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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Application for Third-Party
Proposition Player Services License
Regarding:

KOM BANG

Respondent.

BGC Case No. BGC-HQ2018-00048SL
CGCC Case No. CGCC-2018-0726-10Ci

DECISION AND ORDER

Hearing Date: March 12, 2019
Time: 2:00 p.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 12, 2019.

Jennifer Henderson, Deputy Attorney General, State of California (DAG Henderson), represented complainant Stephanie Shimazu, Director of the Bureau of Gambling Control (Bureau), Department of Justice, State of California.

Respondent Kom Bang (Bang) appeared on his own behalf.

During the evidentiary hearing, Presiding Officer Kate Patterson took official notice of the Notice of Hearing, with enclosures, sent by the Commission to Bang, Designated Agent Amy Banquerigo of Knighted Ventures (DA Banquerigo), and DAG Henderson, via certified mail, on October 5, 2018.

Presiding Officer Kate Patterson also took official notice of the Commission's letter referring the consideration of Bang's Application for Third-Party Proposition Player Services License to an evidentiary hearing, the Commission's Conclusion of Prehearing Conference letter, the Bureau's Statement of Reasons, and Bang's signed Notice of Defense.

During the evidentiary hearing, Presiding Officer Kate Patterson accepted into evidence the following exhibits offered by the Bureau:

- (1) Statement of Reasons; Statement to Respondent; copies of Bus. & Prof. Code §§ 19870 & 19871; copy of Cal. Code Regs., tit. 4, § 12060; October

1 4, 2018, Certificate of Service by Certified Mail Service; Notice of
2 Defense, dated August 10, 2018, received by the California Gambling
3 Control Commission (Commission) on August 13, 2018, Bates Nos. 001-
4 027;

5 (2) Commission Memorandum, Notices and Letters:

- 6 a. July 26, 2018, Licensing Division Memorandum, Bates Nos. 028-031;
7 b. July 30, 2018, Referral of Third-Party Proposition Player Services
8 License to an Evidentiary Hearing for Kom Wa Bang (CGCC-2018-
9 0726-10Ci), sans enclosure, Bates Nos. 032-033;
10 c. October 5, 2018, Notice of Hearing, with attachments and proof of
11 service, Bates Nos. 034-051; and
12 d. January 24, 2018, letter from Commission regarding outcome of
13 Prehearing Conference, Bates Nos. 052-058;

14 (3) The Bureau of Gambling Control's (Bureau's) Registration
15 History/Information for Kom Wa Bang, Bates Nos. 059-060;

16 (4) Redacted copy of Application for Third-Party Proposition Player Services
17 License for Supervisor, Player or Other Employee, and Level I
18 Supplemental Information, dated September 11, 2015, for Kom Wa Bang,
19 Bates Nos. 061-072;

20 (5) A redacted copy of the Bureau's June 2018, Third-Party Player
21 Background Investigation Report for Kom Wa Bang, Bates Nos. 073-084;

22 (6) December 6, 2017 thru March 8, 2018 email correspondence between the
23 Bureau and Hein Nguyen Papain, Chief Operations Officer and Kimberly
24 Viray, Human Resources Director, Acme Players Services, LLC (Acme),
25 with copies of:

- 26 a. Employment Verification for Kom Wa Bang's employment with
27 Acme; and
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- b. Acme’s Notice of Acknowledgment of Notice to Employee as to Change in Relationship Kom Wa Bang, Bates Nos. 085-089;
- (7) October 2, 2017 thru March 16, 2018 correspondence between Amy Banquerigo, designated agent, and Priscilla Guzman, HR Lead, Knighted Ventures, LLC (Knighted), and the Bureau, with copies of written statements made by Kom Wa Bang, Bates Nos. 090-100; and
- (8) Appointment of Designated Agent for Owners and Proposition Players Form designating Amy Banquerigo as designated agent for Kom Wa Bang (and Knighted), received by the Bureau November 20, 2017, signed and dated September 30, 2017, Bates No. 101.

The record was closed and the matter was submitted on March 12, 2019.

FINDINGS OF FACT

Procedural History

1. On or about October 9, 2015, the Commission issued Bang a third-party proposition player services registration number TPPL-016044.
2. On or about November 12, 2015, the Bureau received an Application for Third-Party Proposition Player Services License for Player and Level I Supplemental Information form (Supplemental) (collectively, Application) from Bang.
3. On or about June 6, 2018, the Bureau submitted a Third-Party Player Background Investigation Report on Bang to the Commission. In this report, the Bureau recommends that the Commission deny Bang’s Application.
4. At its July 26, 2018 meeting, the Commission voted to refer the consideration of Bang’s Application to a Gambling Control Act evidentiary hearing pursuant to CCR section 12060.
5. On or about August 13, 2018, the Commission received a signed notice of defense from Bang requesting an evidentiary hearing on the consideration of his Application.
6. On or about October 5, 2018, the Commission sent a Notice of Hearing, via certified

1 mail, to Bang, DA Banquerigo, and DAG Henderson.

2 7. On or about January 17, 2019, the Bureau sent a Statement of Reasons to Bang via
3 certified mail, and to DA Banquerigo via United States regular mail. In the Statement of Reasons,
4 the Bureau requests that the Commission deny Bang's Application and revoke or cancel Bang's
5 third-party proposition player registration number TPPL-016044.

6 8. On or about January 22, 2019, the noticed Prehearing Conference was held before
7 Presiding Officer Kate Patterson, Attorney III of the Commission. DAG Henderson attended on
8 behalf of the Bureau. Neither Bang nor DA Banquerigo attended the prehearing conference.

9 9. On or about January 24, 2019, the Commission sent a Conclusion of Prehearing
10 Conference letter to Bang, DA Banquerigo, and DAG Henderson.

11 10. The Commission heard this matter on March 12, 2019. The Bureau was represented
12 throughout the hearing by DAG Henderson. Bang appeared on his own behalf.

13 11. Bang currently holds third-party proposition player registration number TPPL-016044.

14 **Bang's Application**

15 12. Applications for licensure by the Commission are submitted on forms furnished by the
16 Bureau. An applicant for licensing shall make full and true disclosure of all information to the
17 Bureau and Commission as necessary to carry out the policies of this state relating to licensing,
18 registration, and control of gambling.

19 13. An application consists of two parts. The first part is two pages and consists of four
20 sections, including applicant information. The second part of an application is the Supplemental,
21 which consists of nine pages. The Supplemental contains four sections and requires that the
22 applicant disclose, among other things, his or her employment history. All of the information
23 requested on the Application and Supplemental has been considered through the legislative and
24 regulatory processes and determined necessary in order for the Commission to discharge its duties
25 properly.

26 14. The Bureau relies, in large part, on the applicant's disclosures while conducting a
27 background investigation. The failure to honestly and accurately disclose information on an
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1 application subverts the Bureau’s efforts to conduct a thorough and complete investigation.

2 15. Both the substance of an applicant’s disclosures, and the truthfulness and
3 thoroughness of an applicant’s disclosures, are considered by the Bureau in making a
4 recommendation as to the applicant’s suitability for licensure, and by the Commission in making
5 a determination whether to approve or disapprove a license application.

6 16. Section (1) (D) of the Supplemental requests an applicant’s employment history,
7 including periods of unemployment, for the last ten years.

8 17. An applicant’s recent employment history, and especially his or her history in
9 controlled gambling, is material to the applicant’s qualifications for licensure. A negative
10 employment history, particularly one in controlled gambling, could demonstrate that the applicant
11 is unfit to work in the highly regulated industry of controlled gambling.

12 18. In Section (1) (D) of the Supplemental, Bang wrote that he was employed with Acme
13 Players Services, LLC (Acme), a licensed third-party provider of proposition player services,
14 from February 2010 to November 2010 and his reason for leaving was “offered job elsewhere.”
15 Bang’s response was inaccurate for two reasons: (1) Bang’s real reason for leaving was that he
16 terminated by Acme on April 22, 2010 for “violation of company policy, substance abuse;” and
17 (2) Bang was terminated on April 22, 2010 and not employed at Acme or anywhere else from
18 April 22, 2010 to November 2010.

19 19. The last part of the Supplemental is a Declaration, to be signed by the applicant under
20 the penalty of perjury, that the statements contained therein are true, correct, and complete. The
21 Declaration includes an acknowledgment that “any misrepresentation or failure to reveal
22 information requested may be deemed sufficient cause for denial of an application or revocation
23 of a state license, finding or permit.” Bang signed the Declaration on September 11, 2015.

24 **Bang’s Employment History in Controlled Gambling**

25 20. Bang was employed as a third-party proposition player with Certified Network M, Inc.
26 (Certified) from approximately June 2007 to May 2008 under registration number TPPL-004427,
27 and from approximately May 2008 to February 2010 under registration number TPPL-005643.

1 21. Bang was employed as a third-party proposition player with Acme from January 21,
2 2010 to April 22, 2010 under registration number TPPL-007452.

3 22. On April 22, 2010, Bang signed a Notice Acknowledgment that he received a
4 copy of a Notice to Employee as to Change in Relationship (Notice) showing that Bang was
5 discharged effective April 22, 2010 by Acme for “violation of company policy, substance abuse.”

6 23. Bang has been employed as a third-party proposition player by Knighted Ventures,
7 LLC (Knighted) since September 2015 under registration number TPPL-016044.

8 **Bang’s Communications with the Bureau**

9 24. On three occasions the Bureau requested additional information from Bang related to
10 his work history at Acme. Bang responded to the Bureau in three separate letters as follows:

- 11 a. On or about September 29, 2017, Bang wrote that he was terminated from
12 Acme due to breaking company policy by being under the influence while at
13 work. Bang also explained that “this information was not brought forward
14 because at the time the supervisor that delivered my termination informed me
15 that they will have me listed as resigning on my own terms.”
- 16 b. On or about December 9, 2017, Bang described the circumstances surrounding
17 his termination from Acme. Bang also stated that he was unemployed during
18 the time period of May 2010 to October 2010.
- 19 c. On or about March 15, 2018, Bang wrote that there was no documentation
20 given to him during or after his termination from Acme. Bang states that on the
21 date of the incident he was asked to turn in his badge and go home. Bang states
22 that the next day he was informed by phone that he was let go and he received
23 his last check by mail a week or so later. Bang’s written statement is
24 inconsistent with the fact that on April 22, 2010, Bang signed a Notice
25 Acknowledgment that he received a copy of the Notice showing that he was
26 discharged effective April 22, 2010 by Acme for “violation of company policy,
27 substance abuse.”
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1 **Bang’s Testimony During the Evidentiary Hearing**

2 25. During the evidentiary hearing, Bang testified that he understood the Application and
3 admitted that he was dishonest on the Application: (1) when he wrote that he had worked for
4 Acme from January 2010 to November 2010; and (2) when he wrote that his reason for leaving
5 Acme was “offered job elsewhere.”

6 26. Bang testified that he had intentionally failed to reveal that he was unemployed from
7 April 22, 2010 to November 2010 when disclosing his work history on employment applications
8 in order to appear more favorable to future employers. Bang testified that he never corrected
9 those dates when he copied his employment history onto his Application. Bang admitted that he
10 was dishonest but testified that he was careless rather than intentionally dishonest in
11 misrepresenting to the Bureau the length of his employment with Acme.

12 27. Bang testified that he wrote “offered job elsewhere” on his Application as his reason
13 for leaving Acme because Acme told him that they will list him as “resigning on his own terms.”
14 Bang testified that his written statement of “offered job elsewhere” was the same as Acme’s
15 statement that he resigned on his own terms. Bang testified that he relied upon Acme’s statement
16 because he was worried that the actual reason why he was terminated would spread around and
17 that he would not be allowed back in the industry. Bang admitted that he did not leave Acme to
18 find another job.

19 28. Bang testified that it was not his intention to be dishonest on his Application. Bang
20 testified that he relied upon the statement from Acme that he was “resigning on his own terms”
21 and failed to double check and correct his employment history. Bang’s explanations do not
22 excuse his lack of honesty on the Application. In fact, Bang’s explanations demonstrate a further
23 lack of honesty given that they reveal a deliberate intent to deceive prospective employers, the
24 Bureau, and the Commission by sanitizing his work history.

25 29. Bang testified that he was not sure whether he received a copy of Acme’s Notice,
26 which conflicts with the statement in his March 15, 2018 letter to the Bureau that he never
27 received any documentation from Acme regarding his termination. Bang’s testimony is due to the
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1 fact that his signature appears on the Notice Acknowledgment of Acme’s Notice, which provides
2 that Bang received a copy of the Notice.

3 30. Bang testified that he is honest while working at Knighted. He testified that he works
4 hard, has a clean record, and has a positive work history. There was no evidence presented during
5 the evidentiary hearing that Bang has had any employment-related issues while working at
6 Knighted.

7 **Assessment of Bang’s Suitability for Licensure**

8 31. As part of his Application, Bang signed a Declaration under the penalty of perjury that
9 the statements contained therein are true, correct, and complete. By signing the Declaration, Bang
10 also acknowledged that any misrepresentation or failure to reveal information requested may be
11 deemed sufficient cause for denial of his Application. Bang testified that he understood the
12 Application.

13 32. Bang’s Application contains two material misrepresentations regarding his
14 employment history. First, Bang wrote that he was employed with Acme from February 2010 to
15 November 2010. Second, Bang wrote that his reason for leaving Acme was “offered job
16 elsewhere.”

17 33. Bang was only employed with Acme from January 21, 2010 to April 22, 2010 and was
18 unemployed from April 22, 2010 to November 2010. Bang did not leave Acme because he was
19 “offered [a] job elsewhere.” Bang was terminated by Acme for “violation of company policy,
20 substance abuse.” Both misrepresentations demonstrate a lack of honesty. During the evidentiary
21 hearing, Bang admitted that he was dishonest on his Application.

22 34. Bang’s testimony regarding why he misrepresented his employment history with
23 Acme on his Application revealed a deliberate intent to deceive others. Bang testified that the
24 initial reason why he misrepresented the length of his employment with Acme was to avoid
25 disclosing to future employers that he was unemployed from April 22, 2010 to November 2010.
26 Bang testified that he misrepresented his reason for leaving Acme because he did not think he
27 would be allowed back in industry if his actual reason for leaving Acme was disclosed.
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1 Business and Professions Code section 19823(a)(1).

2 43. An “unqualified person” means a person who is found to be unqualified pursuant to
3 the criteria set forth in Section 19857, and “disqualified person” means a person who is found to
4 be disqualified pursuant to the criteria set forth in Section 19859. Business and Professions Code
5 section 19823(b).

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

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

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

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

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

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

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

3 51. No gambling license shall be issued unless, based on all of the information and
4 documents submitted, the commission is satisfied that the applicant is a person that is in all other
5 respects qualified to be licensed as provided in this chapter. Business and Professions Code
6 section 19857(c).

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

12 53. Application for a state license or other commission action shall be submitted to the
13 department on forms furnished by the department. Business and Professions Code section
14 19864(a).

15 54. The department shall furnish to the applicant supplemental forms, which the applicant
16 shall complete and file with the department. These supplemental forms shall require, but shall not
17 be limited to requiring, complete information and details with respect to the applicant's personal
18 history, habits, character, criminal record, business activities, financial affairs, and business
19 associates, covering at least a 10-year period immediately preceding the date of filing of the
20 application. Business and Professions Code section 19865.

21 55. An applicant for licensing or for any approval or consent required by this chapter,
22 shall make full and true disclosure of all information to the department and the commission as
23 necessary to carry out the policies of this state relating to licensing, registration, and control of
24 gambling. Business and Professions Code section 19866.

25 56. A requester shall be ineligible for licensing [as a third-party proposition player] if the
26 requester has failed to meet the requirements of Business and Professions Code sections 19856 or
27 19857. CCR section 12218.11(e).

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1 57. A requester shall be ineligible for licensing [as a third-party proposition player] if the
2 requester would be ineligible for a state gambling license under any of the criteria set forth in
3 Business and Professions Code section 19859, subdivisions (b), (e), or (f). CCR section
4 12218.11(f).

5 58. An applicant shall be ineligible for registration [as a third-party proposition player] if
6 the applicant has had an application denied under this chapter or the [Gambling Control] Act.
7 CCR section 12204(d).

8 59. An applicant shall be ineligible for registration [as a third-party proposition player] if
9 the applicant would be ineligible for a state gambling license under any of the criteria set forth in
10 Business and Professions Code section 19859, subdivisions (b), (e), or (f).

11 60. Any regular registration shall be cancelled if the Commission determines after a
12 noticed hearing that the registrant is ineligible for registration. CCR section 12205(a).

13 61. Bang demonstrated a lack of honesty by making two material misrepresentations on
14 his Application. Bang admitted he was dishonest on the Application. Bang's misrepresentations
15 were intended to deceive future employers, the Bureau, and the Commission by sanitizing his
16 employment history. Further, Bang demonstrated a lack of honesty by writing to the Bureau that
17 he had never received any documentation during or after his termination from Acme even though
18 he signed a Notice Acknowledgment that he received a copy of the Notice of his termination. As
19 a result, Bang has failed to meet his burden of proving that he is a person of honesty. Therefore,
20 Bang is unqualified for licensure pursuant to Business and Professions Code section 19857(a).

21 62. Bang supplied information that is untrue and misleading on his Application by
22 misrepresenting the length of his employment and his reason for leaving Acme, a third-party
23 provider of proposition player services. Bang also supplied information that is untrue and
24 misleading by misrepresenting that he had never received any documentation during or after his
25 termination from Acme. As a result, Bang has supplied information that is untrue and misleading
26 as to material facts pertaining to the qualification criteria for licensure by the Commission.
27 Therefore, Bang is disqualified from licensure pursuant to Business and Professions Code section
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1 19859(b).

2 63. Given that Bang is unqualified for licensure pursuant to Business and Professions
3 Code section 19857(a) and disqualified from licensure pursuant to Business and Professions Code
4 section 19859(b), Bang is therefore ineligible for licensing as third-party proposition player
5 pursuant to CCR sections 12218.11(e) and 12218.11(f).

6 64. Based on the foregoing, Bang's Application is subject to denial pursuant to CCR
7 sections 12218.11(e) and 12218.11(f). As a result, Bang is ineligible for registration as a third-
8 party proposition player pursuant to CCR sections 12204(d) and 12204(e). Therefore, Bang's
9 third-party proposition player services registration is subject to cancellation pursuant to CCR
10 section 12205(a).

11 NOTICE OF APPLICANT'S APPEAL RIGHTS

12 Kom Bang has the following appeal rights available under state law:

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

14 An applicant denied a license, permit, registration, or finding of suitability,
15 or whose license, permit, registration, or finding of suitability has had
16 conditions, restrictions, or limitations imposed upon it, may request
17 reconsideration by the Commission within 30 calendar days of service of the
18 decision, or before the effective date specified in the decision, whichever is
19 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.

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

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

1 CCR section 12066, subsection (c) provides:

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

7 **ORDER**

8 1. Kom Bang's Application for Third-Party Proposition Player Services License is
9 DENIED.

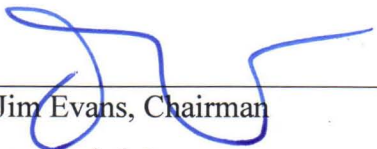
10 2. Kom Bang's Third-Party Proposition Player Registration number TPPL-016044
11 is CANCELLED.

12 3. No costs are to be awarded.

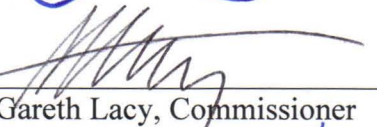
13 4. Each side to pay its own attorneys' fees.

14 This Order is effective on May 10, 2019.

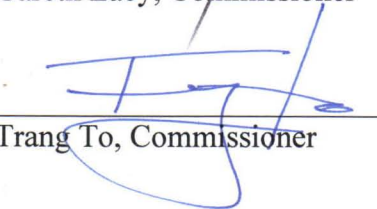
15 Dated: 4/10/19

16 Signature: 
17 Jim Evans, Chairman

18 Dated: 4/10/19

19 Signature: 
20 Gareth Lacy, Commissioner

21 Dated: 4/10/19

22 Signature: 
23 Trang To, Commissioner