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CALIFORNIA GAMBLING  
CONTROL COMMISSION

8  
9 **BEFORE THE**  
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**  
11 **STATE OF CALIFORNIA**

12  
13 **In the Matter of the Statement of Reasons  
for Denial of License Application:**

BGC Case No. BGC-HQ2014-00006SL

CGCC Case No: CGCC-2014-0306-8B

14  
15 **VICHAI KEVIN YANG**



STATEMENT OF REASONS

16  
17  
18 **Respondent.**

19  
20 Complainant alleges as follows:

21 **PARTIES**

22 1. Wayne J. Quint, Jr. (Complainant) brings this Statement of Reasons for denial of  
23 an Application for Initial Regular Work Permit solely in his official capacity as the Chief of the  
24 California Department of Justice, Bureau of Gambling Control (Bureau).

25 2. On or about December 26, 2012, Vichai Kevin Yang<sup>1</sup> (Respondent) submitted an  
26 Application for Initial Regular Work Permit/Temporary Work Permit CGCC-021 (Rev. 06/12),

27  
28 <sup>1</sup> Respondent is also known as Kai Khu Yang.

1 and Work Permit Questionnaire (BGC-LIC. 049 (Rev. 11/07)) (collectively: Application) to the  
2 California Gambling Control Commission (Commission).

3 3. On December 28, 2012, the Commission granted Respondent a Temporary Work  
4 Permit (GEWP-001921).

5 4. At its October 10, 2013 meeting, the Commission referred the matter of  
6 Respondent's suitability for licensure to an evidentiary hearing.

7 5. On or about March 6, 2014, pursuant to California Code of Regulations, title 4,  
8 section 12050, subdivision (b), the Commission's Executive Director set the matter for a  
9 hearing to be conducted pursuant to the provisions of Business and Professions Code sections  
10 19870 and 19871, and California Code of Regulations, title 4, section 12050, subdivision (b)(2).

### 11 JURISDICTION

12 6. Business and Professions Code section 19811, subdivision (b), provides:

13 Jurisdiction, including jurisdiction over operation and concentration, and  
14 supervision over gambling establishments in this state and over all persons or things  
15 having to do with the operations of gambling establishments is vested in the  
16 commission.

17 7. Business and Professions Code section 19823 provides:

18 (a) The responsibilities of the commission include, without limitation, all  
19 of the following:

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

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

(b) For the purposes of this section, "unqualified person" means a person  
who is found to be unqualified pursuant to the criteria set forth in Section 19857, and  
"disqualified person" means a person who is found to be disqualified pursuant to the  
criteria set forth in Section 19859.

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

The commission shall have all powers necessary and proper to enable it fully

1 and effectually to carry out the policies and purposes of this chapter, including,  
2 without limitation, the power to do all of the following:

3 \* \* \*

4 (b) For any cause deemed reasonable by the commission, deny any  
5 application for a license, permit, or approval provided for in this chapter or  
6 regulations adopted pursuant to this chapter, limit, condition, or restrict any license,  
7 permit, or approval, or impose any fine upon any person licensed or approved. The  
8 commission may condition, restrict, discipline, or take action against the license of  
9 an individual owner endorsed on the license certificate of the gambling enterprise  
10 whether or not the commission takes action against the license of the gambling  
11 enterprise.

12 \* \* \*

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

16 9. Business and Professions Code section 19870 provides:

17 (a) The commission, after considering the recommendation of the  
18 chief and any other testimony and written comments as may be presented at the  
19 meeting, or as may have been submitted in writing to the commission prior to the  
20 meeting, may either deny the application or grant a license to an applicant who it  
21 determines to be qualified to hold the license.

22 (b) When the commission grants an application for a license or  
23 approval, the commission may limit or place restrictions thereon as it may deem  
24 necessary in the public interest, consistent with the policies described in this  
25 chapter.

26 (c) When an application is denied, the commission shall prepare and  
27 file a detailed statement of its reasons for the denial.

28 (d) All proceedings at a meeting of the commission relating to a  
license application shall be recorded stenographically or by audio or video  
recording.

(e) 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.

10. Business and Professions Code section 19871 provides:

(a) The commission meeting described in Section 19870 shall be  
conducted in accordance with regulations of the commission and as follows:

- 1 (1) Oral evidence shall be taken only upon oath or  
affirmation.
- 2 (2) Each party shall have all of the following rights:
- 3 (A) To call and examine witnesses.
- 4 (B) To introduce exhibits relevant to the issues of the  
5 case.
- 6 (C) To cross-examine opposing witnesses on any  
7 matters relevant to the issues, even though the matter was not  
covered on direct examination.
- 8 (D) To impeach any witness, regardless of which party  
9 first called the witness to testify.
- 10 (E) To offer rebuttal evidence.
- 11 (3) If the applicant does not testify in his or her own behalf,  
he or she may be called and examined as if under cross-examination.
- 12 (4) The meeting need not be conducted according to technical  
13 rules relating to evidence and witnesses. Any relevant evidence may be  
14 considered, and is sufficient in itself to support a finding, if it is the sort  
15 of evidence on which responsible persons are accustomed to rely in the  
conduct of serious affairs, regardless of the existence of any common law  
or statutory rule that might make improper the admission of that evidence  
over objection in a civil action.
- 16 (b) Nothing in this section confers upon an applicant a right to  
17 discovery of the department's<sup>2</sup> investigative reports or to require disclosure of  
18 any document or information the disclosure of which is otherwise prohibited by  
any other provision of this chapter.

### 19 SPECIFIC STATUTORY AND REGULATORY PROVISIONS

20 11. Business and Professions Code section 19856, subdivision (a) provides, in part:

21 The burden of proving his or her qualifications to receive any license is on  
22 the applicant.

23 12. Business and Professions Code section 19857 provides:

24 No gambling license shall be issued unless, based on all the information  
25 and documents submitted, the commission is satisfied that the applicant is all of  
the following:

- 26 (a) A person of good character, honesty and integrity.

27 <sup>2</sup> "Department" refers to the Department of Justice, Bureau of Gambling Control. (Bus.  
28 & Prof. Code, § 19805, subd. (h).)

1 (b) A person whose prior activities, criminal record, if  
2 any, reputation, habits, and associations do not pose a threat to the  
3 public interest of this state, or to the effective regulation and control  
4 of controlled gambling, or create or enhance the dangers of  
unsuitable, unfair, or illegal practices, methods, and activities in the  
conduct of controlled gambling or in the carrying on of the business  
and financial arrangements incidental thereto.

5 13. Business and Professions Code section 19912 provides, in part:

6 (a)(1) A person shall not be employed as a gambling enterprise  
7 employee, or serve as an independent agent, except as provided in paragraph (2),  
unless he or she is the holder of one of the following:

8 \* \* \*

9 (B) A work permit issued by the commission  
10 pursuant to regulations adopted by the commission for the  
issuance and renewal of work permits. A work permit  
issued by the commission shall be valid for two years.

11 \* \* \*

12 (c) The department may object to the issuance of a work permit by a  
13 city, county, or city and county for any cause deemed reasonable by the  
department, and if the department objects to issuance of a work permit, the work  
14 permit shall be denied.

15 \* \* \*

16 (3) Any person whose application for a work  
17 permit has been denied because of an objection by the  
department may apply to the commission for an evidentiary  
hearing in accordance with regulations.

18 (d) Application for a work permit for use in any jurisdiction where a  
19 locally issued work permit is not required by the licensing authority of a city,  
county, or city and county shall be made to the department, and may be granted  
20 or denied for any cause deemed reasonable by the commission. If the  
commission denies the application, it shall include in its notice of denial a  
21 statement of facts upon which it relied in denying the application. Upon receipt  
of an application for a work permit, the commission may issue a temporary work  
22 permit for a period not to exceed 120 days, pending completion of the  
background investigation by the department and official action by the  
commission with respect to the work permit application.

23 (e) An order of the commission denying an application for, or placing  
24 restrictions or conditions on, a work permit, including an order declining to issue  
a work permit following review pursuant to paragraph (3) of subdivision (c),  
25 may be reviewed in accordance with subdivision (e) of Section 19870.

26 14. California Code of Regulations, title 4, section 12105 provides:

27 (a) An application for a work permit shall be denied by the  
28 Commission if either of the following applies:

1 \* \* \*

2 (2) The applicant is found unqualified pursuant to the  
3 criteria set forth in subdivisions (a) or (b) of Business and  
4 Professions Code section 19857.

5 (b) Any application for a work permit may be denied by the  
6 Commission if it finds any of the following:

7 (1) Cause set forth in Business and Professions Code  
8 section 19914, subdivision (a), paragraphs (1) through (9),  
9 inclusive.

10 \* \* \*

11 (c) The grounds for denial set forth in this section apply in  
12 addition to any grounds prescribed by statute.

13 15. Business and Professions Code section 19914, provides, in part:

14 (a) The commission may revoke a work permit or, if issued by the  
15 licensing authority of a city, county, or city and county, notify the authority to  
16 revoke it, and the licensing authority shall revoke it, if the commission finds,  
17 after a hearing, that a gambling enterprise employee or independent agent has  
18 failed to disclose, misstated, or otherwise misled the department or the  
19 commission with respect to any fact contained in any application for a work  
20 permit, or if the commission finds that the employee or independent agent,  
21 subsequent to being issued a work permit, has done any of the following:

22 \* \* \*

23 (3) Concealed or refused to disclose any material fact in  
24 any investigation by the department.

25 **FIRST CAUSE FOR DENIAL OF LICENSE APPLICATION**  
26 **(Criminal Convictions)**

27 16. Respondent's work permit application is subject to denial pursuant to Business and  
28 Professions Code, section 19857, and California Code of Regulations, title 4, section 12105, in  
that:

a. On or about May 22, 2001, Respondent was convicted of violating Penal Code  
section 148, subdivision (a)(1), resisting, delaying or obstructing an officer, a misdemeanor and  
crime of moral turpitude in the case of *People v. Yang* (Super. Ct. Colusa County, 2001, No.

1 CR40705). Respondent's criminal conviction occurred more than ten years prior to the  
2 submission of his Application. (Bus. & Prof. Code, § 19859, subd. (d).)

3 b. On or about January 6, 2010, Respondent was convicted of violating Vehicle  
4 Code section 21453, subdivision (a), failure to stop at red signal before entering the crosswalk, an  
5 infraction in the case of *People v. Yang* (Super. Ct. Sacramento County, 2009, No. 2009228963)  
6 that turned into a Failure to Appear for Respondent.

7 **SECOND CAUSE FOR DENIAL OF LICENSE APPLICATION**  
8 **(Dishonesty)**

9 17. Respondent's work permit application is subject to denial pursuant to Business and  
10 Professions Code, section 19857, and California Code of Regulations, title 4, section 12105, in  
11 that:

12 a. On October 8, 2013, Respondent provided the Bureau an untrue and misleading  
13 written statement regarding the facts pertaining to his arrest on April 25, 2001.

14 b. At the Commission meeting on October 10, 2013, Respondent provided untrue  
15 or misleading facts pertaining to his arrest on April 25, 2001.

16 **PRAYER**

17 WHEREFORE, Complainant requests that following the hearing to be held on the matters  
18 herein alleged, that the Commission issue a decision:

19 1. Denying Respondent's Application for Initial Regular Work Permit/Temporary Work  
20 Permit;

21 2. Taking such other and further action as the Commission may deem appropriate.

22  
23 Dated: January 13, 2015

24 *Wayne J. Quint, Jr.*  
25 Wayne J. Quint, Jr., Chief  
26 Bureau of Gambling Control  
27 California Department of Justice  
28 Complainant

**KAMALA D. HARRIS**  
Attorney General

State of California  
**DEPARTMENT OF JUSTICE**



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January 14, 2015

Pamela Mathauser, Administrative Hearings Coordinator  
California Gambling Control Commission  
2399 Gateway Oaks Boulevard, Suite 200  
Sacramento, CA 95833

RE: In the Matter of the Statement of Reasons Against:  
Vichai Kevin Yang

Dear Ms. Mathauser:

Enclosed please find for filing the Statement of Reasons in the above-referenced matter. Please file the enclosed Statement of Reasons in accordance with the Commission's usual filing procedures.

Please retain one file-stamped copy of the Statement of Reasons for your files and return the endorsed-filed original to me, for use by the Complainant in the administrative hearing proceedings.

The original Statement of Reasons, together with the other relevant case documentation, pursuant to the Gambling Control Act, will be returned to the Commission following the evidentiary hearing and issuance of the proposed decision in this matter.

If you have any questions regarding this matter, please do not hesitate to contact me at the number listed above. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Linda Thorpe".

LINDA THORPE, Secretary to  
RONALD L. DIEDRICH

For KAMALA D. HARRIS  
Attorney General

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Enclosure

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CALIFORNIA GAMBLING  
CONTROL COMMISSION