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**BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION**

In the Matter of the Application for a Key Employee License and Renewal of Work Permit for:

**SEAKNGIM SONG,
A.K.A. NIKKI SONG**

(GEKE-002504)
(GEWP-002788)

Applicant.

CGCC Case No. CGCC-2021-1007-4B
CGCC Case No. CGCC-2022-0823-9
BGC Case No. BGC-HQ-2021-00033SL

DECISION AND ORDER

Hearing Date: February 21, 2023
Time: 9:00 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, via Zoom video conference, on February 21, 2023.

Seakngim Song, also known as Nikki Song (Song or Applicant) did not appear during the evidentiary hearing. No one attended the hearing on Song’s behalf.

Jeremy Stevens, Deputy Attorney General, State of California (DAG Stevens), represented complainant Yolanda Morrow, solely in her official capacity as Director of the California Department of Justice, Bureau of Gambling Control (Bureau).

During the evidentiary hearing, Presiding Officer Kate Patterson (PO Patterson), took official notice of the following documents: the Commission’s Notice and Agenda of Commission Hearing; the Commission’s Conclusion of Prehearing Conference letters; the Commission’s two Notice(s) of Hearing with attachments (A) Song’s initial key employee and renewal work permit applications, and (B) the Bureau’s background investigation report for Song’s key employee and work permit applications; the Bureau’s Statement of Reasons; and Song’s signed Notice(s) of Defense for her applications.

During the evidentiary hearing, PO Patterson accepted into evidence Exhibits 1-21, Bates Nos. Complainant’s 0001- Complainant’s 0531, offered by the Bureau and identified on the Bureau’s Evidentiary Exhibit Index.

PO Patterson closed the administrative record and the matter was submitted for decision

1 on February 21, 2023.

2 FINDINGS OF FACT AND LEGAL CONCLUSIONS

3 **Procedural History**

4 1. Song (license nos. GEKE-002504 and GEWP-002788) was employed by the Outlaws
5 Card Parlour (Outlaws) in various positions from approximately September 2018 until
6 approximately October 2022. On October 21, 2022, the Bureau received a Notification of
7 Employee Separation that indicates that Song “Quit” working for Outlaws. No further explanation
8 was provided. Song also holds a 25 percent interest in the land upon which Outlaws is located.

9 2. Neal Franklin (Franklin) holds a 25 percent interest in the land upon which Outlaws
10 is located. John Wrona (Wrona) holds a 50 percent interest in the land upon which Outlaws is
11 located and is licensed as an owner of Outlaws. Song as involved in Franklin’s various business
12 holdings and ventures. Franklin is not licensed by, and has no application for licensure pending
13 before, the Commission.

14 3. On or about August 30, 2018, the Commission issued to Song Temporary Work
15 Permit License Number GEWP-002788 to allow for her work at Outlaws.

16 4. On or about February 27, 2019, the Bureau received an Application for Interim Key
17 Employee License from Song. On or about March 27, 2019, the Bureau received an
18 Application for Gambling Establishment Key Employee License and Key Employee
19 Supplemental Background Investigation Information and addendums (collectively, Key
20 Employee Application) from Song to allow for her employment at Outlaws as a Key
21 Employee.

22 5. On or about May 2, 2022, the Bureau received an Application for a Work Permit
23 Renewal, dated April 26, 2022, from Song. Song’s Key Employee Application and Work Permit
24 Renewal Application are collectively referred to as “Applications.”

25 6. On or about February 28, 2019, the Commission issued to Song, Interim Personal
26 Portable Key Employee License Number GEKE-002504.

27 7. On or about July 29, 2021, the Bureau issued its Gambling Establishment Key
28 Employee Initial Background Investigation Report (Bureau Report), Level III, for Song’s Key

1 Employee Application in which it recommended that the Commission deny Song’s Key
2 Employee Application. On October 7, 2021, the Commission referred consideration of
3 Applicant’s Key Employee Application to an evidentiary hearing, which is to be held pursuant to
4 CCR, title 4, section 12060.

5 8. On or about October 26, 2021, Applicant submitted a Notice of Defense in reference
6 to her Key Employee Application.

7 9. On or about July 15, 2022, the Bureau issued its Work Permit Renewal Background
8 Investigation Report, Level III, for Applicant’s Work Permit Renewal Application in which it
9 recommended that the Commission deny the Renewal Application based on the conclusions it
10 reached in the Bureau Report.

11 10. On August 23, 2022, the Commission referred consideration of Applicant’s Work
12 Permit Renewal Application to an evidentiary hearing, also to be held pursuant to CCR, title 4,
13 section 12060, and consolidated it with the Commission’s consideration of Applicant’s Key
14 Employee Application.

15 11. On or about October 7, 2022, Applicant submitted a Notice of Defense in reference to
16 her Work Permit Renewal Application.

17 12. On October 17, 2022, the Commission sent a Notice of Hearing, to Song and DAG
18 Stevens. The hearing was set to be conducted via Zoom video conference on February 21-22,
19 2023, at 9:00 a.m. The Notice of Hearing also set a Prehearing Conference which was set to be
20 conducted on January 4, 2023, via Zoom video conference.

21 13. On January 4, 2023, PO Patterson conducted the previously scheduled Prehearing
22 Conference. Song did not attend the Prehearing Conference. On January 4, 2023, PO Patterson
23 sent the Conclusion of Prehearing Conference letter to Song and DAG Stevens advising them that
24 the hearing on the Applications was set to be conducted via Zoom video conference on February
25 21-22, 2023, at 9:00 a.m.

26 14. On November 30, 2023, the Bureau filed a First Amended Statement of Reasons
27 (Statement of Reasons) on Song’s Applications with the Commission. In the Statement of
28 Reasons, the Bureau alleges the Applications should be denied pursuant to Business and

1 Professions Code sections 19850, 19854, subs. (a) & (b), 19855, 19856, 19857, subs. (a) & (b),
2 19859, subs. (a) & (b), 19866, and CCR, title 4, sections 12040 subd. (a).¹

3 **Applicable Statutory and Regulatory Provisions**

4 15. Division 1.5 of the Business and Professions Code, the provisions of which govern the
5 denial of licenses on various grounds, does not apply to licensure decisions made by the
6 Commission under the Gambling Control Act. (Bus. & Prof. Code, § 476, subd. (a).)

7 16. The Act is an exercise of the police power of the state for the protection of the health,
8 safety, and welfare of the people of the State of California, and shall be liberally construed to
9 effectuate those purposes. (Bus. & Prof. Code, § 19971.)

10 17. Public trust that permissible gambling will not endanger public health, safety, or
11 welfare requires that comprehensive measures be enacted to ensure that gambling is free from
12 criminal and corruptive elements, that it is conducted honestly and competitively, and that it is
13 conducted in suitable locations. (Bus. & Prof. Code, § 19801, subd. (g).)

14 18. Public trust and confidence can only be maintained by strict and comprehensive
15 regulation of all persons, locations, practices, associations, and activities related to the operation
16 of lawful gambling establishments. (Bus. & Prof. Code, § 19801, subd. (h).)

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

21 20. An “unqualified person” means a person who is found to be unqualified pursuant to
22 the criteria set forth in Section 19857, and “disqualified person” means a person who is found to
23 be disqualified pursuant to the criteria set forth in Section 19859. (Bus. & Prof. Code, §
24 19823, subd. (b).)

25 21. The Commission shall have all powers necessary and proper to enable it fully and
26 effectually to carry out the policies and purposes of this chapter. (Bus. & Prof. Code, § 19824.)

27 _____
28 ¹ The statutory provisions cited herein are found in the Gambling Control Act (Act). (Bus.
& Prof. Code, div. 8, ch. 5, § 19800 et seq.)

1 22. The Commission has the power to deny any application for a license, permit, or
2 approval for any cause deemed reasonable by the Commission. (Bus. & Prof. Code, § 19824,
3 subd. (b).)

4 23. The Commission has the power to take actions deemed to be reasonable to ensure that
5 no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled
6 gambling activities. (Bus. & Prof. Code, § 19824, subd. (d).)

7 24. The burden of proving his or her qualifications to receive any license from the
8 Commission is on the applicant. (Bus. & Prof. Code, § 19856, subd. (a); CCR, § 12060, subd.
9 (j).)

10 25. An application to receive a license constitutes a request for a determination of the
11 applicant's general character, integrity, and ability to participate in, engage in, or be associated
12 with, controlled gambling. (Bus. & Prof. Code, § 19856, subd. (b).)

13 26. In reviewing an application for any license, the Commission shall consider whether
14 issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the
15 license will undermine public trust that the gambling operations with respect to which the license
16 would be issued are free from criminal and dishonest elements and would be conducted honestly.
17 (Bus. & Prof. Code, § 19856, subd. (c).)

18 27. No gambling license shall be issued unless, based on all of the information and
19 documents submitted, the Commission is satisfied that the applicant is a person of good character,
20 honesty, and integrity. (Bus. & Prof. Code, § 19857, subd. (a).)

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

28 29. No gambling license shall be issued unless, based on all of the information and

1 documents submitted, the Commission is satisfied that the applicant is a person that is in all other
2 respects qualified to be licensed as provided in this chapter. (Bus. & Prof. Code, § 19857, subd.
3 (c).)

4 30. The Commission shall deny a license to any applicant who is disqualified for failure of
5 the applicant to provide information, documentation, and assurances required by this chapter or
6 requested by the chief, or failure of the Song to reveal any fact material to qualification, or the
7 supplying of information that is untrue or misleading as to a material fact pertaining to the
8 qualification criteria. (Bus. & Prof. Code, § 19859, subd. (b).)

9 31. An application will be denied if the Commission finds that any of the provisions of
10 Business and Professions Code section 19859 apply to the applicant. (CCR, § 12040, subd.
11 (a)(2).) A work permit shall not be issued by the Commission or by any city, county, or city and
12 county to any person who would be disqualified from holding a state gambling license for the
13 reasons specified in section 19859, subdivisions (a) to (g), inclusive, of the Act. (Bus. & Prof.
14 Code, § 19912, subd. (b).)

15 32. No person may be issued a key employee license unless the person would qualify for a
16 state gambling license. (Bus. & Prof. Code, § 19854, subd. (b).)

17 33. Business and Professions Code, section 19850 provides:

18 Every person who, either as owner, lessee, or employee, whether
19 for hire or not, either solely or in conjunction with others, deals,
20 operates, carries on, conducts, maintains, or exposes for play any
21 controlled game in this state, or who receives, directly or indirectly,
22 any compensation or reward, or any percentage or share of the money
23 or property played, for keeping, running, or carrying on any controlled
24 game in this state, shall apply for and obtain from the commission, and
25 shall thereafter maintain, a valid state gambling license, key employee
26 license, or work permit, as specified in this chapter. In any criminal
27 prosecution for violation of this section, the punishment shall be as
28 provided in section 337j of the Penal Code.

25 34. This hearing need not be conducted according to technical rules relating to evidence
26 and witnesses. Any relevant evidence may be considered, and is sufficient in itself to support a
27 finding, if it is the sort of evidence upon which reasonable persons are accustomed to rely upon in
28 the conduct of serious affairs, regardless of the existence of any common law or statutory rule that

1 might make improper the admission of the evidence over objection in a civil action. (Bus. & Prof.
2 Code, § 19871, subd. (a)(4); CCR, § 12060, subd. (g)(2).)

3 35. An applicant for licensing or for any approval or consent required by this chapter,
4 shall make full and true disclosure of all information to the Bureau and the Commission as
5 necessary to carry out the policies of this state relating to licensing, registration, and control of
6 gambling. (Bus. & Prof. Code, § 19866.)

7 36. The Bureau relies, in large part, on the applicant's disclosures while conducting a
8 background investigation. The failure to honestly, accurately, and completely disclose
9 information on an application subverts the Bureau's efforts to conduct a thorough and complete
10 investigation. (Bus. & Prof. Code, §§ 19826, subd. (a) and 19866.)

11 37. Both the substance of an applicant's disclosures, and the truthfulness and
12 thoroughness of an applicant's disclosures, are considered by the Bureau in making a
13 recommendation as to the applicant's suitability for licensure, and by the Commission in making
14 a determination whether to approve or deny a license application. (Bus. & Prof. Code, §§ 19824,
15 subds. (a), (d), 19826, subd. (a), and 19866.)

16 **Assessment of Song's Suitability for Licensure**

17 38. For each of the following reasons, cause exists to deny the Applications:

18 a. Song's financial records show that the principal source of start-up funds for Song's
19 businesses and for her purchase of a partial interest in the Outlaws' property, is cash Franklin
20 gave to Song. The source of this cash was monies Franklin kept within a safe deposit box. The
21 source of the monies Franklin kept in his safe deposit box is unknown. It is clear that Song had
22 access to and directly benefited from large sums of cash, including large amounts of cash held in
23 Franklin's safe deposit box. The exact amount of money spent on behalf of Song could not be
24 directly accounted for. This is particularly troubling because Franklin is not licensed by, and has
25 no application for licensure pending before, the Commission. Therefore, the Commission has no
26 ability to assess whether the funds used by Song to purchase her partial interest in the Outlaws'
27 property come from a person who is qualified, and not disqualified, for licensure under the Act.
28 Franklin did not testify at the hearing even though he had notice of it, and appears to have

1 successfully avoided service of the subpoena issued on behalf of the Bureau. Song's failure to
2 supply information about Franklin prevents the Commission from determining whether he should
3 be required to apply for and obtain from the Commission a valid state gambling license (Bus. &
4 Prof. Code, §§ 19850, 19854, subds. (a) & (b), 19855, 19856, 19857, subds. (a) & (b), 19859,
5 subds. (a) & (b), 19866; Cal. Code Regs., tit. 4, § 12040 subds. (a)(1) & (2).)

6 b. The movement of funds within Song's bank accounts in connection with her
7 unverified businesses and her purchase of a partial interest in the Outlaws' property does not
8 correspond with Song's annual earnings as verified by the Bureau through an extensive review of
9 Song's tax records for the years 2015 through 2018. Song's financial records for the years 2015
10 through 2018 show that she does not have the independent financial capacity to start a business.
11 In fact, for tax purposes evidence shows her income is in the "low" category. The source of, and
12 the lack of explanation surrounding, the start-up funds for Song's businesses and her purchase of
13 a partial interest in the Outlaws' property render her unqualified for licensure, and demonstrate
14 that her prior activities, habits, and associations may create or enhance the dangers of unsuitable,
15 unfair or illegal practices in the carrying on of the business and financial arrangements incidental
16 to controlled gambling. (Bus. & Prof. Code, §§ 19857, subds. (a), (b), 19859, subd. (a).)

17 c. Song's Applications are further subject to denial because when the Bureau
18 requested that she do so, Song failed to provide satisfactory documentation demonstrating
19 the source of the majority of the funds she has used to invest in her businesses, including her
20 partial ownership interest in Outlaws' property, aside from indicating that the funds ultimately
21 came from Franklin's safe deposit box. (Bus. & Prof. Code, § 19859, subd. (b).) The Bureau's
22 review of Song's tax returns as a whole did not confirm any of the individual line items within
23 her business tax returns as filed with the Internal Revenue Service. (Bus. & Prof. Code, § 19859,
24 subd. (a).) Ultimately, consistent with the Bureau Report, the Commission finds that Song is
25 unable to substantiate her overall finances or the source of funds used to support her lifestyle and
26 financial interests and investments. This finding is based on a lack of documentation or paper trail
27 regarding key financial transactions involving Song. For example, Song did not produce, and the
28 record does not contain, a paper trail to substantiate her statements related to her businesses,

1 including two donut shops, that are connected to Franklin. As another example, Song paid
2 \$95,000 cash towards a home in Texas, yet she did not provide any supporting documents
3 showing the source of the cash. (Bus. & Prof. Code, §§ 19854, subds. (a) & (b), 19856, 19857,
4 subds. (a) & (b), 19859, subds. (a) & (b), 19866; Cal. Code Regs., tit. 4, § 12040 subd. (a).)

5 d. Song provided conflicting and contradicting statements to the Bureau in
6 connection with its inquiries about material facts related to her finances. As one example, after
7 initially advising the Bureau that she was purchasing the property on which Outlaws is located,
8 she claimed later not to know anything about details of how she came to own the property. As the
9 Bureau Report notes:

10 “It was clear during the interview that [Song] was not an active participant
11 in the purchase of the property containing the gambling establishment. She
12 did not have an understanding of what she signed, what was actually
13 purchased, and that the funds used for the purchase came from a joint
14 account she maintained with Mr. Franklin, that was primarily funded by
15 cash held in safe deposit box(s). The actual source of how the cash funds
16 were generated could not be verified.”

17 (Bus. & Prof. Code, §§ 19857, subds. (a), (b), 19859, subds. (a), (b).)

18 e. Lastly, because she failed to provide satisfactory information to the Bureau in
19 response to its repeated requests for explanations about her finances, Song is unqualified for
20 licensure pursuant to Business and Profession Code sections 19856, subdivisions (a) and (b), and
21 19857, subdivision (b), and disqualified for licensure pursuant to section 19859, subdivisions (a)
22 and (b).

23 39. Overall, Song’s financial history remains opaque even though the Bureau gave her
24 every opportunity during the background investigation process to be transparent regarding the
25 source of funds for her business interests and purchase of the Outlaw’s property. Therefore, Song
26 failed to clearly establish her eligibility and qualification for licensure under the Act, and to
27 demonstrate that she does not pose a risk to the effective regulation and control of gambling.
28 (Bus. & Prof. Code, §§ 19854, subds. (a) & (b), 19856, 19857, subds. (a) & (b), 19859, subds. (a)
& (b), 19866; Cal. Code Regs., tit. 4, § 12040 subd. (a).)

1 40. Furthermore, by failing to attend the noticed hearing Song did not carry her burden to
2 prove she is qualified for licensure because she failed to address the facts identified by the Bureau
3 and used by the Commission as a bases for this Decision and Order. (Bus. & Prof. Code, § 19856,
4 subd. (a); CCR, § 12060, subd. (j).)

5 41. All documentary and testimonial evidence submitted by the parties that is not
6 specifically addressed in this Decision and Order was considered but not used by the Commission
7 in making its determination on Song’s Application.

8 NOTICE OF APPLICANT’S APPEAL RIGHTS

9 Song has the following appeal rights available under state law:

10 1. CCR section 12064, subsections (a) and (b) provide, in part:

11 (a) After the Commission issues a decision following a GCA hearing conducted
12 pursuant to Section 12060, an applicant denied a license, permit, registration, or
13 finding of suitability, or whose license, permit, registration, or finding of
14 suitability has had conditions, restrictions, or limitations imposed upon it, may
request reconsideration by the Commission. A request for reconsideration must
be:

15 (1) Made in writing to the Commission, copied to the Complainant. The
Bureau may provide a written response to the Commission within 10 calendar days
16 of receipt of the request; and

17 (2) Received by the Commission and Complainant within 30 calendar days of
service of the decision, or before the effective date specified in the decision,
18 whichever is earlier.

19 (b) A request for reconsideration must state the reasons for the request, which must
be based upon either:

20 (1) Newly discovered evidence or legal authorities that could not reasonably
21 have been presented before the Commission’s issuance of the decision or at the
hearing on the matter; or,

22 (2) Other good cause which the Commission may decide, in its sole discretion,
23 merits reconsideration.

24 2. Business and Professions Code section 19870, subdivision (f), provides:

25 A decision of the commission after an evidentiary hearing, denying a license or
26 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
27 Civil Procedure. Section 1094.5 of the Code of Civil Procedure shall not apply to
any judicial proceeding held to consider that petition, and the court may grant the
28 petition only if the court finds that the action of the commission was arbitrary and

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capricious, or that the action exceeded the commission's jurisdiction.

3. CCR section 12066, subsection (c), provides, in part:

Neither the right to petition for judicial review nor the time for filing the petition shall be affected by failure to seek reconsideration.

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ORDER

- 1. Seakngim Song’s Application for Gambling Establishment Key Employee License and Application for Renewal of Work Permit is DENIED.
- 2. No costs are awarded.
- 3. Each side to pay its own attorneys’ fees.

This Order is effective on May 20, 2023.

Dated: 4/20/2023 Signature: 
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Paula LaBrie, Chair

Dated: 4/20/2023 Signature: 
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Cathleen Galgiani, Commissioner

Dated: 4/20/2023 Signature: 
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Eric Heins, Commissioner

Dated: 4/20/2023 Signature: 
7722F4571120449...
William Liu, Commissioner

Dated: 4/20/2023 Signature: 
14B4AD3B90F8462...
Edward Yee, Commissioner