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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION
STATE OF CALIFORNIA

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

MENG CHEA

Registration Nos. TPPL-008987

Respondent.

BGC Case No. BGC-HQ2013-00009SL

CGCC Case No:

STATEMENT OF REASONS

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Complainant alleges as follows:

PARTIES

1. Wayne J. Quint, Jr. (Complainant) brings this Statement of Reasons for Denial of License Application and Cancellation of Registration solely in his official capacity as the Chief of the California Department of Justice, Bureau of Gambling Control (Bureau).

2. Meng Chea (Respondent) holds a registration as a third-party proposition player, registration number TPPL-008987. He is employed in that capacity by PT Gaming, LLC, a

1 licensed provider of third-party proposition player services. Respondent's registration as a third-
2 party proposition player will expire on October 15, 2015.

3 3. On or about February 14, 2011, the Bureau received an Application for a Third-Party
4 Proposition Player Services License, submitted by Respondent to convert his registration as a
5 third-party proposition player to a license.¹

6 4. At its November 21, 2013 meeting, the California Gambling Control Commission
7 (Commission) referred the determination of Respondent's suitability for licensure to an
8 evidentiary hearing.

9 5. On or about November 27, 2013, pursuant to California Code of Regulations, title 4,
10 section 12050, subdivision (b), the Executive Director of the Commission set the matter for a
11 hearing to be conducted pursuant to the provisions of Business and Professions Code sections
12 19870 and 19871.

13 JURISDICTION

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

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

18 7. Business and Professions Code section 19823 provides:

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

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

24 (2) Assuring that there is no material involvement,
25 directly or indirectly, with a licensed gambling operation,
26 or the ownership or management thereof, by unqualified or

27 ¹ Respondent was required to submit a request to convert his registration as a third-party
28 proposition player to a license pursuant to Business and Professions Code section 19984, and
California Code of Regulations, title 4, sections 12205.1 and 12218.

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disqualified persons, or by persons whose operations are conducted in a manner that is inimical to 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 and effectually to carry out the policies and purposes of this chapter, including, without limitation, the power to do all of the following:

* * *

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

* * *

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

9. Business and Professions Code section 19870 provides:

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

(b) When the commission grants an application for a license or approval, the commission may limit or place restrictions thereon as it

1 may deem necessary in the public interest, consistent with the policies
2 described in this chapter.

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

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

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

16 10. Business and Professions Code section 19871 provides:

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

20 (1) Oral evidence shall be taken only upon oath or affirmation.

21 (2) Each party shall have all of the following rights:

22 (A) To call and examine witnesses.

23 (B) To introduce exhibits relevant to the issues of the case.

24 (C) To cross-examine opposing witnesses on any matters
25 relevant to the issues, even though the matter was not covered
26 on direct examination.

27 (D) To impeach any witness, regardless of which party
28 first called the witness to testify.

(E) To offer rebuttal evidence.

(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.

(4) The meeting need not be conducted according to technical
rules relating to evidence and witnesses. Any relevant evidence
may be considered, and is sufficient in itself to support a finding, if

1 it is the sort of evidence on which responsible persons are
2 accustomed to rely in the conduct of serious affairs, regardless of
3 the existence of any common law or statutory rule that might make
4 improper the admission of that evidence over objection in a civil
5 action.

6 (b) Nothing in this section confers upon an applicant a right to
7 discovery of the department's^[2] investigative reports or to require
8 disclosure of any document or information the disclosure of which is
9 otherwise prohibited by any other provision of this chapter.

10 11. Business and Professions Code section 19984, subdivision (b), provides in part:

11 The commission shall establish reasonable criteria for, and require
12 the licensure and registration of, any person or entity that provides
13 proposition player services to gambling establishments pursuant to this
14 section, including owners, supervisors, and players. . . . The
15 commission may impose licensing requirements, disclosures, approvals,
16 conditions, or limitations as it deems necessary to protect the integrity
17 of controlled gambling in this state

18 12. Business and Professions Code section 19853, subdivision (a)(3), provides:

19 The commission, by regulation or order, may require that the
20 following persons register with the commission, apply for a finding of
21 suitability as defined in subdivision (i) of 19805, or apply for a
22 gambling license:

23 * * *

24 (3) Any person who does business on the premises of a
25 licensed gambling establishment.

26 13. California Code of Regulations, title 4, section 12205, subdivision (a), provides:

27 Any regular registration [as a third-party proposition player] issued
28 in accordance with this chapter^[3] shall be subject to cancellation
pursuant to this section. A registration shall be cancelled if the
Commission determines after a noticed hearing that the registrant is
ineligible for registration, has failed in an application for registration to

² "Department" refers to the Department of Justice, Bureau of Gambling Control. (Bus. & Prof. Code, § 19805, subd. (h).)

³ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

1 reveal a fact material to the holder's qualification for registration, or has
2 supplied information in the registration application that is untrue or
3 misleading as to a material fact pertaining to the criteria for issuance of
4 registration.

5 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

- 6 14. Business and Professions Code section 19856, subdivision (a) provides in part:

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

- 9 15. Business and Professions Code section 19857 provides:

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

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

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

21 (c) A person that is in all other respects qualified to be licensed as
22 provided in this chapter.

- 23 16. Business and Professions Code section 19859 provides in part:

24 The commission shall deny a license to any applicant who is
25 disqualified for any of the following reasons:

26 * * *

27 (d) Conviction of the applicant for any misdemeanor involving
28 dishonesty or moral turpitude within the 10-year period proceeding the
submission of the application, unless the applicant has been granted
relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal
Code; provided, however, that granting of relief pursuant to Section
1203.4, 1203.4a, or 1203.45 of the Penal Code shall not constitute a
limitation on the discretion of the commission under Section 19856 or
affect the applicant's burden under Section 19857.

1 17. California Code of Regulations, title 4, section 12204 provides in part:

2 An applicant shall be ineligible for registration for any of the
3 following causes:

4 ***

5 (d) The applicant has, within the ten (10) year period immediately
6 preceding the submission of the application, been convicted of a
7 misdemeanor involving . . . moral turpitude, not including convictions
8 which have been expunged or dismissed as provided by law.

9 * * *

10 (i) The applicant is ineligible based on any other provision of
11 law.

12 **CAUSE FOR DENIAL OF LICENSE APPLICATION AND**
13 **CANCELATION OF CURRENT REGISTRATION**

14 **(Criminal Conviction – Crime of Moral Turpitude)**

15 18. Respondent's license application is subject to denial and his registration is subject to
16 cancelation pursuant to Business and Professions Code, sections 19857 and 19859, subdivision
17 (d), and California Code of Regulations, title 4, sections 12205, subdivision (a), and 12204,
18 subdivisions (c) and (i), in that on or about September 29, 2011, Respondent was convicted of
19 violating Penal Code section 314, subdivision (1), indecent exposure, a misdemeanor and crime of
20 moral turpitude in the case of *People v. Meng Chea* (Super. Ct. Los Angeles County, 2011, No.
21 1LG01991). Respondent has not been granted relief from this conviction pursuant to Penal Code,
22 sections 1203.4, 1203.4a, or 1203.45; or any other provision of law.

23 **PRAYER**

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

26 1. Denying Respondent's Application for a Third-Party Proposition Player Services
27 License, application to convert his registration as a third-party proposition to a license;
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2. Canceling Respondent's registration as a third-party proposition player, registration number TPPL-008987; and

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

Dated: February ^{1ST} 2014

Wayne J. Quint Jr
Wayne J. Quint, Jr., Chief
Bureau of Gambling Control
California Department of Justice
Complainant