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BEFORE THE  
CALIFORNIA GAMBLING CONTROL COMMISSION

BGC Case No. BGC-HQ2013-00009SL  
CGCC Case No. 2013-1121-10C-1

In the Matter of the Statement of Reasons for  
Denial of License Application and Cancellation  
of Registration Regarding:

**DECISION AND ORDER**

MENG CHEA



Hearing Date: May 6, 2014  
Time: 10:00 am

Respondent.

This matter was heard by the California Gambling Control Commission (Commission) pursuant to Business and Professions Code sections 19870 and 19871 and Title 4, California Code of Regulations (CCR) section 12050(b)(2), in Sacramento, California, on May 6, 2014.

Ronald Diedrich, Deputy Attorney General, State of California, represented complainant Wayne J. Quint, Jr., Chief of the Bureau of Gambling Control (Bureau), Department of Justice, State of California.

Meng Chea (Chea) failed to appear and was not represented at the hearing.

During the administrative hearing, Presiding Officer Jason Pope took official notice of the following:

- (a) Statement of Reasons, dated February 4, 2014, served by certified mail, return receipt requested;
- (b) Notice of Hearing and Prehearing Conference, dated February 18, 2014, served by certified mail, return receipt requested; and
- (c) Conclusion of Prehearing Conference letter, dated April 11, 2014.

During the administrative hearing, Presiding Officer Jason Pope accepted into evidence the following exhibits offered by the Bureau:

- (a) Statement of Reasons filed and served by the Bureau;
- (b) Copies of the November 27, 2013 referral of this matter to a hearing pursuant to Business and Professions Code sections 19870 and 19871 and

1 Title 4, CCR section 12050(b)(2); the February 18, 2014 Notice of Hearing  
2 and Prehearing Conference; and April 11, 2014 Conclusion of Prehearing  
3 Conference letter;

- 4 (c) Copies of an e-mail correspondence from the Commission to David  
5 Tierney, dated April 8, 2014; and e-mail correspondence from David  
6 Tierney to the Commission, with a copy to the Bureau, dated April 16,  
7 2014;
- 8 (d) Chea's Request for An Additional/Transfer/Reinstatement Third Party  
9 Proposition Player Services Registration/License, dated November 12,  
10 2013;
- 11 (e) Chea's Application for Third Party Proposition Player Services  
12 Registration, dated September 9, 2013;
- 13 (f) Letter from the Commission to Chea, dated September 25, 2013;
- 14 (g) Chea's Application for Third Party Proposition Player Services license for  
15 Supervisor, Player or Other Employee, dated February 4, 2011;
- 16 (h) Letter from the Bureau to David Tierney, dated December 28, 2012;
- 17 (i) Letter from the City of Long Beach Police Department to Chea, dated April  
18 15, 2013;
- 19 (j) Certified copies of Los Angeles County Superior Court's records for the  
20 case People v. Chea (Super. Ct. Los Angeles County, 2011, Case No.  
21 1LG01991), dated March 8, 2012;
- 22 (k) Copy of the Bureau's Phone Contact Sheet regarding an October 30, 2012  
23 contact by the Bureau with the Long Beach Superior Court regarding  
24 Chea's required 120 hours of community service for Cal Trans;
- 25 (l) Bureau's Background Investigation Report for Chea, dated July 2013; and
- 26 (m) Letter from the Bureau to the Commission, dated November 20, 2013.

27 The matter was submitted on May 6, 2014.  
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FINDINGS OF FACT

1  
2 1. Chea holds registration number TPPL-008987 as a third party proposition player for  
3 PT Gaming, LLC (PT), a licensed provider of third party proposition player services.

4 2. On or about February 8, 2011, Chea submitted an Application for a Third Party  
5 Proposition Player Services License for Supervisor, Player or Other Employee (Application) to  
6 the Commission to convert his registration to a license.

7 3. At its November 21, 2013 meeting, the Commission referred the matter of Chea's  
8 suitability for licensure to an evidentiary hearing.

9 4. On or about November 27, 2013, the Executive Director of the Commission set the  
10 matter for an administrative hearing to be conducted pursuant to Business and Professions Code  
11 sections 19870 and 19871 and Title 4, CCR section 12050(b)(2).

12 5. On February 4, 2014, the Bureau filed and served a Statement of Reasons on Chea  
13 recommending the denial of his Application and cancellation of his registration as a third party  
14 proposition player.

15 6. On February 18, 2014, the Commission served a Notice of Hearing and Prehearing  
16 Conference, via certified mail, on Chea and the Bureau.

17 7. On April 7, 2014, the noticed Prehearing Conference was held before Presiding  
18 Officer Jason Pope, Attorney III of the Commission. Chea failed to attend the prehearing  
19 conference.

20 8. On April 16, 2014, David Tierney, Designated Agent for PT, sent an e-mail to the  
21 Commission, with a copy to the Bureau, which provided that he had been in contact with Chea  
22 and that Chea was not planning on attending the May 6, 2014 administrative hearing.

23 9. The Commission heard Case No. CGCC-2013-1121-10C-1 on May 6, 2014. The  
24 Bureau was represented throughout the pendency of the hearing by Deputy Attorney General  
25 Ronald Diedrich. Chea failed to appear throughout the pendency of the hearing or make any  
26 contact with the Commission or the Bureau.

27 10. On or about September 29, 2011, Chea was convicted of violating Penal Code section  
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1 314(1), indecent exposure, a misdemeanor involving moral turpitude, in the case People v. Chea  
2 (Super. Ct. Los Angeles County, 2011, Case No. 1LG01991). See People v. Ballard (1993) 13  
3 Cal.App.4<sup>th</sup> 687; In re Smith (1972) 7 Cal.3d 362. The circumstances underlying his conviction  
4 involve Chea masturbating in his vehicle while parked outside of a high school with minors  
5 present. Chea has not been granted relief from this conviction pursuant to Penal Code sections  
6 1203.4, 1203.4a, or 1203.45.

7 11. Chea's written explanation to the Bureau of the circumstances underlying his  
8 September 29, 2011 conviction, that he had "major jock itch" and fell asleep in his vehicle with  
9 his pants zipper down, is inconsistent with his statements to the Long Beach Police Department  
10 and eyewitness testimony.

11 12. Chea's written explanation to the Bureau of the circumstances underlying his  
12 September 29, 2011 conviction lacks honesty and credibility.

13 13. The matter was submitted for Commission consideration on May 6, 2014.

#### 14 LEGAL CONCLUSIONS

15 1. At an evidentiary hearing pursuant to Business and Professions Code sections 19870  
16 and 19871 and Title 4, CCR section 12050(b)(2), the burden of proof rests with the applicant to  
17 demonstrate why a license should be issued. Title 4, CCR section 12050(b)(3).

18 2. The burden of proving his or her qualifications to receive any license from the  
19 Commission is on the applicant. Business and Professions Code section 19856(a).

20 3. An application to receive a license constitutes a request for a determination of the  
21 applicant's general character, integrity, and ability to participate in, engage in, or be associated  
22 with, controlled gambling. Business and Professions Code section 19856(b).

23 4. In reviewing an application for any license, the Commission shall consider whether  
24 issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the  
25 license will undermine public trust that the gambling operations with respect to which the license  
26 would be issued are free from criminal and dishonest elements and would be conducted honestly.  
27 Business and Professions Code section 19856(c).

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1           5. Division 1.5 of the Business and Professions Code, the provisions of which govern the  
2 denial of licenses on various grounds, does not apply to licensure decisions made by the  
3 Commission under the Gambling Control Act. Business and Professions Code section 476(a).

4           6. The Commission has the responsibility of assuring that licenses, approvals, and  
5 permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose  
6 operations are conducted in a manner that is inimical to the public health, safety, or welfare.  
7 Business and Professions Code section 19823(a)(1).

8           7. An “unqualified person” means a person who is found to be unqualified pursuant to  
9 the criteria set forth in Business and Professions Code section 19857, and “disqualified person”  
10 means a person who is found to be disqualified pursuant to the criteria set forth in Business and  
11 Professions Code section 19859. Business and Professions Code section 19823(b).

12           8. The Commission has the power to deny any application for a license, permit, or  
13 approval for any cause deemed reasonable by the Commission. Business and Professions Code  
14 section 19824(b).

15           9. No gambling license shall be issued unless, based on all of the information and  
16 documents submitted, the commission is satisfied that the applicant is a person of good character,  
17 honesty and integrity. Business and Professions Code section 19857(a).

18           10. The Commission shall deny a license to any applicant who is disqualified based upon  
19 a conviction of the applicant for any misdemeanor involving dishonesty or moral turpitude within  
20 the 10-year period immediately preceding the submission of the application, unless the applicant  
21 has been granted relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal Code;  
22 provided, however, that the granting of relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of  
23 the Penal Code shall not constitute a limitation on the discretion of the Commission under Section  
24 19856 or affect the applicant’s burden under Section 19857. Business and Professions Code  
25 section 19859(d).

26           11. An applicant for a license to provide third party proposition player services shall be  
27 ineligible for licensing if the applicant has, within the ten (10) year period immediately preceding  
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1 the submission of the request to convert, been convicted of a misdemeanor involving a firearm or  
2 other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing  
3 with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal  
4 Code, violations of the [Gambling Control] Act, or dishonesty or moral turpitude, unless the  
5 applicant has been granted relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45,  
6 provided, however, that the granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or  
7 1203.45 shall not constitute a limitation on the discretion of the Commission. Title 4, CCR  
8 section 12218.11(c).

9 12. An applicant for a license as an owner, supervisor, or player [of third party proposition  
10 player services] shall be ineligible for licensing if the applicant has been subject to a final  
11 administrative or judicial adjudication revoking a registration or license under this chapter or a  
12 state gambling license, key employee license, work permit or finding of suitability or has had an  
13 application denied under this chapter or the [Gambling Control] Act. Title 4, CCR section  
14 12218.11(d).

15 13. An applicant for a license to provide third party proposition player services shall be  
16 ineligible for licensing if the applicant has failed to meet the requirements of Business and  
17 Professions Code sections 19856 or 19857. Title 4, CCR section 12218.11(e).

18 14. Any regular registration issued in accordance with this chapter shall be subject to  
19 cancellation pursuant to this section. A registration shall be cancelled if the Commission  
20 determines after a noticed hearing that the registrant is ineligible for registration, has failed in the  
21 application for registration to reveal any fact material to the holder's qualification for registration,  
22 or has supplied information in the registration application that is untrue or misleading as to a  
23 material fact pertaining to the criteria for issuance of registration. Title 4, CCR section 12205(a).

24 15. An applicant shall be ineligible for registration if the applicant has, within the ten (10)  
25 year period immediately preceding the submission of the application, been convicted of a  
26 misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities  
27 prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section  
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1 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude,  
2 not including convictions which have been expunged or dismissed as provided by law. Title 4,  
3 CCR section 12204(c).

4 16. An applicant shall be ineligible for registration if the application is for registration as  
5 an owner, supervisor, or player, the applicant has been subject to a final administrative or judicial  
6 adjudication revoking a registration under this chapter or a state gambling license, key employee  
7 license, work permit, finding of suitability or has had an application denied under this chapter or  
8 the [Gambling Control] Act. Title 4, CCR section 12204(d).

9 17. Any temporary registration shall be cancelled by the Executive Director at any time if  
10 the Commission determines that it has received reliable information that the holder of the  
11 temporary registration is ineligible under subsection (c) of Section 12203.2. Title 4, CCR section  
12 12203.5(a) and (b)(1).

13 18. The Executive Director shall, within 15 days of the Bureau processing a complete  
14 application, issue a temporary player registration valid for 60 days if neither the application in its  
15 entirety, or the results of the review of the applicant's criminal history up until the date of  
16 issuance of the temporary registration, discloses . . . the applicant has had an application for a  
17 gambling license, work permit, proposition player registration, proposition player license,  
18 gambling business registration, or gambling business license denied or has had a gambling  
19 license, work permit, proposition player registration, proposition player license, gambling  
20 business registration, or gambling business license revoked. Title 4, CCR section 12203.2(c)(3)  
21 and (4).

22 19. A work permit shall not be issued by any city, county, or city and county to any person  
23 who would be disqualified from holding a state gambling license for the reasons specified in  
24 subdivisions (a) to (g), inclusive, of Section 19859. Business and Professions Code section  
25 19912(b).

26 20. An application for a work permit shall be denied by the Commission if the applicant  
27 meets any of the criteria for mandatory disqualification under Business and Professions Code  
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1 section 19859 or the applicant is found unqualified pursuant to the criteria set forth in  
2 subdivisions (a) or (b) of Business and Professions Code section 19857. Title 4, CCR section  
3 12105(a)(1) and (2).

4 21. An applicant is ineligible for a temporary work permit if the application in its entirety  
5 or the results of the investigation of the applicant reported by the Bureau to the Commission up  
6 until the date of issuance of the temporary work permit discloses that the applicant has, within the  
7 10-year period immediately preceding the submission of the application, been convicted of a  
8 misdemeanor involving dishonesty or moral turpitude, not including convictions which have been  
9 expunged or dismissed as provided by law. Title 4, CCR sections 12128(b)(1) and  
10 12122(c)(2)(E).

11 22. As a result of having been convicted of a misdemeanor involving moral turpitude  
12 within the ten year period immediately preceding his Application, at this time Chea is disqualified  
13 for licensure pursuant to Business and Professions Code section 19859(d); ineligible for licensing  
14 to provide third party proposition player services pursuant to Title 4, CCR section 12218.11(c);  
15 ineligible for registration to provide third party proposition player services pursuant to Title 4,  
16 CCR section 12204(c); disqualified from receiving a work permit from the Commission pursuant  
17 to Title 4, CCR section 12105(a)(1) and (2); ineligible for a temporary work permit from the  
18 Commission pursuant to Title 4, CCR section 12122(c)(2)(E); and no city, county, or city and  
19 county in the State of California may issue a work permit to Chea pursuant to Business and  
20 Professions Code section 19912(b).

21 23. Given that Chea is ineligible for registration pursuant to Title 4, CCR section  
22 12204(c), Chea's registration must be cancelled by the Commission pursuant to Title 4, CCR  
23 section 12205(a).

24 24. Offering a written explanation to the Bureau that lacks honesty and credibility  
25 regarding the circumstances underlying a criminal conviction reflects a lack of good character,  
26 honesty and integrity.

27 25. As a result of having prepared a written explanation of the circumstances underlying  
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1 his September 29, 2011 conviction that lacks honesty and credibility, Chea has failed to  
2 demonstrate that he is a person of good character, honesty and integrity pursuant to Business and  
3 Professions Code section 19857(a). Therefore, Chea is unqualified for licensure pursuant to  
4 Business and Professions Code section 19857(a) and ineligible for licensing to provide third party  
5 proposition player services pursuant to Title 4, CCR section 12218.11(e).

6 26. Given that Chea did not attend the Prehearing Conference or administrative hearing  
7 despite receiving adequate notice for both, and did not make any type of oral or written request  
8 prior to the hearing to excuse his absence at the hearing or request a continuance, Chea failed to  
9 meet his burden of proving that he is qualified for a license to provide third party proposition  
10 player services.

#### 11 NOTICE OF APPLICANT'S APPEAL RIGHTS

12 Chea has the following appeal rights available under state law:

13 Title 4, CCR section 12050, subsection (c)(6) provides, in part:

14 An applicant denied a license, permit, registration, or finding of suitability, or  
15 whose license, permit, registration, or finding of suitability has had conditions  
16 imposed upon it may request reconsideration by the Commission within 30 days of  
17 notice of the decision. The request shall be in writing and shall outline the reasons  
18 for the request, which must be based upon either newly discovered evidence or legal  
19 authorities that could not reasonably have been presented before the Commission's  
20 issuance of the decision or at the hearing on the matter, or upon other good cause for  
21 which the Commission in its discretion decides merits reconsideration.

19 Business and Professions Code section 19870, subdivision (e) provides:

20 A decision of the commission denying a license or approval, or imposing any  
21 condition or restriction on the grant of a license or approval may be reviewed by  
22 petition pursuant to Section 1085 of the Code of Civil Procedure. Section 1094.5 of  
23 the Code of Civil Procedure shall not apply to any judicial proceeding described in  
24 the foregoing sentence, and the court may grant the petition only if the court finds  
25 that the action of the commission was arbitrary and capricious, or that the action  
26 exceeded the commission's jurisdiction.

24 Title 4, California Code of Regulations (CCR) section 12050, subsection (d) provides:

25 An appeal of a denial or imposition of conditions by the Commission shall be  
26 subject to judicial review under Code of Civil Procedure section 1085 (pursuant to  
27 Business and Professions Code section 19870, subdivision (e)). Neither the right to  
28 petition for judicial review nor the time for filing the petition shall be affected by failure  
to seek reconsideration.

ORDER

1  
2 1. Meng Chea's Application for a Third Party Proposition Player Services License for  
3 Supervisor, Player or Other Employee is DENIED.

4 2. Meng Chea's registration as a third party proposition player, Registration Number  
5 TPPL-008987, is CANCELLED.<sup>1</sup>

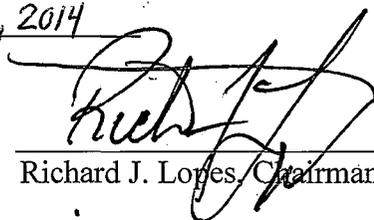
6 3. Meng Chea must surrender his registrant's badge to the Commission not more than ten  
7 days following the date this Decision and Order was mailed.

8 4. No costs are to be awarded.

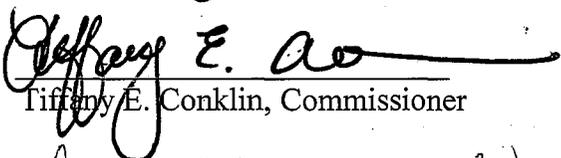
9 5. Each side to pay its own attorneys' fees.

10 This Order is effective on June 30, 2014

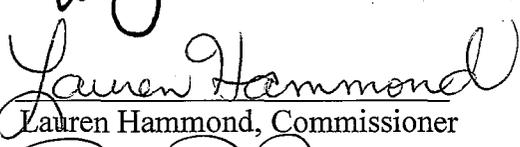
11 Dated: 5/29/14

Signature:   
Richard J. Lopes, Chairman

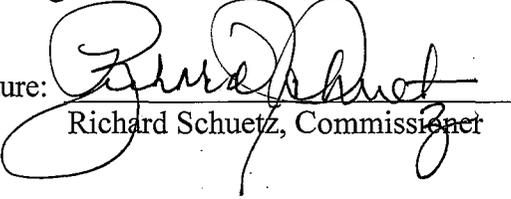
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13 Dated: 5/29/2014

Signature:   
Tiffany E. Conklin, Commissioner

14  
15 Dated: 5/29/14

Signature:   
Lauren Hammond, Commissioner

16  
17 Dated: 5/29/14

Signature:   
Richard Schuetz, Commissioner

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26 <sup>1</sup> As a result of the denial of Chea's Application and cancellation of his registration, Chea is ineligible for  
27 licensing or registration as an owner, supervisor or player of third party proposition player services pursuant to Title  
28 4, CCR section 12218.11(d) and Title 4, CCR section 12204(d); and any temporary player registration issued to Chea  
by the Commission shall be cancelled by the Executive Director pursuant to Title 4, CCR section 12203.5(a) and  
(b)(1).