**Section 1900.980 Sanctions and Penalties**

a) The ALJ may impose sanctions and penalties if the ALJ finds that a party has acted in bad faith, for the purpose of delay, or has otherwise abused the hearing process. The sanctions and penalties include, but are not limited to, default judgment or directed finding on one or more issues.

b) If the respondent, or an owner or key person of the respondent, fails to testify on his or her own behalf with respect to any question propounded to him or her, the ALJ may infer that the testimony or answer would have been adverse to the licensee's case.

c) Failure of the respondent to appear at a hearing or scheduled proceeding shall constitute an admission of all matters and facts contained in the complaint. In such cases the ALJ may take action based upon that admission or upon any other evidence, including affidavits, without any further notice to the licensee.