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9

10 **BEFORE THE**  
11 **CALIFORNIA GAMBLING CONTROL COMMISSION**  
12 **STATE OF CALIFORNIA**  
13  
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15 **In the Matter of the Accusation Against:**

16 **JOHN PARK, sole shareholder of**  
17 **THE SILVER F, INC., owner of,**  
18 **LOTUS CASINO.**

19 **6010 Stockton Blvd.**  
**Sacramento, California 95824**

20 **License Number GEOW-003312,**

21 **and**

22 **JOHN PARK, sole member of**  
23 **CAL-PAC RANCHO CORDOVA, LLC,**  
owner of, **CORDOVA RESTAURANT AND**  
24 **CASINO,**

25 **2801 Prospect Park Drive**  
**Rancho Cordova, California 95670**

26 **License Number GEOW-003322,**

27 **Respondent.**  
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**BGC Case No. BGC-HQ2011-00004AL**  
(Lotus Casino)

**BGC Case No. BGC-HQ2011-00003AL**  
(Cordova Restaurant and Casino)

**STIPULATED SETTLEMENT;**  
**DECISION AND ORDER**

1  
**Stipulated Settlement**



1 and Restaurant, California State Gambling License Number GEGE-001299.<sup>4</sup> Respondent's  
2 license number GEOW-003214 will expire on August 31, 2013, unless renewed.

3 6. At all relevant times Respondent held a state gambling license, California State  
4 Gambling License Number GEOW-003141, as the primary shareholder of The River Cardroom,  
5 Inc., California State Gambling License Number GEOW-003164, owner of The River  
6 Cardroom, California State Gambling License Number GEGE-001092.<sup>5</sup> Respondent's license  
7 number GEOW-003141 will expire on September 30, 2013, unless renewed.

8 7. At all relevant times Respondent held a state gambling license, California State  
9 Gambling License Number GEOW-003139, as the primary member of Cal-Pac Sonoma, LLC,  
10 California State Gambling License Number GEOW-003163, owner of The 101 Casino,  
11 California State Gambling License Number GEGE-000005.<sup>6</sup> Respondent's license number  
12 GEOW-003139 will expire on November 30, 2013, unless renewed.

13 8. At all relevant times Respondent held a state gambling license, California State  
14 Gambling License Number TPOW-000073, as the sole shareholder of Network Management  
15 Group, Inc. (NMG), California State Gambling License Number TPPP-000002, a third-party  
16 provider of proposition player services.<sup>7</sup> Respondent's license number TPOW-000073 expired  
17 on August 31, 2012.

18 9. At all relevant times Respondent held a state gambling license, California State  
19 Gambling License Number TPOW-000287, as the sole shareholder of Certified Network M,  
20 Inc. (CNM), California State Gambling License Number TPPP-000049, a third-party provider.

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23 <sup>4</sup> Respondent, as the primary shareholder of Lodi Cardroom, Inc. is required to hold a  
state gambling license. (See Bus. & Prof. Code, §§ 19852 & 19883.)

24 <sup>5</sup> Respondent, as the primary shareholder of The River Cardroom, Inc., is required to  
25 hold a state gambling license. (See Bus. & Prof. Code, §§ 19852 & 19984.)

26 <sup>6</sup> Respondent, as the primary member of Cal-Pac Sonoma, LLC, is required to hold a  
state gambling license. (See Bus. & Prof. Code, §§ 19852 & 19890.5.)

27 <sup>7</sup> Respondent, as the sole shareholder of NMG, is required to hold a state gambling  
28 license. (See Bus. & Prof. Code, §§ 19852 & 19984.)

1 of proposition player services.<sup>8</sup> Respondent's license number TPOW-000287 will expire on  
2 February 28, 2013, unless renewed.

3 10. At all relevant times Respondent, as sole shareholder of NMG, was an owner of PT  
4 Gaming, LLC (PTG), California State Gambling License Number TPPP-000004, a third-party  
5 provider of proposition player services. Until June 7, 2011, NMG/Respondent was an  
6 unlicensed and/or unregistered owner of PTG. On June 7, 2011, NMG/Respondent became a  
7 licensed and/or registered owner of PTG, California State Gambling License Number TPOW-  
8 000464.<sup>9</sup> NMG/Respondent's license and/or registration number TPOW-000464 will expire on  
9 February 28, 2013, unless renewed.

10 **JURISDICTION**

11 11. On June 5, 2012, Respondent was served with the above-titled Accusation; as well  
12 as a Statement to Respondent (Gov. Code, § 11505, subd. (b)); Request for Discovery (Gov.  
13 Code, § 11597.6); copies of Government Code sections 11507.5, 11507.6 and 11507.7; and two  
14 copies of the Notice of Defense form (Gov. Code, §§ 11505 & 11506).

15 12. On or about June 19, 2012, Respondent filed a timely Notice of Defense.

16 **ADVISEMENT AND WAIVERS**

17 13. Respondent has carefully reviewed, and has discussed with counsel of his choice,  
18 the legal and factual allegations in the Accusation. Respondent has also carefully reviewed, and  
19 has discussed with counsel of his choice, this Stipulated Settlement. Respondent fully  
20 understands the terms and conditions contained within this Stipulated Settlement and the effects  
21 thereof.

22 14. Respondent is fully aware of his legal rights in this matter, including the right to a  
23 hearing on all the allegations in the Accusation; the right to be represented by counsel of his  
24 choice at his own expense; the right to confront and cross-exam the witnesses against him; the

25 <sup>8</sup> Respondent, as the sole shareholder of CNM, is required to hold a state gambling  
26 license. (See Bus. & Prof. Code, §§ 19852 & 19984.)

27 <sup>9</sup> NMG/Respondent, as a funding source for PTG, is required to be licensed and/or  
28 registered as an owner of PTG. (See Bus. & Prof. Code, §§ 19852 & 19984; Cal. Code. Regs.,  
tit. 4, §§ 12200, subds. (b)(10) & (b)(16), & 12201.)

1 right to present evidence and testify on his own behalf; the right to the issuance of subpoenas to  
2 compel the attendance of witnesses and the production of documents; the right to apply for  
3 reconsideration and court review of an adverse decision; and all other rights afforded by the  
4 California Administrative Procedure Act (Gov. Code, § 11370 et seq.), the California Gambling  
5 Control Act (Bus. & Prof. Code, § 19800 et seq.), and all other applicable laws.

6 15. Respondent voluntarily, knowingly and intelligently waives and gives up each and  
7 every right set forth in paragraph 14 above; withdraws his request for a hearing on the  
8 Accusation; and agrees to be bound by this Stipulated Settlement.

9 **STIPULATED AGREEMENT OF SETTLEMENT**

10 16. Solely for the purposes of resolving the Accusation and for any other matter  
11 involving the Commission, the Bureau, or licensed gaming activities, Respondent admits that  
12 all the factual and legal allegations in the Accusation are true, accurate and complete; and that  
13 such allegations provide a sufficient legal and factual basis to revoke his licenses.

14 17. Respondent agrees to pay the Bureau a fine in the total amount of \$320,000.00 for  
15 the violations noted in the Accusation and admitted to in paragraph 16 above. Respondent  
16 further agrees that the entire \$320,000.00 fine shall be due and payable in full within 30  
17 calendar days of the date the Commission adopts this Stipulated Settlement. Respondent  
18 understands and agrees that failure to timely pay the full amount of the fine shall constitute a  
19 sufficient basis, in and of itself, to revoke his licenses.

20 18. Respondent also agrees to pay the Bureau the sum of \$45,000.00 as the reasonable  
21 costs of investigation and prosecution of this matter as provided for in Business and Professions  
22 Code section 19930. Respondent further agrees that the entire \$45,000.00 in cost recovery shall  
23 be due and payable in full within 30 calendar days of the date the Commission adopts this  
24 Stipulated Settlement. Respondent understands and agrees that failure to timely pay the full  
25 amount of the cost recovery shall constitute a sufficient basis, in and of itself, to revoke his  
26 licenses.

1           19. Respondent agrees to provide evidence satisfactory to the Bureau that he no longer  
2 has any direct or indirect interest, however remote, in PTG. Respondent further agrees that  
3 such satisfactory evidence shall be presented to the Bureau within 30 calendar days of the date  
4 the Commission adopts this Stipulated Settlement. Respondent understands and agrees that  
5 failure to timely provide such satisfactory evidence shall constitute a sufficient basis, in and of  
6 itself, to revoke his licenses.

7           20. The parties agree that in light of Respondent's admission of wrongdoing as noted  
8 in paragraph 16 above and Respondent's acceptance of the penalties for that behavior as noted  
9 in paragraphs 17 through 19 above, the Complainant shall:

10           A. Not seek to discipline, or recommend denial of, the licenses of The 101 Casino,  
11 California State Gambling License Number GEGE-000005, or Respondent's California State  
12 Gambling License Number GEOW-003139, based solely upon the type of conduct contained in  
13 the allegations in the Accusation and admitted to in paragraph 16 above, which occurred from  
14 February 1, 2010, through August 1, 2011, at that gambling establishment.

15           B. Not seek to discipline, or recommend denial of, the licenses of The Wine Country  
16 Casino, California State Gambling License Number GEGE-001299, or Respondent's California  
17 State Gambling License Number GEOW-003214, based solely upon the type of conduct  
18 contained in the allegations in the Accusation and admitted to in paragraph 16 above, which  
19 occurred from February 1, 2010, through August 1, 2011, at that gambling establishment.

20           C. Not seek to discipline, or recommend denial of, the licenses of Casino 580, LLC,  
21 California State Gambling License Number GEGE-001322, or Respondent's California State  
22 Gambling License Number GEOW-003325, based solely upon the type of conduct contained in  
23 the allegations in the Accusation and admitted to in paragraph 16 above, which occurred from  
24 August 26, 2010, through August 26, 2011, at that gambling establishment.

25           D. Not seek to discipline, or recommend denial of, the licenses of The River  
26 Cardroom, Inc., California State Gambling License Number GEGE-001092, or Respondent's  
27 California State Gambling License Number GEOW-003141, based solely upon the type of  
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1 conduct contained in the allegations in the Accusation and admitted to in paragraph 16 above,  
2 which occurred from February 1, 2010, through August 26, 2011, at Lotus Casino, Cordova  
3 Restaurant and Casino, The 101 Casino, Wine Country Casino, and Casino 580.

4 E. Not seek to discipline, or recommend denial of, the licenses of Cordova, California  
5 State Gambling License Number GEGE-001300, or Respondent's California State Gambling  
6 License Number GEOW-003322, based solely upon the type of conduct contained in the  
7 allegations in the Accusation and admitted to in paragraph 16 above, which occurred from  
8 February 1, 2010, through August 26, 2011, at Lotus Casino, Cordova Restaurant and Casino,  
9 The 101 Casino, Wine Country Casino, and Casino 580.

10 F. Not seek to discipline, or recommend denial of, the licenses of Lotus, California  
11 State Gambling License Number GEGE-001321, or Respondent's California State Gambling  
12 License Number GEOW-003312, based solely upon the type of conduct contained in the  
13 allegations in the Accusation and admitted to in paragraph 16 above, which occurred from  
14 February 1, 2010, through August 26, 2011, at Lotus Casino, Cordova Restaurant and Casino,  
15 The 101 Casino, Wine Country Casino, and Casino 580.

16 G. Not seek to discipline, or recommend the denial of, the licenses of Certified  
17 Network M, Inc., California State Gambling License Number TPPP-000049, or Respondent's  
18 California State Gambling License Number TPOW-000287, based solely upon the type of  
19 conduct contained in the allegations in the Accusation and admitted to in paragraph 16 above,  
20 which occurred from February 1, 2010, through August 26, 2011, at Lotus Casino, Cordova  
21 Restaurant and Casino, The 101 Casino, Wine Country Casino, and Casino 580.

22 H. Not seek to discipline, and withdraw the recommendation to deny renewal of, the  
23 licenses of NMG, California State Gambling License Number TPPP-000002, or Respondent's  
24 California State Gambling License Number TPOW-000073, based solely upon the type of  
25 conduct contained in the allegations in the Accusation and admitted to in paragraph 16 above,  
26 which occurred from February 1, 2010, through August 26, 2011, at Lotus Casino, Cordova  
27 Restaurant and Casino, The 101 Casino, Wine Country Casino, and Casino 580.

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1           21. The parties agree that this Stipulated Settlement fully resolves their dispute  
2 concerning the Accusation and that no further discipline, including revocation, suspension, or  
3 denial shall be sought against Respondent's licenses based solely upon the allegations contained  
4 within the Accusation and admitted to in paragraph 16 above.

5           22. This Stipulated Settlement shall be subject to adoption by the Commission.  
6 Respondent understands and specifically agrees that counsel for the Complainant and the staff  
7 of the Bureau may communicate directly with the Commission regarding this Stipulated  
8 Settlement, without notice to, or participation by, Respondent or its counsel, and that no such  
9 communication shall be deemed a prohibited ex parte communication.

10           23. By signing this Stipulated Settlement, Respondent understands and agrees that he  
11 may not withdraw his agreement or seek to rescind the Stipulated Settlement prior to the time  
12 the Commission considers and acts upon it. If the Commission fails to adopt this Stipulated  
13 Settlement as its decision, this Stipulated Settlement shall be of no force or effect, and, except  
14 for actions taken pursuant to this paragraph and paragraph 22 above, it shall be inadmissible in  
15 any legal action between the parties. The consideration of this Stipulated Settlement by the  
16 Commission shall not disqualify it from any further action regarding Respondent's licensure,  
17 including, but not limited to, disposition of the Accusation by a decision and order following a  
18 hearing on the merits.

19           24. The parties agree that a photocopy, facsimile, or electronic copy of this Stipulated  
20 Settlement, including copies with signatures thereon, shall have the same force and effect as an  
21 original.

22           25. In consideration of the above admissions and stipulations, the parties agree that the  
23 Commission may, without further notice or formal proceeding, issue and enter an Order  
24 consistent herewith and adopting this Stipulated Settlement.  
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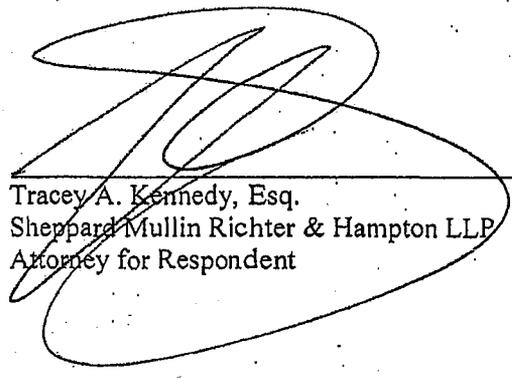
ACCEPTANCE

I have carefully read and considered the above Stipulated Settlement. I have discussed its terms and effects with legal counsel of my choice. I also understand the Stipulated Settlement and the effects it will have on my licenses. I further understand that I will be obligated to pay the Bureau a total sum of \$365,000.00 (\$320,000.00 in fines and \$45,000.00 in cost recovery) and that the failure to timely pay any portion of that amount when due could result in the revocation of my licenses. I enter into this Stipulated Settlement voluntarily, knowingly and intelligently, and agree to be bound by its terms.

Dated: November 1, 2012.

  
\_\_\_\_\_  
John Park,  
Respondent

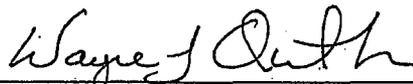
Dated: November 2, 2012.

  
\_\_\_\_\_  
Tracey A. Kennedy, Esq.  
Sheppard Mullin Richter & Hampton LLP  
Attorney for Respondent

COMPLAINANT'S ACCEPTANCE

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Dated: November 6, 2012.

  
Wayne J. Quint, Chief  
Bureau of Gambling Control

The foregoing Stipulated Settlement is hereby respectfully submitted for consideration by the California Gambling Control Commission.

Dated: November 6, 2012.

KAMALA D. HARRIS  
Attorney General of California  
SARA J. DRAKE  
Senior Assistant Attorney General  
RANDALL A. PINAL  
Supervising Deputy Attorney General

  
RONALD L. DIEDRICH  
Deputy Attorney General  
*Attorneys for the Complainant*

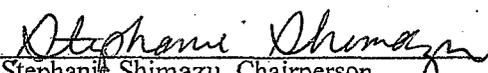
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**DECISION AND ORDER OF THE COMMISSION**

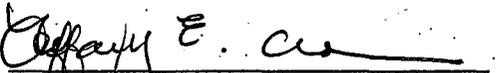
The foregoing Stipulated Settlement of the parties for the case of *In the Matter of the Accusation Against: John Park, sole shareholder of The Silver F, Inc., owner of Lotus Casino, License Number GEOW-003312; and John Park, sole member of Cal-Pac Rancho Cordova, LLC, owner of Cordova Restaurant and Casino, License Number, GEOW-003322, BGC Case Numbers BGC-HQ2011-00004AL (Lotus Casino) and BGC-HQ2011-00003AL (Cordova Restaurant and Casino)*, has been adopted by a majority vote of the California Gambling Control Commission as its final Decision and Order in this matter and is effective upon execution below by the Commission members.

**IT IS SO ORDERED**

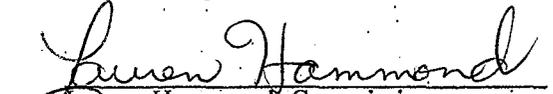
Dated: 12/13/12

  
Stephanie Shimazu, Chairperson

Dated: 12/13/2012

  
Tiffany E. Conklin, Commissioner

Dated: 12-13-12

  
Lauren Hammond, Commissioner

Dated: 12/13/12

  
Richard Schuetz, Commissioner