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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Statement of Reasons for Denial of Renewal License Application Regarding:

DOG NAMED BLUE, INC. DBA CALIFORNIA GAMING CONSULTANTS; THE RICK BALDERAMOS TRUST; and RICHARD BALDARAMOS

Respondents.

BGC Case No. BGC-HQ2014-00005SL
CGCC Case No. CGCC-2013-0627-7B

DECISION AND ORDER

Hearing Dates: March 27-28, 2017
Time: 10:00 a.m.

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 12060, in Sacramento, California, on March 27-28, 2017. The record was left open until April 17, 2017 (later extended by the Commissioners to April 19, 2017) to allow the parties to submit closing briefs in lieu of closing argument. On or about April 19, 2017, the parties submitted closing briefs to the Commission.

William L. Williams, Jr. (Williams), 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.

Attorney Christine Jacob (Jacob) represented Respondents Dog Named Blue, Inc. dba California Gaming Consultants (Dog Named Blue), the Rick Baldaramos Trust, and Richard Baldaramos (Baldaramos) (collectively, Respondents).

During the administrative hearing, Presiding Officer Jason Pope took official notice of the Notice of Hearing and Prehearing Conference, with enclosures, sent by the Commission to Baldaramos, Designated Agent Mitchell Goldstein (Goldstein), attorney Keith Sharp (Sharp), and Williams, via certified mail, on August 14, 2015.

The Commission sent an Updated Notice of Hearing and Prehearing Conference to Baldaramos, Goldstein, attorney Jarhett Blonien (Blonien), and Williams, on September 14, 2015 via certified mail. The Commission sent three Notices of Continuance of Hearing to the parties,

1 all via certified mail, on the following dates: (1) April 15, 2016; (2) August 24, 2016; and (3)
2 December 16, 2016.

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

- 5 (1) Copies of the Statement of Reasons, Letters to Respondent dated May 21,
6 2015, and February 25, 2015; Business and Professions Code Section
7 12052, Certificate of Service by Certified Mail dated May 21, 2015, and
8 the Executed Notice of Defense dated May 1, 2015, Bates Nos. BGC 0001-
9 0033;
- 10 (2) Gambling Control Commission letter re Notice of Continuance of Hearing
11 dated August 24, 2016, Bates Nos. BGC 0034-0035;
- 12 (3) Bureau of Gambling Control's Investigation Summary Report dated March
13 06, 2014, Bates Nos. BGC 0036-0042;
- 14 (4) Letter from Commission to Mitchell Goldstein, Designated Agent dated
15 July 19, 2013, Bates Nos. BGC 0043-0046;
- 16 (5) Gambling Control Commission Licensing Division Memorandum dated
17 June 27, 2013, Bates Nos. BGC 0047-0052;
- 18 (6) Email correspondence between BGC Licensing staff with attachments
19 dated June 26, 2013, Bates Nos. BGC 0053-0060;
- 20 (7) Renewal application review signed May 17, 2013, Bates Nos. BGC 0061-
21 0071;
- 22 (8) BGC Letter to Mitchell Goldstein, Designated Agent dated May 17, 2013,
23 Bates Nos. BGC 0072-0073;
- 24 (9) Investigative Auditor Financial Review dated May 6, 2013 with
25 attachments A-L, Bates Nos. BGC 0074-0231;
- 26 (10) Certificate of Licensure with Conditions dated March 01, 2013 – June 30,
27 2013, Bates Nos. BGC 0232-0235;

- 1 (11) CES Investigative Progress Report No. 4 dated January 29, 2013, Bates
2 Nos. BGC 0236-0241;
- 3 (12) BGC Letter to Commission, Request for Extension dated January 23, 2013,
4 Bates Nos. BGC 0242-0243;
- 5 (13) Email Correspondence from BGC Licensing to Mitchell Goldstein dated
6 January 23, 2013 with response and attachment letter to Tina Littleton,
7 Bates Nos. BGC 0244-0248;
- 8 (14) CES Investigation Progress Report #3 dated January 09, 2013, Bates Nos.
9 BGC 0249-0255;
- 10 (15) CES Investigative Interview Report #2 dated November 08, 2012, Bates
11 Nos. BGC 0256-0259;
- 12 (16) CES Investigative Opening Report #1 dated November 07, 2012, Bates
13 Nos. BGC 0260-0264;
- 14 (17) Letter from Commission for Extension of License to Sandy
15 Vongthongkham dated October 30, 2012, Bates Nos. BGC 0265-0269;
- 16 (18) Gambling Control Commission Licensing Division Memorandum dated
17 October 25, 2012, Bates Nos. BGC 0270-0304;
- 18 (19) Letter from Law Office of Nicora and Hespe, LLP, Re: *A Dog Named Blue*
19 *v. Mortimer's, Inc.* Monterey County Superior Court Case M1 11931 dated
20 October 19, 2012, Bates Nos. BGC 0305-0340;
- 21 (20) Letter to DAG Williams from Craig Butcher dated October 12, 2012, Bates
22 Nos. BGC 0341-0343;
- 23 (21) Email Correspondence from Mortimer's Inc. to BGC Licensing dated
24 October 11, 2012, Bates Nos. BGC 0344-0346;
- 25 (22) Application for Third-Party Proposition Player Services License received
26 November 30, 2011, Bates Nos. BGC 0347-0354;
- 27 (23) Application for Third-Party Proposition Player Services License received
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- 1 November 07, 2011, Bates Nos. BGC 0355-0364;
- 2 (24) Miscellaneous jurisdictional documents re Dog Named Blue, Inc. dba
3 California Gaming Consultants, Bates Nos. BGC 0365-0444;
- 4 (25) Email from Rick Baldaramos to Craig Butcher dated April 24, 2012, Bates
5 No. BGC 0445;
- 6 (26) Daily Cash Report dated April 6, 2012; Daily Cash Report dated January
7 16, 2010, Daily Cash Report dated April 1, 2010, Bates Nos. BGC 0446-
8 0449; and
- 9 (27) Interview of Rick Baldaramos dated May 1, 2013, Bates Nos. BGC 0450-
10 0498.

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

- 13 (101) Account for Floor;
- 14 (102) Mortimer's Card Room;
- 15 (103) Letter dated June 16, 2009 to Rick Baldaramos, California Gaming
16 Consultants from Chris Davis;
- 17 (104) Letter dated June 17, 2009 to Rick Baldaramos, California Gaming
18 Consultants from Deborah M. Dunn;
- 19 (105) Letter dated June 24, 2009 to Rick Baldaramos, California Gaming
20 Consultants from Deborah M. Dunn;
- 21 (106) Letter dated July 3, 2009 to Gillian Knight from Jennifer Scott;
- 22 (107) Letter dated July 7, 2009 to Gillian Knight from Jennifer Scott;
- 23 (108) Letter dated July 21, 2009 to Gillian Knight from Jennifer Scott
- 24 (109) Letter dated July 22, 2009 to Jennifer Scott, California Gaming Consultants
25 from Deborah M. Dunn;
- 26 (110) Letter dated July 23, 2009 to Gillian Knight from Jennifer Scott;
- 27 (111) Letter dated July 28, 2009 to Jennifer Scott, California Gaming Consultants
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- 1 from Deborah M. Dunn;
- 2 (112) Letter dated June 8, 2010 to Jennifer Scott, California Gaming Consultants
- 3 from Barbara Mello;
- 4 (113) Letter dated December 30, 2011, to California Gaming Consultants from
- 5 Craig Butcher, Corinne Mathias Butcher and Jesse Crawford;
- 6 (114) E-mail dated February 27, 2012 to Mitchell Goldstein from C. Butcher;
- 7 (115) E-mail dated March 5, 2012 to Mitchell Goldstein from C. Butcher;
- 8 (116) Letter dated November 4, 2012 to Whom It May Concern from Lee Brister;
- 9 (117) E-mail dated July 26, 2011 to Alan Hatano from Mitchell Goldstein;
- 10 (118) E-mail dated January 6, 2014 to Mitchell Goldstein from Janine Chambers;
- 11 (119) Screenshot of an e-mail from Craig;
- 12 (120) E-mail dated July 7, 2011 to Alan Hatano from Mitchell Goldstein;
- 13 (121) E-mail dated February 21, 2011 to Mark Williamson Mortimers from Rick
- 14 Baldaramos;
- 15 (122) Resume for Mitch Goldstein;
- 16 (123) Declaration of Von Altizer;
- 17 (124) Declaration of Stan Seiff;
- 18 (125) Declaration of Jack Cunningham;
- 19 (126) Declaration of Frank Calamia;
- 20 (127) Declaration of Ky Phuon;
- 21 (128) Declaration of Dave Simon;
- 22 (129) Declaration of Mike Wilkinson; and
- 23 (130) Declaration of Sue Sharp.

24 The matter was submitted on April 19, 2017.

25 FINDINGS OF FACT

- 26 1. On or about February 21, 2008, the Commission issued a Third-Party Provider of
- 27 Proposition Player Services (TPPPS) license to Dog Named Blue.
- 28

1 2. Respondent The Rick Baldaramos Trust (Trust) is endorsed as a shareholder on Dog
2 Named Blue's TPPPS license.

3 3. Respondent Richard Baldaramos is endorsed on Dog Named Blue's TPPPS license as
4 the trustor, trustee, and beneficiary of the Trust.

5 4. On or about November 30, 2011, the Bureau received an application from Dog Named
6 Blue to renew its TPPPS license (Application).

7 5. On or about June 13, 2013, the Bureau submitted a Supplemental Background Report
8 on Dog Named Blue to the Commission. In this report, the Bureau recommends that the
9 Commission deny Dog Named Blue's Application.

10 6. At its June 27, 2013 meeting, the Commission voted to refer the consideration of Dog
11 Named Blue's Application to a Gambling Control Act evidentiary hearing.

12 7. On or about March 6, 2014, the Bureau completed its Investigation Summary Report
13 on this matter. In the report, the Bureau recommends the denial of Dog Named Blue's
14 Application.

15 8. On or about May 1, 2015, Dog Named Blue submitted a Notice of Defense to the
16 Commission requesting an evidentiary hearing on the consideration of its Application.

17 9. On or about May 21, 2015, the Bureau filed a Statement of Reasons with the
18 Commission and served the Statement of Reasons on Dog Named Blue and its attorney, Keith
19 Sharp, via certified mail. In its Statement of Reasons, the Bureau recommends the denial of Dog
20 Named Blue's Application.

21 10. On or about August 14, 2015, the Commission served a Notice of Hearing and
22 Prehearing Conference, via certified mail, to Baldaramos, Goldstein, Sharp, and Williams.

23 11. On or about January 28, 2016, the noticed Prehearing Conference was held before
24 Presiding Officer Jason Pope, Attorney III of the Commission. William L. Williams, Jr., Deputy
25 Attorney General, attended on behalf of the Bureau. Attorneys Keith Sharp and Jarhett Blonien
26 attended on behalf of Respondents. Richard Baldaramos was not present.

27 12. On or about February 2, 2016, the Commission served a Conclusion of Prehearing
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1 Conference letter on Sharp, Blonien, and Williams.

2 13. The Commission heard Case No. CGCC-2013-0627-7B from March 27-28, 2017. The
3 Bureau was represented throughout the hearing by Deputy Attorney General William L.
4 Williams, Jr. Respondent Richard Baldaramos appeared on behalf of Respondents and was
5 represented throughout the hearing by attorney Christine Jacob.

6 14. On or about April 26, 2012, the Commission adopted a Stipulation, Decision and
7 Order (Stipulation) in the case *In the Matter of the Accusation Against Dog Named Blue, Inc. dba*
8 *California Gaming Consultants*, Case No. CGCC-2010-12-01. The alleged misconduct of Dog
9 Named Blue that resulted in the Stipulation mostly took place from 2009-2010. As part of the
10 Stipulation, the parties agreed to adopt the Accusation as the final statement of facts and law in
11 the matter, which includes the following admissions from Dog Named Blue:

- 12 (1) That it failed on numerous occasions to maintain accurate playing books while
13 operating as a TPPPS;
- 14 (2) That its employees failed on numerous occasions to wear required proposition
15 player badges while performing third-party proposition player services;
- 16 (3) That it failed on numerous occasions to submit timely requests for the
17 conversion of employees' registrations to licenses;
- 18 (4) That it failed to obtain business licenses for its operations at several gambling
19 establishments; and
- 20 (5) That it operated a "gambling business" that was unsuitable for licensure by the
21 Commission.

22 15. Under the terms of the Stipulation, Dog Named Blue was assessed \$100,000 in
23 penalties and its TPPPS license was suspended for 30 days, with the suspension stayed subject to
24 the timely payment of the penalties. Dog Named Blue paid the entire penalty amount of \$100,000
25 and \$10,000 in costs. As part of the Stipulation the Commission determined that while the
26 charges set forth in the Accusation represented extensive misconduct by Dog Named Blue in the
27 operation of its business, the misconduct was not based upon ill intent, but rather was based upon
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1 poor business practices.

2 16. The allegations against Dog Named Blue in this matter are separate and distinct from
3 the allegations in the case *In the Matter of the Accusation Against Dog Named Blue, Inc. dba*
4 *California Gaming Consultants*, Case No. CGCC-2010-12-01. However, the prior allegations
5 reflect that Dog Named Blue and Baldaramos have a history of failing to comply with the
6 Gambling Control Act and Commission regulations.

7 17. On or about October 12, 2012, Craig Butcher (Butcher), a former employee of Dog
8 Named Blue, wrote a letter to Williams advising him of Dog Named Blue's improper contractual
9 arrangements with Gaming Fund Group, Inc. (GFG), a licensed TPPPS, and Mortimer's Card
10 Room, a licensed gambling establishment. The Bureau conducted an investigation into Dog
11 Named Blue's conduct after receiving the letter from Butcher, which led to the filing of the
12 Statement of Reasons against Respondents in this matter.

13 18. On or about January 4, 2010, Dog Named Blue entered into an oral contract (Contract)
14 with GFG. Dog Named Blue's cash position was declining and it was losing a lot of money at the
15 Pai Gow tiles game at Casino Royale, a licensed gambling establishment. The Contract provided
16 that Dog Named Blue and GFG would each invest \$200,000, with the opportunity to make
17 \$200,000 each if successful. Once the partnership made \$400,000, the parties would be paid
18 \$200,000 each and the partnership would end. GFG asked Baldaramos if he would put up the first
19 \$200,000, and GFG would then contribute the second \$200,000 if necessary. Baldaramos agreed.

20 19. In January 2010, in furtherance of Dog Named Blue's Contract with GFG,
21 Baldaramos wrote a check for \$200,000 out of his personal brokerage account and placed it into
22 Dog Named Blue's account with the notation JR Arrangement. Baldaramos also instructed one of
23 his employees with Dog Named Blue to provide daily cash report updates to GFG. Over the next
24 couple of months, Dog Named Blue made \$400,000 from the \$200,000 that Baldaramos placed
25 into Dog Named Blue's account, which resulted in \$600,000 in the account. In April 2010,
26 pursuant to the terms of the contract, Baldaramos paid \$200,000 to GFG and the partnership
27 ended.

1 20. GFG provided a form of credit (which was clearly a representation or thing of value)
2 to Dog Named Blue by agreeing to put up \$200,000, if necessary, for Dog Named Blue to
3 continue to provide TPPPS services to Casino Royale on the Pai Gow tiles game. As a result,
4 GFG was a funding source, and therefore an owner, of Dog Named Blue pursuant to the oral
5 contract.¹

6 21. Given that GFG was an owner of Dog Named Blue, Baldaramos had a duty to disclose
7 Dog Named Blue's Contract to the Bureau and have GFG submit an application for licensure.
8 However, Baldaramos never disclosed the Contract to the Bureau and never had GFG submit an
9 application for licensure.

10 22. During the hearing, Baldaramos testified that it was his understanding that unless GFG
11 provided funding, it did not need to be licensed as a funding source. Baldaramos' understanding
12 is contradicted by the plain language of Commission regulations. Given his years of experience as
13 an owner of Dog Named Blue, Baldaramos should have known that GFG was a funding source,
14 and therefore an owner, of Dog Named Blue at the time the Contract was formed. Even if
15 Baldaramos' understanding was reasonable, Baldaramos still failed to disclose Dog Named
16 Blue's Contract to the Bureau when Dog Named Blue paid GFG \$200,000 from its winnings.
17 Baldaramos' lack of disclosure resulted in a failure to comply with the Gambling Control Act and
18 Commission regulations.

19 23. The allegations in the case *In the Matter of the Accusation Against Dog Named Blue,*
20 *Inc. dba California Gaming Consultants*, Case No. CGCC-2010-12-01, which were admitted by
21 Baldaramos, and his continued failures to comply with the Gambling Control Act and
22 Commission regulations by failing to disclose Dog Named Blue's financial arrangements with
23 GFG to the Bureau, demonstrate that Baldaramos' prior activities pose a threat to the effective
24 regulation and control of controlled gambling, and create or enhance the dangers of unsuitable,
25 unfair, or illegal practices in the conduct of controlled gambling or in the carrying on of the
26 business and financial arrangements incidental thereto.

27 ¹ Title 4, California Code of Regulations section 12200(b)(16)(C) defines an "owner" of a TPPPS to include
28 "any funding source."

1 24. In December 2010, Dog Named Blue had an ongoing agreement to provide TPPPS
2 services (TPPPS Agreement) to Mortimer's. On or before December 18, 2010, Baldaramos
3 entered into a separate oral agreement with Mortimer's whereby Baldaramos was to pay all or
4 part of the costs of a promotional event. Mortimer's then sought \$15,000 in costs from Dog
5 Named Blue arising out of the promotional agreement. The promotional agreement was not
6 provided for under the TPPPS Agreement, which pursuant to Title 4, California Code of
7 Regulations section 12200.7(b)(22), provides that the TPPPS Agreement must include all
8 financial arrangements between Dog Named Blue and Mortimer's and may be amended only by
9 advance approval by the Bureau.

10 25. Mortimer's had a receivable in the amount of a \$14,019 gambling debt from a
11 previous manager that it was unlikely to collect. Mortimer's and Baldaramos then agreed that
12 Baldaramos would pay \$14,019 to satisfy the manager's debt as a way to disguise an unlawful
13 payment from Dog Named Blue for its alleged obligations under the oral promotional agreement.

14 26. On or about December 18, 2010, Baldaramos directed one of his employees, a third-
15 party proposition player with Dog Named Blue, to remove \$14,000 in chips from the active table,
16 and place the chips in a safe inside the cage at Mortimer's. Baldaramos then directed his
17 employee not to report the \$14,000 in Dog Named Blue's playing book. As a result, the playing
18 book contained an underreporting of \$14,000 in chips. The playing book was then signed by the
19 employee under penalty of perjury. Baldaramos' directives resulted in the deliberate falsification
20 of Dog Named Blue's playing books.

21 27. On or about December 19, 2010, Baldaramos used the \$14,000 in chips, and \$19 in
22 cash from his pocket, to pay Mortimer's for Dog Named Blue's alleged share of the costs arising
23 out of the promotional agreement. The payment took place in the cage at Mortimer's. Baldaramos
24 intentionally arranged to make the payment in a manner that avoided any record of the
25 transaction. By attempting to avoid detection of the transaction by the Bureau, Baldaramos sought
26 to avoid getting in trouble for having an unauthorized promotional arrangement with Mortimer's.

27 28. Baldaramos demonstrated an egregious lack of good character, honesty, and integrity
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1 by (1) entering into an agreement to pay for promotions despite knowing that the TPPPS
2 Agreement did not allow for such a payment; (2) directing one of his employees to remove
3 \$14,000 in chips from the active table; (3) directing his employee not to report the \$14,000 in
4 Dog Named Blue's playing book; (4) suborning perjury by having the employee sign the playing
5 book under penalty of perjury that the playing book was accurate; and (5) arranging to pay the
6 oral promotional agreement in a deliberate manner to avoid any record of the transaction and
7 detection by the Bureau. Further, during the hearing Baldaramos admitted that he did not have
8 any plans to ever disclose his actions to the Bureau regarding Dog Named Blue's promotional
9 agreement with Mortimer's.

10 29. In addition to Baldaramos' overt and intentional acts of deception, Baldaramos'
11 conduct directly resulted in unsuitable and illegal practices in the conduct of controlled gambling
12 and in the carrying on of the business and financial arrangements incidental thereto.

13 30. Baldaramos was forthcoming and truthful in his interviews with Bureau employees
14 during their investigation into the facts surrounding the allegations in this matter. The information
15 provided by Baldaramos was consistent with the facts in this matter as determined by the Bureau.
16 However, Baldaramos was not forthcoming with the Bureau until after the facts were separately
17 reported to the Bureau by other parties, or were otherwise discovered by the Bureau.

18 31. During the hearing, Baldaramos admitted to the facts alleged by the Bureau in this
19 matter. He expressed regret, embarrassment, and shame for his actions that resulted in the
20 Bureau's filing of the Statement of Reasons. Baldaramos' testimony and expressions of regret
21 appeared credible and sincere.

22 32. Jennifer Scott (Scott) testified on behalf of Baldaramos. Scott worked as an office
23 manager for Dog Named Blue from 2006 to 2010. Scott testified that Dog Named Blue received
24 several letters of warning from the Bureau from 2009 to 2010 related to alleged violations of the
25 Gambling Control Act. Scott initially tried to handle these compliance issues without notifying
26 Baldaramos, but was overwhelmed. She eventually informed Baldaramos of the Letters of
27 Warning. The allegations in the Letters of Warning eventually resulted in the filing of an
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1 Accusation against Dog Named Blue and the Stipulation between Dog Named Blue and the
2 Bureau.

3 33. Regarding Baldaramos' character, Scott testified that Baldaramos is genuinely kind, a
4 good and supportive friend, a positive person, and a man of integrity. She further testified that
5 Baldaramos is not dishonest, and that his conduct related to removal of chips from the table,
6 falsification of the playing books, and payment for promotional costs that were not allowed by the
7 TPPPS Agreement were out of character.

8 34. Sandy Vongthongkham (Vongthongkham) testified on behalf of Baldaramos.
9 Vongthongkham worked at Dog Named Blue prior to working for the Bureau from 2014 to 2016.
10 Vongthongkham testified that she was surprised at the allegations against Baldaramos. She
11 further testified that Baldaramos was not intentionally dishonest, that Baldaramos was a good and
12 supportive employer, and that Baldaramos has good character and integrity.

13 35. Mitchell Goldstein (Goldstein) testified on behalf of Baldaramos. Goldstein is the
14 owner of Gold Gaming Consultants (Gold Gaming), a licensed TPPPS. Baldaramos is a funding
15 source for Gold Gaming. Goldstein testified that he is surprised at the allegations against
16 Baldaramos in this matter and that Baldaramos would blatantly break a rule. He does not think
17 that Baldaramos would make the same mistake again. Goldstein also testified that Baldaramos
18 has not otherwise been dishonest, and that he has good character, does the right thing, and is
19 honest.

20 36. Baldaramos submitted eight Declarations in lieu of live testimony in support of his
21 Application:

- 22 a. Von Altizer (Altizer) is the owner of Napa Valley Casino. Altizer states that
23 Baldaramos was very helpful in assisting Napa Valley Casino to succeed, even
24 when there was no personal financial benefit, and that Baldaramos is
25 honorable, a man of great integrity, good character, and a trusted friend.
26 Altizer has known Baldaramos since 2006. Regarding the allegations in the
27 Statement of Reasons against Baldaramos, Altizer states that he was shocked
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1 to learn of the allegations; that it is clear from his conversations with
2 Baldaramos that Baldaramos regrets and is embarrassed by his actions; that he
3 believes it was a one-time lapse in judgment; that Baldaramos has a great
4 reputation in the card room industry and that he would have no reservation
5 with hiring Baldaramos in his gambling establishment.²

- 6 b. Stan Seiff (Seiff) is the General Manager of the Aviator Casino and Casino 99.
7 Seiff states that Baldaramos was always helpful and supportive of Mortimer's
8 during Seiff's tenure there; that Baldaramos is a man of good character and
9 integrity; and that Baldaramos has contributed significantly to third party
10 proposition players and cardrooms and has been an incredible source of
11 knowledge and unsolicited assistance. Seiff has known Baldaramos since 2009.
- 12 c. Jack Cunningham (Cunningham) was the owner of Phoenix Casino.
13 Cunningham states that Baldaramos was very helpful in assisting with the
14 setup and operations of Phoenix Casino. Cunningham has known Baldaramos
15 since 1998 and has often spent time with him socially.
- 16 d. Frank Calamia (Calamia) is a one-third owner and the General Manager of
17 Marina Club. Calamia states that California Gaming Consultants started
18 banking games at Marina Club in 2000.
- 19 e. Ky Phuon (Phuon) is the owner of Garlic City Casino. Phuon states that
20 Baldaramos was very helpful in assisting with the setup and operations of
21 Garlic City Casino, including hiring Elijah Zuniga to change the local
22 ordinance to allow "banked games." Phuon has known Baldaramos since 2010
23 and states that they quickly developed a friendship.
- 24 f. Dave Simon (Simon) worked for Garlic City Casino and Mortimer's as a result
25 of Baldaramos' assistance and introductions. Baldaramos loaned Simon

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27 ² The portions of Altizer's Declaration addressing the allegations in this Statement of Reasons against
28 Baldaramos are virtually identical in all of the Declarations submitted by Baldaramos except for Mike Wilkinson. As
a result, the virtually identical portions have not been re-summarized for each person submitting a Declaration.

1 \$12,000 for a down payment for the purchase of a house in Sacramento. Simon
2 has known Baldaramos since 2006.

3 g. Mike Wilkinson (Wilkinson) is the General Manager of California Grand
4 Casino. Wilkinson met Baldaramos while working at the California Grand
5 Casino and has known Baldaramos for over 20 years. Wilkinson states that
6 Baldaramos is very honest and caring. He states that Baldaramos helped a
7 friend of Wilkinson find her biological parents, supported his own biological
8 sister, and assisted another of Wilkinson's friends who was having financial
9 issues at the time. Baldaramos helped Wilkinson with installing better
10 surveillance systems at California Grand Casino. Wilkinson states that he loves
11 and respects Baldaramos, and describes Baldaramos as generous, kind-hearted,
12 honest, and genuine. Wilkinson does not address the allegations in this matter
13 against Baldaramos.

14 h. Sue Sharp (Sharp) is Baldaramos' biological sister. Sharp met Baldaramos in
15 October 1997. Sharp states that Baldaramos offered her employment at Dog
16 Named Blue; that Baldaramos dedicates himself to being a better person; that
17 he is helpful and environmentally friendly; and that she is proud and honored
18 to have Baldaramos as her brother.

19 37. The testimony of Scott, Vongthongkham, and Goldstein, and each of the eight
20 Declarations in lieu of testimony submitted by Baldaramos were extremely favorable regarding
21 Baldaramos' character and suitability for licensure. The live testimony and Declarations are
22 persuasive that Baldaramos is helpful, supportive, a good friend, and generous in sharing his time,
23 experience, and knowledge with others. These characteristics reflect positively on Baldaramos'
24 character. While Baldaramos' character witnesses acknowledge the seriousness of the allegations
25 against him in this matter, they believe that Baldaramos' actions were out of character and a one-
26 time occurrence, and maintain that Baldaramos is a person of good character, honesty and
27 integrity. The witness testimony and the signed Declarations in lieu of live testimony appear to be
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1 credible. However, they are not persuasive that Baldaramos is a person of good character, honesty
2 and integrity in light of the egregiousness of Baldaramos' conduct and violations of both the law
3 and the spirit of the Gambling Control Act and Commission regulations.

4 38. All documentary and testimonial evidence submitted by the parties that is not
5 specifically addressed in this Decision and Order was considered but not used by the Commission
6 in making its determination on Dog Named Blue's Application.

7 39. The matter was submitted for Commission consideration on April 19, 2017.

8 LEGAL CONCLUSIONS

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

12 41. Public trust and confidence can only be maintained by strict and comprehensive
13 regulation of all persons, locations, practices, associations, and activities related to the operation
14 of lawful gambling establishments and the manufacture and distribution of permissible gambling
15 equipment. Business and Professions Code section 19801(h).

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

20 43. An "unqualified person" means a person who is found to be unqualified pursuant to
21 the criteria set forth in Section 19857, and "disqualified person" means a person who is found to
22 be disqualified pursuant to the criteria set forth in Section 19859. Business and Professions Code
23 section 19823(b).

24 44. The Commission has the power to deny any application for a license, permit, or
25 approval for any cause deemed reasonable by the Commission. Business and Professions Code
26 section 19824(b).

27 45. The Commission has the power to take actions deemed to be reasonable to ensure that
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1 no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled
2 gambling activities. Business and Professions Code section 19824(d).

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

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

8 48. In reviewing an application for any license, the commission shall consider whether
9 issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the
10 license will undermine public trust that the gambling operations with respect to which the license
11 would be issued are free from criminal and dishonest elements and would be conducted honestly.
12 Business and Professions Code section 19856(c).

13 49. At an evidentiary hearing pursuant to Business and Professions Code sections 19870
14 and 19871 and CCR section 12060(b), the burden of proof rests with the applicant to prove his or
15 her qualifications to receive any license under the Gambling Control Act. CCR section 12060(i).

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

19 51. No gambling license shall be issued unless, based on all of the information and
20 documents submitted, the commission is satisfied that the applicant is a person whose prior
21 activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the
22 public interest of this state, or to the effective regulation and control of controlled gambling, or
23 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in
24 the conduct of controlled gambling or in the carrying on of the business and financial
25 arrangements incidental thereto. Business and Professions Code section 19857(b).

26 52. The Commission shall deny a license to any applicant who is disqualified for failure of
27 the applicant to provide information, documentation, and assurances required by this chapter or
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1 requested by the chief, or failure of the applicant to reveal any fact material to qualification, or the
2 supplying of information that is untrue or misleading as to a material fact pertaining to the
3 qualification criteria. Business and Professions Code section 19859(b).

4 53. Subject to the power of the commission to deny, revoke, suspend, condition, or limit
5 any license, as provided in this chapter, a license shall be renewed biennially. Business and
6 Professions Code section 19876(a).

7 54. "Funding source" means any person that provides financing, including but not limited
8 to loans, advances, any other form of credit, chips, or any other representation or thing of value,
9 to an owner-registrant or owner-licensee. Title 4, California Code of Regulations section
10 12200(b)(10).

11 55. "Owner" includes any funding source. Title 4, California Code of Regulations section
12 12200(b)(16)(C).

13 56. Any payments made by a registrant or licensee to the house for a purpose determined
14 by agreement with the house shall be specifically authorized by the proposition player contract.
15 All payments shall be specified in the contract. Title 4, California Code of Regulations section
16 12200.7(c)(1).

17 57. The primary owner shall be responsible for assuring that its players maintain accurate,
18 complete, and up-to-date playing books for all sessions of play worked in conformity with
19 regulations of the Commission. Title 4, California Code of Regulations section 12200.13(a).

20 58. The primary owner shall notify the Bureau in writing within ten (10) days of any
21 change to its ownership structure. Title 4, California Code of Regulations section 12000.14(c).

22 59. Each owner whose name is required to be endorsed on the license of the primary
23 owner shall submit a separate application for renewal of that individual's or entity's license,
24 together with the application fee specified in subsection (a). Title 4, California Code of
25 Regulations section 12218.8(b)

26 60. A requester shall be ineligible for licensing if the requester has failed to meet the
27 requirements of Business and Professions Code sections 19856 or 19857. Title 4, California Code
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1 of Regulations section 12218.11(e).

2 61. Every person who willfully procures another person to commit perjury is guilty of
3 subornation of perjury. Penal Code section 127.

4 62. Baldaramos demonstrated an egregious lack of good character, honesty, and integrity
5 by (1) entering into an agreement for promotions despite knowing that the TPPPS Agreement did
6 not allow for promotions; (2) directing one of his employees to remove \$14,000 in chips from the
7 active table; (3) directing his employee not to report the \$14,000 in Dog Named Blue's playing
8 book; (4) suborning perjury by having the employee sign the book under penalty of perjury that
9 the playing book was accurate; and (5) arranging to pay the alleged promotional agreement in a
10 deliberate manner to avoid any record of the transaction and prevent its detection by the Bureau.
11 Further, during the hearing Baldaramos admitted that he did not have any plans to ever disclose
12 his actions regarding Dog Named Blue's promotional agreement with Mortimer's. As a result,
13 Baldaramos failed to meet his burden of demonstrating that he is a person of good character,
14 honesty and integrity. Therefore, Baldaramos is unqualified for a TPPPS renewal license pursuant
15 to Business and Professions Code section 19857(a) and, as a result, ineligible for licensing as a
16 TPPPS pursuant to Title 4, California Code of Regulations section 12218.11(e).

17 63. Baldaramos' intentional misconduct also directly resulted in unsuitable and illegal
18 practices in the conduct of controlled gambling and in the carrying on of the business and
19 financial arrangements incidental thereto. As a result, Baldaramos failed to meet his burden of
20 demonstrating that he is a person whose prior activities do not pose a threat to the effective
21 regulation and control of controlled gambling, or create or enhance the dangers of unsuitable,
22 unfair, or illegal practices, methods, and activities in the conduct of controlled gambling or in the
23 carrying on of the business and financial arrangements incidental thereto. Therefore, Baldaramos
24 is unqualified for a TPPPS renewal license pursuant to Business and Professions Code section
25 19857(b) and, as a result, ineligible for licensing as a TPPPS pursuant to Title 4, California Code
26 of Regulations section 12218.11(e).

27 64. Dog Named Blue, through Baldaramos, committed numerous violations of
28

1 Commission regulations, including (1) making payments to Mortimer's that were not specifically
2 authorized by the TPPPS Agreement in violation of Title 4, California Code of Regulations
3 section 12200.7(c)(1); (2) intentionally failing to maintain accurate playing books in violation of
4 Title 4, California Code of Regulations section 12200.13(a); and (3) failing to notify the Bureau
5 in writing within ten days of its oral agreement with GFG, which resulted in GFG being an owner
6 of Dog Named Blue, in violation of Title 4, California Code of Regulations section 12000.14(c).
7 Dog Named Blue's violations of Commission regulations directly resulted in unsuitable and
8 illegal practices in the conduct of controlled gambling and in the carrying on of the business and
9 financial arrangements incidental thereto. Given all of the prior violations of the Gambling
10 Control Act and Commission regulations admitted by Baldaramos in the case *In the Matter of the*
11 *Accusation Against Dog Named Blue, Inc. dba California Gaming Consultants*, Case No. CGCC-
12 2010-12-01, and the violations proven in this matter, Baldaramos failed to meet his burden of
13 demonstrating that he is a person whose prior activities do not pose a threat to the effective
14 regulation and control of controlled gambling, or create or enhance the dangers of unsuitable,
15 unfair, or illegal practices, methods, and activities in the conduct of controlled gambling or in the
16 carrying on of the business and financial arrangements incidental thereto. Therefore, Baldaramos
17 is unqualified for a TPPPS renewal license pursuant to Business and Professions Code section
18 19857(b) and, as a result, ineligible for licensing as a TPPPS pursuant to Title 4, California Code
19 of Regulations section 12218.11(e).

20 NOTICE OF APPLICANT'S APPEAL RIGHTS

21 Respondents have the following appeal rights available under state law:

22 CCR section 12064, subsections (a) and (b) provide, in part:

23 An applicant denied a license, permit, registration, or finding of suitability,
24 or whose license, permit, registration, or finding of suitability has had
25 conditions, restrictions, or limitations imposed upon it, may request
26 reconsideration by the Commission within 30 calendar days of service of the
27 decision, or before the effective date specified in the decision, whichever is
28 later. The request shall be made in writing to the Commission, copied to the
Bureau, and shall state the reasons for the request, which must be based
upon either newly discovered evidence or legal authorities that could not
reasonably have been presented before the Commission's issuance of the
decision or at the hearing on the matter, or upon other good cause which the

Commission may decide, in its sole discretion, merits reconsideration.

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

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

CCR section 12066, subsection (c) provides:

A decision of the Commission denying an application or imposing conditions on license shall be subject to judicial review as provided in Business and Professions Code section 19870, subdivision (e). Neither the right to petition for judicial review nor the time for filing the petition shall be affected by failure to seek reconsideration.

ORDER

1. Respondents Dog Named Blue, Inc. dba California Gaming Consultants, The Rick Baldaramos Trust, and Richard Baldaramos' Third-Party Provider of Proposition Player Services Renewal Application is DENIED.

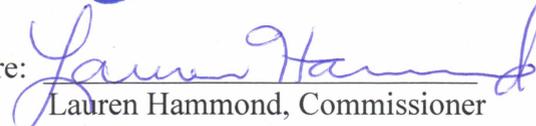
- 2. No costs are to be awarded.
- 3. Each side to pay its own attorneys' fees.

This Order is effective on July 10, 2017.

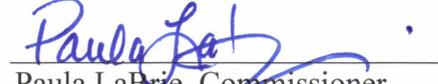
Dated: 6/8/17

Signature: 
Jim Evans, Chairman

Dated: 6/8/17

Signature: 
Lauren Hammond, Commissioner

Dated: 6/8/17

Signature: 
Paula LaBrie, Commissioner

Dated: 6/8/17

Signature: 
Trang To, Commissioner