCO Enterprises, Inc. and was prepared to conduct the business legally and wanted to continue to operate her business in Long Beach.

Under cross-examination, Ms. Sandoval stated that she alone, attended the special shareholders meetings and could not remember who prepared Exhibit 10 and Exhibit B, but there must have been a mistake made as both documents have the same date and time, yet contain different information.

Findings

1. On May 12, 2004, Long Beach Police Chief Anthony Batts requested business license No. BU20132560 issued to Gameplay located at 6543 E. Spring Street, Long Beach be revoked pursuant to the Long Beach Municipal Code based on criminal violations including receipt and sale of stolen merchandise.
2. On October 8, 2004, a special shareholders meeting was held with the board of directors to elect board of directors and providing authorization to transact other business.
3. On October 8, 2004, Griselda Sandoval, representing herself as President of ACCO Enterprises, Inc., applied at the Business License counter for a business license for a "new" business at 6543 East Spring Street.
 - A check of the business license system showed that business license BU20132560, Gameplay had expired and not been renewed.
 - Check of the Business License system contained information that Griselda Sandoval was the point-of-contact for the above business.
 - Griselda Sandoval stated that she had nothing to do with the business above.

- Griselda Sandoval paid delinquent fees on the above business license in order to complete the application for a new business for ACCO Enterprises, Inc.
 - Griselda Sandoval completed the application and paid the business license tax for the "new" business.
 - Business License BU20447180 was issued to ACCO Enterprises, Inc., 6543 East Spring Street.
4. On October 12, 2004, The Department of Financial Management conducted the hearing to revoke BU20132560, issued to Gameplay at 6543 East Spring Street. Walter Sandoval, C.E.O. of ACCO Enterprise, Inc. DBA Gameplay, appeared.
 5. Had the application for BU20447180 indicated the business would sell second-hand merchandise, the application would have been sent to the Police Department for review. Business License staff determined that BU20447180 was issued in error.
 6. On October 15, 2004, Business License Section received in the mail the renewal of BU20132560 with payment of business license taxes and penalties due. The check was signed by Griselda Sandoval.
 7. Testimony by Detectives Razo and Bruce, and documents provided indicate that Gameplay's organizational chart list Griselda Sandoval as store manager for the Los Angeles location and responsible for Accounting for both the Los Angeles and Long Beach location. Further, Long Beach location staff obtained authorization from Griselda Sandoval to purchase stolen property for the Long Beach location.
 8. Business License staff stated business license BU20447180 was issued in error. If they had been aware of all of the facts presented at the hearing this business license would not have been issued.
 9. Griselda Sandoval is in the process of developing an employee manual so that all employees are aware of the rules and policies of the business.
 10. ACCO Enterprises, Inc. remains ready and willing to demonstrate to the City that it shall comply with all applicable laws.

Conclusions

1. Griselda Sandoval was affiliated with Gameplay located at 6543 East Spring Street, Long Beach California in management capacity.
2. Gameplay failed to comply with a provision or requirements of law thereby authorizing the Acting Director Financial Management or designee to revoke

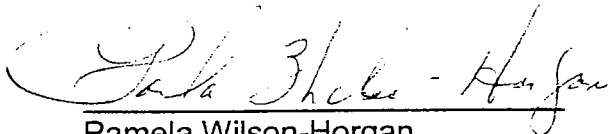
or suspend any one or more business licenses held by Gameplay. This action was taken on October 19, 2004.

3. Griselda Sandoval did not accurately complete the business license application for ACCO Enterprises, Inc.
4. Business License staff processed and issued business license BU20447180 in error.

Decision

Based on the findings and conclusions and in accordance with LBMC section 3.80.429.1(A), Business License No. BU20447180 held by ACCO Enterprises, Inc, 6543 East Spring Street, and corporation officer Griselda Sandoval, is ordered revoked.

November 23, 2004

A handwritten signature in cursive script, appearing to read "Pamela Wilson-Horgan", written over a horizontal line.

Pamela Wilson-Horgan
Manager, Commercial Services Bureau
Department of Financial Management
City of Long Beach

ATTACHMENT 2

JOHNSON & ASSOCIATES
A PROFESSIONAL LAW CORPORATION
World Trade Center
350 South Figueroa Street, Suite 190
Los Angeles, California 90071-1199

Email: twidger@loslaw.com

Telephone: 213.621.3000

Facsimile: 213.621.2900

VIA FACSIMILE AND FEDERAL EXPRESS MAIL

December 2, 2004

Mr. Michael A. Killebrew, Acting Director of Financial Management
c/o Ms. Pamela Wilson-Horgan
City of Long Beach
Department of Financial Management
333 W. Ocean Blvd. 6th Floor
Long Beach, CA 90802
Tel: 562-570-5700
Fax: 562-570-6867

RE: NOTICE OF APPEAL
Revocation of Business License No. BU20447180

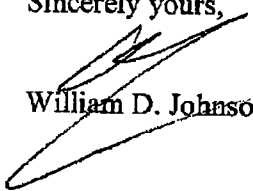
Dear Mr. Killebrew:

Pursuant to LBMC §3.80.429.5, on behalf of Acco Enterprises, Inc. and Griselda Sandoval, we hereby appeal the Notice of Final Action taken on November 23, 2004 to revoke the above-referenced business license. Enclosed is the filing fee of \$1,050.00.

The grounds for the appeal are, in short, that the findings and conclusions of the hearing officer do not warrant the revocation of the business license.

We welcome the opportunity to discuss a settlement this matter prior to the appeal, as well as the possibility of consolidating this appeal with the appeal that is scheduled for the revocation of Business License No. 20132560. If you have any questions or concerns regarding this matter, please contact me.

Sincerely yours,


William D. Johnson