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CALIFORNIA GAMBLING
CONTROL COMMISSION

1 KAMALA D. HARRIS
Attorney General of California
2 SARA J. DRAKE
Senior Assistant Attorney General
3 RONALD L. DIEDRICH
Deputy Attorney General
4 State Bar No. 95146
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 322-1043
Fax: (916) 327-2319
7 E-mail: Ronald.Diedrich@doj.ca.gov
Attorneys for the Complainant

8
9 **BEFORE THE**

10 **CALIFORNIA GAMBLING CONTROL COMMISSION**

11 **STATE OF CALIFORNIA**

12
13
14 **In the Matter of the Accusation Against:**

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

18 **6010 Stockton Blvd.**
Sacramento, California 95824

19 **LICENSE NUMBER GEOW-003312,**

20
21 **and**

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

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

26 **LICENSE NUMBER GEOW-003222,**

27 **Respondent.**

BGC Case No.: BGC-HQ2011-00004AL
(Lotus Casino)

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

OAH No. :

ACCUSATION

1 Complainant alleges as follows:

2 **PARTIES**

3 1. Martin Horan IV (Complainant) brings this Accusation solely in his official
4 capacity as the Acting Chief of the California Department of Justice, Bureau of Gambling
5 Control (Bureau).

6 2. At all times relevant herein John Park (Respondent) held a state gambling license,
7 California State Gambling License Number GEOW-003312, as the sole shareholder of The
8 Silver F, Inc., California State Gambling License Number GEOW-003313, owner of Lotus
9 Casino (Lotus), California State Gambling License Number GEOW-001321.¹ Respondent's
10 license will expire on September 30, 2012, unless renewed.

11 3. At all times relevant herein Respondent held a state gambling license, California
12 State Gambling License Number GEOW-003222, as the sole member of Cal-Pac Rancho
13 Cordova, LLC, California State Gambling License Number GEOW-003228, owner of Cordova
14 Restaurant & Casino (Cordova), California State Gambling License Number GEOW-001300.²
15 Respondent's license will expire on October 31, 2012, unless renewed.

16 4. At all times relevant herein Respondent held a state gambling license, California
17 State Gambling License Number TPOW-000073, as the sole shareholder of Network
18 Management Group, Inc. (NMG), State Gambling License Number TPPP-000002, a third-party
19 provider of proposition player services.³ Respondent's license will expire on August 31, 2012,
20 unless renewed.

21 5. At all times relevant herein Respondent, as sole shareholder of NMG, was an owner
22 of PT Gaming, LLC (PTG), State Gambling License Number TPPP-000004, a third-party
23 provider of proposition player services. Until June 7, 2011, NMG/Respondent was an

24 ¹ Respondent, as the sole shareholder of The Silver F, Inc., is required to hold a state
25 gambling license. (See Bus. & Prof. Code, §§ 19852 & 19883.)

26 ² Respondent, as the sole member of Cal-Pac Rancho Cordova, LLC, is required to hold
a state gambling license. (See Bus. & Prof. Code, §§ 19852 & 19890.5.)

27 ³ Respondent, as the sole shareholder of NMG, is required to hold a state gambling
28 license. (See Bus. & Prof. Code, §§ 19852 & 19984.)

1 unlicensed and/or unregistered owner of PTG. On June 7, 2011, NMG/Respondent became a
2 licensed and/or registered owner of PTG, State Gambling License Number TPOW-000464.⁴
3 NMG/Respondent's license and/or registration will expire on February 28, 2013, unless
4 renewed.

5 JURISDICTION

6 6. Business and Professions Code section 19811 provides, in part:

7 (b) Jurisdiction, including jurisdiction over operation and
8 concentration, and supervision over gambling establishments in this state
9 and over all persons or things having to do with the operations of gambling
establishments is vested in the commission.⁵

10 7. Business and Professions Code section 19823 provides:

11 (a) The responsibilities of the commission include, without
12 limitation, all of the following:

13 (1) Assuring that licenses, approvals, and permits are not issued to, or
14 held by, unqualified or disqualified persons, or by persons whose
15 operations are conducted in a manner that is inimical to the public health,
safety, or welfare.

16 (2) Assuring that there is no material involvement, directly or
17 indirectly, with a licensed gambling operation, or the ownership or
18 management thereof, by unqualified or disqualified persons, or by persons
whose operations are conducted in a manner that is inimical to the public
19 health, safety, or welfare.

20 8. Business and Professions Code section 19824 provides, in part:

21 The commission shall have all powers necessary and proper to enable
22 it fully and effectually to carry out the policies and purposes of this
chapter⁶], including, without limitation, the power to do all of the
23 following:

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

26 ⁵ Hereinafter, "commission" refers to the California Gambling Control Commission.
(Bus. & Prof. Code, § 19805, subd. (e).)

27 ⁶ Hereinafter, "chapter" refers to Business and Professions Code division 8, chapter 5,
28 (commencing with section 19800), also known as the Gambling Control Act.

1 * * *

2 (b) For any cause deemed reasonable by the commission . . . limit,
3 condition, or restrict any license, permit, or approval, or impose any fine
4 upon any person licensed or approved. The commission may condition,
5 restrict, discipline, or take action against the license of an individual owner
6 endorsed on the license certificate of the gambling enterprise whether or
7 not the commission takes action against the license of the gambling
8 enterprise.

9 * * *

10 (d) Take actions deemed to be reasonable to ensure that no ineligible,
11 unqualified, disqualified, or unsuitable persons are associated with
12 controlled gambling activities.

13 9. Business and Professions Code section 19826 provides, in part:

14 The department^[7] shall have all of the following responsibilities:

15 * * *

16 (c) To investigate suspected violations of this chapter or laws of this
17 state relating to gambling, including any activity prohibited by Chapter 9
18 (commencing with Section 3190 or Chapter 10 (commencing with Section
19 330) of Title 9 of Part 1 of the Penal Code.

20 * * *

21 (e) To initiate, where appropriate, disciplinary actions as provided in
22 this chapter. In connection with any disciplinary action, the department
23 may seek restriction, limitation, suspension, or revocation of any license or
24 approval, or the imposition of any fine upon any person licensed or
25 approved.

26 10. Business and Professions Code section 19930 provides, in part:

27 (b) If, after any investigation, the department is satisfied that a
28 license, permit, finding of suitability, or approval should be suspended or
revoked, it shall file an accusation with the commission in accordance with
Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of title
2 of the Government Code.

(c) In addition to any action that the commission may take against a
license, permit, finding of suitability, or approval, the commission may

⁷ Hereinafter, "department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).)

1 also require the payment of fines or penalties. However, no fine imposed
2 shall exceed twenty thousand dollars (\$20,000) for each separate violation
3 of any provision of this chapter or any regulation adopted thereunder.

4 11. California Code of Regulations, title 4, section 12554 provides, in part:

5 (a) Upon the filing with the Commission of an accusation by the
6 Bureau recommending revocation, suspension, or other discipline of a holder
7 of a license, registration, permit, finding of suitability, or approval, the
8 Commission shall proceed under Chapter 5 (commencing with section
9 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

10 COST RECOVERY

11 12. Business and Professions Code section 19930 provides, in part:

12 (d) In any case in which the administrative law judge recommends
13 that the commission revoke, suspend, or deny a license, the administrative
14 law judge may, upon presentation of suitable proof, order the licensee or
15 applicant for a license to pay the department the reasonable costs of the
16 investigation and prosecution of the case.

17 * * *

18 (f) For purposes of this section, "costs" include costs incurred for
19 any of the following:

20 (1) The investigation of the case by the department.

21 (2) The preparation and prosecution of the case by the Office of
22 the Attorney General.

23 SPECIFIC STATUTORY AND REGULATORY PROVISIONS

24 13. Penal Code section 330 provides, in part:

25 Every person who deals, plays, or carries on, opens, or causes to be
26 opened, or who conducts, either as owner or employee, whether for hire or
27 not, . . . any banking . . . game played with cards, . . . for money, checks,
28 credit, or other representative of value, . . . is guilty of a misdemeanor . . .

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14. Penal Code section 330.11 provides, in part:

“Banking game” or “banked game” does not include a controlled game if the published rules of the game . . . preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. . . . The house shall not occupy the player-dealer position.

15. Business and Professions Code section 19851 provides in part:

(a) The owner of a gambling enterprise shall apply for and obtain a state gambling license.

16. Business and Professions Code section 19920 provides:

It is the policy of the State of California to require that all establishments wherein controlled gambling is conducted in this state be operated in a manner suitable to protect the public health, safety, and general welfare of the residents of the state. The responsibility for the employment and maintenance of suitable methods of operation rests with the owner licensee, and willful or persistent use or toleration of methods of operation deemed unsuitable by the commission or by local government shall constitute grounds for license revocation or other disciplinary action.

17. Business and Professions Code section 19922 provides:

No owner licensee shall operate a gambling enterprise in violation of any provision of this chapter or any regulation adopted pursuant to this chapter.

18. Business and Professions Code section 19984 provides, in part:

Notwithstanding any other provision of law, a licensed gambling enterprise may contract with a third party for the purpose of providing proposition player services at a gambling establishment, subject to the following conditions:

(a) . . . [I]n no event shall a gambling enterprise or the house have any interest, whether direct or indirect, in funds wagered, lost, or won.

(b) The commission shall establish reasonable criteria for, and require the licensure and registration of, any person or entity that provides proposition players services to gambling establishments pursuant to this section, including owners, supervisors, and players. . . .

1 19. California Code of Regulations, title 4, section 12200 provides in part:

2 (b) As used in this chapter:

3 (10) "Funding source" means any person that provides
4 financing, including but not limited to loans, advances, any other
5 form of credit, chips, or any other representation or thing of
6 value to an owner-registrant or owner-licensee, other than
7 individual registrant under subsection (d) of Section 12201 or
8 individual licensees.

9 * * *

10 (16) "Owner" includes all of the following:

11 * * *

12 (C) Any funding source.

13 20. California Code of Regulations, title 4, section 12200.7 provides in part:

14 (b) Each proposition player contract shall specifically require all of
15 the following to be separately set forth at the beginning of the contract in
16 the following order:

17 * * *

18 (11) That a registrant or licensee may not provide
19 proposition player services in a gambling establishment for
20 which the registrant holds a state gambling license, key
21 employee license, or work permit.

22 * * *

23 (e) A proposition player contract shall be consistent with the
24 provisions of Business and Professions Code section 19984,
25 subdivision (a), prohibiting a gambling establishment or the house
26 from having any interest, whether direct or indirect, in funds wagered,
27 lost, or won. No proposition player contract shall be approved that
28 would permit the house to bank any game in the gambling
establishment.

21. California Code of Regulations, title 4, section 12200.9 provides in part:

(a)(1) Proposition player services shall not be provided except
pursuant to a written proposition player contract

1 FIRST CAUSE FOR DISCIPLINE

2 (Banked Games at Lotus – Penal Code sections 330 & 330.11)

3 22. Respondent's licenses are subject to discipline pursuant to Business and Professions
4 Code sections 19920 and 19922, in that from on or about September 20, 2010, through on or
5 about August 1, 2011, Respondent offered for play banking games or banked games at Lotus in
6 violation of Penal Code sections 330 and 330.11. Such prohibited conduct occurred every time
7 an employee of PTG occupied the player-dealer position and accepted the bank, in that
8 Respondent as owner of both Lotus and PTG was thereby directly or indirectly operating as the
9 house bank or player-dealer in each such hand that was played.

10 SECOND CAUSE FOR DISCIPLINE

11 (Banked Games at Cordova – Penal Code sections 330 & 330.11)

12 23. Respondent's licenses are subject to discipline pursuant to Business and Professions
13 Code sections 19920 and 19922, in that from on or about February 1, 2010, through on or about
14 August 1, 2011, Respondent offered for play banking games or banked games at Cordova in
15 violation of Penal Code sections 330 and 330.11. Such prohibited conduct occurred every time
16 an employee of PTG occupied the player-dealer position and accepted the bank, in that
17 Respondent as owner of both Cordova and PTG was thereby directly or indirectly operating as
18 the house bank or player-dealer in each such hand that was played.

19 THIRD CAUSE FOR DISCIPLINE

20 (Impermissible Interest in Funds Wagered, Lost or Won at Lotus)

21 24. Respondent's licenses are subject to discipline pursuant to Business and Professions
22 Code sections 19920 and 19922, in that from on or about September 20, 2010, through on or
23 about August 1, 2011, Respondent had a direct or indirect interest in the funds wagered, lost, or
24 won at Lotus in violation of Business and Professions Code section 19984, subdivision (a), and
25 California Code of Regulations, title 4, sections 12200.7, subdivision (e), and 12200.9,
26 subdivision (a)(1). Such prohibited conduct occurred every time an employee of PTG occupied
27 the player-dealer position and accepted the bank, in that Respondent as owner of both Lotus and
28

1 PTG thereby had a direct or indirect interest in the funds wagered, lost, or won in each such
2 hand that was played.

3 **FOURTH CAUSE FOR DISCIPLINE**

4 **(Impermissible Interest in Funds Wagered, Lost or Won at Cordova)**

5 25. Respondent's licenses are subject to discipline pursuant to Business and Professions
6 Code sections 19920 and 19922, in that from on or about February 1, 2010, through on or about
7 August 1, 2011, Respondent had a direct or indirect interest, in the funds wagered, lost, or won
8 at Cordova in violation of Business and Professions Code section 19984, subdivision (a), and
9 California Code of Regulations, title 4, sections 12200.7, subdivision (e), and 12200.9,
10 subdivision (a)(1). Such prohibited conduct occurred every time an employee of PTG occupied
11 the player-dealer position and accepted the bank, in that Respondent as owner of both Cordova
12 and PTG thereby had a direct or indirect interest in the funds wagered, lost, or won in each such
13 hand that was played.

14 **FIFTH CAUSE FOR DISCIPLINE**

15 **(Impermissibly Providing Proposition Player Services at a Gambling Establishment for
16 which Respondent Held a State Gambling License - Lotus)**

17 26. Respondent's licenses are subject to discipline pursuant to Business and Professions
18 Code sections 19920 and 19922, in that from on or about September 20, 2010, through on or
19 about August 1, 2011, Respondent impermissibly provided proposition player services at Lotus,
20 a gambling establishment for which he held a state gambling license, in violation of California
21 Code of Regulations, title 4, sections 12200.7, subdivision (b)(11), and 12200.9, subdivision
22 (a)(1). PTG, of which Respondent was an owner, provided proposition player services at Lotus,
23 which Respondent also owned.

24 **SIXTH CAUSE FOR DISCIPLINE**

25 **(Impermissibly Providing Proposition Player Services at a Gambling Establishment for
26 which Respondent Held a State Gambling License - Cordova)**

27 27. Respondent's licenses are subject to discipline pursuant to Business and Professions
28 Code sections 19920 and 19922, in that from on or about February 1, 2010, through on or about

1 August 1, 2011, Respondent impermissibly provided proposition player services at Cordova, a
2 gambling establishment for which he held a stage gambling license in violation of California
3 Code of Regulations, title 4, sections 12200.7, subdivision (b)(11), and 12200.9, subdivision
4 (a)(1). PTG, of which Respondent was an owner, provided proposition player services at
5 Cordova, which Respondent also owned.

6 **SEVENTH CAUSE FOR DISCIPLINE**

7 **(Unlicensed and/or Unregistered Ownership of a Proposition Player Service – PTG)**

8 28. Respondent's licenses are subject to discipline pursuant to Business and Professions
9 Code sections 19920 and 19922, in that from on or about February 1, 2010, through on or about
10 June 6, 2011, Respondent was an unlicensed and/or unregistered owner of PTG in violation of
11 Business and Professions Code sections 19851, subdivision (a), and 19984, subdivision (b), and
12 California Code of Regulations, title 4, section 12200, subdivisions (b)(10) and (b)(16)(C).

13 **PRAYER**

14 WHEREFORE, Complainant requests that a hearing be held on the matters herein
15 alleged, and that following the hearing, the Commission issue a decision:

16 1. Revoking or suspending California State Gambling License Number GEOW-
17 003312 issued to John Park, as the sole shareholder of The Silver F, Inc., California State
18 Gambling License Number GEOW-003313, owner of Lotus Casino, California State Gambling
19 License Number GEGE-0013;

20 2. Revoking or suspending California State Gambling License Number GEOW-
21 003222 issued to John Park, as the sole member of Cal-Pac Rancho Cordova, LLC, California
22 State Gambling License Number GEOW-003228, owner of Cordova Restaurant & Casino,
23 California State Gambling License Number GEGE-001300;


24 3. Fining John Park twenty thousand dollars (\$20,000) pursuant to Business and
25 Professions Code section 19930, subdivision (c), for each and every separate violation of any
26 provision of the Gambling Control Act or any regulation adopted thereunder found to have
27 occurred;

28

1 4. Awarding Complainant the costs of investigation and the costs of bringing this
2 Accusation before the Commission, pursuant to Business and Professions Code section 19930,
3 subdivisions (d) and (f), in a sum according to proof; and

4 5. Taking such other and further action as the Commission may deem appropriate.

5
6 Dated: June 1, 2012


MARTIN HORAN IV, Acting Chief
Bureau of Gambling Control
California Department of Justice

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