

Stephanie Lee Matz Acquitted By Appeals Court Of Possessing Gambling Devices

Stephanie Lee Matz was acquitted by the Iowa Court of Appeals which reversed her convictions of unlawfully possessing gambling devices.

Stephanie Matz was the owner and operator of Pharroh's nightclub in Waterloo, Iowa in September 2009 when State authorities discovered during an inspection that she had let the "amusement" device registration lapse on two gaming devices. She was charged with two violations of unlawful possession of gambling devices.

During her District Court bench trial in 2011 the prosecution's case was based on their contention that upon lapse of the "amusement" device registration the devices became "gambling" devices. Matz

didn't deny letting the registrations lapse. However, her lawyer argued there was not sufficient evidence to convict her of unlawfully possessing gambling devices because her amusement devices were not "a game of skill or game of chance" as state law defines a "gambling device," and gambling devices required a different registration under state law.

Matz was convicted on both counts. She appealed on the basis there was insufficient evidence to support her conviction.

On December 12, 2012 the Iowa Court of Appeals reversed Matz' convictions and ordered that a judgment of acquittal be entered on remand to the District Court. The appeals court's ruling [stated in part:](#)

Matz argues the machines she owned were "amusement devices," not "gambling devices." The State counters that when Matz allowed the registrations on her machines to lapse, the machines became "gambling devices" ... While appealing at first blush, this argument has a logical fallacy; it assumes that if something is not "x" it must be "y."

The State [] had to show that each machine met the definition of a "gambling device": "a device used or adapted or designed to be used for gambling. ... The

State did not make this showing. At best, the State witnesses established that the machines were "operational" and "functional" after the registration lapsed. There was no evidence that the machines, which previously satisfied the substantive definition of amusement devices, underwent design changes or adaptations to make them gambling devices or that they were used as gambling devices.

Our conclusion that the amusement devices did not spontaneously transform into gambling devices upon a lapse in registration is supported by a complete reading of the amusement device provision. ... If an unregistered amusement device were to lose its status as an "amusement device" upon a lapse in registration, no person could be prosecuted for failure to register the device and subsections (2) and (3) would essentially be meaningless. Such a reading is not reasonable.

We reverse Matz's finding of guilt under section 725.9

and remand for entry of a judgment of acquittal.

[Click here to read the ruling](#) in *State of Iowa v. Stephanie Lee Matz*, No. 2-891, 11-1896 (Iowa Ct of Appeals, 12-12-12).

Matz was granted a liquor license for Pharroh's in November 2007 as its owner and operator when she was 27-years-old. In April 2009 the Waterloo City Council voted [not to renew](#) her annual license when it came up for renewal in November 2009 based on a negative report by the Waterloo Police Department. Matz challenged revocation of her liquor license, but she voluntarily [dropped her appeal](#) in April 2010.

Sources:

[State of Iowa v. Stephanie Lee Matz](#), No. 2-891, 11-1896 (Iowa Ct of Appeals, 12-12-12)

[Waterloo club's gambling conviction overturned](#), *WCF Courier* (Waterloo, Iowa), December 18, 2012

[Pharroh's liquor license up for debate Monday](#), *WCF Courier* (Waterloo, Iowa), April 12, 2009

[City wins 'bar fight' by default](#), *WCF Courier* (Waterloo, Iowa), June 11, 2009

[No last call just yet for troubled bar](#), *WCF Courier* (Waterloo, Iowa), October 6, 2009

[State of Iowa, Department of Commerce](#), Alcoholic Beverages Division, Voluntary Dismissal of appeal by Stephanie Matz, April 8, 2010

Edwin M. Borchard – Convicting The Innocent Available From Justice Denied

Edwin M. Borchard – *Convicting The Innocent and State Indemnity For Errors Of Criminal Justice* has [been published](#) by The Justice Institute/Justice Denied.

Yale University Law School Professor Edwin Borchard was an early pioneer in exposing the causes of wrongful convictions and the inadequacy of compensation for exonerated persons in the United States. This 358-page book includes Borchard's key works *European Systems Of State Indemnity For Errors of Criminal Justice*, and *Convicting The Innocent: Sixty-Five Actual Errors of Criminal Justice*. The Table of Contents is:

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