

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

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

SAKADA KEO

Respondent.

BGC Case No. BGC-HQ2020-00004SL
CGCC Case No. CGCC-2019-1219-12Gii

DECISION AND ORDER

Hearing Date: January 22, 2021
Time: 10:00 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, in Sacramento, California, and held via Zoom video conference, on January 22, 2021.

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

Respondent Sakada Keo (Keo) did not attend the evidentiary hearing.

During the evidentiary hearing, Presiding Officer Jason Pope took official notice of the Notice of Hearing with enclosures, the Commission’s two Notices of Continued Hearing, the Commission’s Conclusion of Prehearing Conference letter, the Bureau’s Statement of Reasons, and Keo’s signed Notice of Defense.

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

- (1) Statement of Reasons; Statement to Respondent; copy of Bus. & Prof. Code, §§ 19870 & 19871; copy of Cal. Code. Regs., tit. 4, §12060; Certificate of Service by Certified Mail Service dated May 7, 2020; and Notice of Defense, dated January 7, 2020, Bates Nos. 001-026;
- (2) Procedural documents, notice and letters:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- a. December 26, 2019, Referral of Third-Party Proposition Player Services License Application to an Evidentiary Hearing for Sakada Keo (without enclosure), Bates Nos. 027-028;
 - b. March 26, 2020, Notice of Hearing, with attachments and proof of services for Sakada Hang Keo, Bates Nos. 029-046;
 - c. May 20, 2020, Conclusion of Prehearing Conference, Bates Nos. 047-053;
 - d. June 5, 2020, Notice of Continued Hearing, Bates No. 054;
 - e. July 22, 2020, Application for Approval of Third-Party Proposition Player Services Player License for Sakada Hang Keo, Bates Nos. 055-056; and
 - f. September 3, 2020, Notice of Continued Hearing, Bates Nos. 057-058;
- (3) Application for Third-Party Proposition Player Services License dated June 5, 2018, and Level I Supplemental Information dated May 28, 2018, received by the Bureau of Gambling Control August 16, 2018, for Sakada H. Keo, Bates Nos. 059-070;
- (4) Bureau of Gambling Control Third-Party Player Initial Background Investigation Report, Level III, for Sakada Hang Keo/PT Gaming, LLC, with attachments, dated November 2019, Bates Nos. 071-081;
- (5) CGCC Licensing Division Memorandum for Commission Meeting December 19, 2019, without attachments, CGCC Notice of Schedule Commission Meeting for December 19, 2019, to Sakada Keo dated December 6, 2019, Bates Nos. 082-086;
- (6) Registration/License History for Sakada Hang Keo and BGC Certification dated January 17, 2020, Bates Nos. 087-088;
- (7) Court documents of Sakada Keo conviction date March 1, 2010, Bates Nos. 089-094;

- 1 (8) E-mails, correspondence, Telephone Contact Sheets, E-mails between the
2 Bureau of Gambling Control, Sakada Keo and PT Gaming, Bates Nos.
3 095-124;
- 4 (9) Appointment of Designated Agent for Sakada Keo, Bates No. 125;
- 5 (10) Employment Verification for Sakada H. Keo at Livermore Casino, Bates
6 Nos. 126-129; and
- 7 (11) May 11, 2020, letter from Colin Wood to Sakada Keo forwarding
8 disclosure of documents and list of witnesses, Bates Nos. 130-131.

9 The record was closed and the matter was submitted on January 22, 2021.

10 FINDINGS OF FACT

11 **Procedural History**

- 12 1. On or about August 16, 2018, the Bureau received an Application for Third-Party
13 Proposition Player Services License for Player and Level I Supplemental Information
14 (collectively, Application) from Keo.
- 15 2. On or about July 18, 2018, the Commission issued Third-Party Proposition Player
16 Registration TPPL-021493 to Keo. Keo's Third-Party Proposition Player Registration TPPL-
17 021493 expired on May 31, 2020.
- 18 3. On or about October 31, 2019, the Bureau submitted a Third-Party Player Initial
19 Background Investigation Report on Keo to the Commission. In this report, the Bureau
20 recommends that the Commission deny Keo's Application.
- 21 4. On or about December 19, 2019, the Commission referred the consideration of Keo's
22 Application to a Gambling Control Act evidentiary hearing to be held pursuant to CCR section
23 12060(a).
- 24 5. On or about January 9, 2020, the Commission received a signed notice of defense
25 from Keo requesting an evidentiary hearing on the consideration of his Application.
- 26 6. On or about March 26, 2020, the Commission sent a Notice of Hearing, via certified
27 mail, to Keo, Designated Agent David Tierney of PT Gaming, LLC (DA Tierney), and DAG
28

1 Wood. The hearing was set for June 29, 2020 at 10:00 a.m.

2 7. On or about May 7, 2020, the Bureau sent a Statement of Reasons to Keo. The
3 Commission received the Statement of Reasons from the Bureau on or about May 8, 2020. In the
4 Statement of Reasons, the Bureau requests that the Commission deny Keo's Application and
5 cancel his third-party player registration TPPL-021493.

6 8. On or about May 19, 2020, the noticed Prehearing Conference was held before
7 Presiding Officer Jason Pope, Attorney III of the Commission. DAG Wood attended on behalf of
8 the Bureau. DA Tierney attended on behalf of Keo, who also attended.

9 9. On or about May 20, 2020, the Commission sent a Conclusion of Prehearing
10 Conference letter, via U.S. Mail and e-mail, to Keo, DA Tierney, and DAG Wood.

11 10. On or about June 16, 2020, the Commission sent a Notice of Continued Hearing, via
12 certified mail, to Keo, DA Tierney, and DAG Wood. The hearing was continued to September 11,
13 2020 at 10:00 a.m.

14 11. On or about July 22, 2020, the Commission sent a letter, via U.S. Mail and e-mail, to
15 Keo, DA Tierney, and DAG Wood, notifying them that the evidentiary hearing on Keo's
16 Application would take place via Zoom video web conferencing.

17 12. On or about September 3, 2020, the Commission sent a second Notice of Continued
18 Hearing, via U.S. mail and e-mail, to Keo, DA Tierney, and DAG Wood. On or about September
19 15, 2020, the Commission sent the second Notice of Continued Hearing, via certified mail, to
20 Keo, DA Tierney, and DAG Wood. The hearing was continued to January 22, 2021.

21 13. The Commission heard this matter via Zoom video conference on January 22, 2021.
22 The Bureau was represented throughout the hearing by DAG Wood. Keo did not attend the
23 hearing.

24 14. Keo did not submit any information or evidence in support of his Application during
25 the hearing.

26 ///

27 ///

28

1 **Assessment of Keo’s Suitability for Licensure**

2 *Failure to Meet Burden of Proving Qualifications for Licensure*

3 15. The burden of proving his or her qualifications to receive any license is on the
4 applicant. Keo did not attend the evidentiary hearing or submit any information or evidence in
5 support of his Application during the hearing. As a result of Keo’s lack of attendance and
6 participation in the evidentiary hearing, and his failure to submit any information or evidence in
7 support of his Application during the hearing, Keo has failed to meet his burden of proving his
8 qualifications for licensure.

9 16. All documentary and testimonial evidence submitted by the parties that is not
10 specifically addressed in this Decision and Order was considered but not used by the Commission
11 in making its determination on Keo’s Application.

12 17. The matter was submitted for Commission consideration on January 22, 2021.

13 **LEGAL CONCLUSIONS**

14 18. Division 1.5 of the Business and Professions Code, the provisions of which govern the
15 denial of licenses on various grounds, does not apply to licensure decisions made by the
16 Commission under the Gambling Control Act. Business and Professions Code section 476(a).

17 19. Public trust and confidence can only be maintained by strict and comprehensive
18 regulation of all persons, locations, practices, associations, and activities related to the operation
19 of lawful gambling establishments and the manufacture and distribution of permissible gambling
20 equipment. Business and Professions Code section 19801(h).

21 20. The Commission has the power to deny any application for a license, permit, or
22 approval for any cause deemed reasonable by the Commission. Business and Professions Code
23 section 19824(b).

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

26 22. At an evidentiary hearing pursuant to Business and Professions Code sections 19870
27 and 19871, and CCR section 12060(b), the burden of proof rests with the applicant to prove his or
28

1 her qualifications to receive any license under the Gambling Control Act. CCR section 12060(i).

2 23. No gambling license shall be issued unless, based on all of the information and
3 documents submitted, the commission is satisfied that the applicant is a person that is in all other
4 respects qualified to be licensed as provided in this chapter. Business and Professions Code
5 section 19859(c).

6 24. An application will be denied if the Commission finds that the applicant has not
7 satisfied the requirements of Business and Professions Code section 19857. CCR section
8 12040(a)(1).

9 25. Keo did not attend the evidentiary hearing or submit any information or evidence in
10 support of his Application during the hearing. As a result, Keo did not meet his burden of
11 proving his qualifications to receive a Third-Party Proposition Player Services Player License
12 pursuant to Business and Professions Code section 19856(a) and CCR section 12060(i). By
13 failing to meet his burden of proving his qualifications for licensure, Keo has failed to satisfy the
14 Commission that Keo is a person that is in all other respects qualified to be licensed pursuant to
15 Business and Professions Code section 19857(c). As a result, Keo's Application must be denied
16 pursuant to CCR section 12040(a)(1) because Keo has not satisfied the requirements of Business
17 and Professions Code section 19857.

18 NOTICE OF APPLICANT'S APPEAL RIGHTS

19 Keo has the following appeal rights available under state law:

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

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

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

(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,
whichever is earlier.

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

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

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

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

6 A decision of the commission denying a license or approval, or imposing any
7 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
8 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
9 finds that the action of the commission was arbitrary and capricious, or that the
action exceeded the commission's jurisdiction.

10 CCR section 12066, subsection (c) provides:

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

15 **ORDER**

16 1. Sakada Keo's Application for Third-Party Proposition Player License is DENIED.

17 2. Sakada Keo's Third-Party Player Registration TPPL-021493 has expired by law

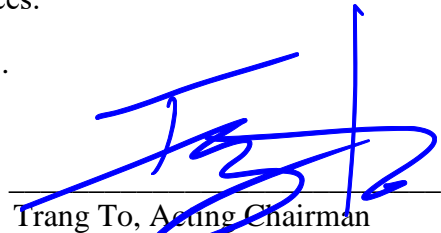
18 and cannot be used hereafter.

19 3. No costs are awarded.

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

21 This Order is effective on March 1, 2021.

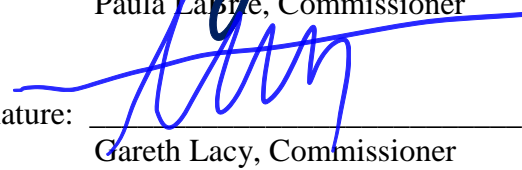
22
23 Dated: 1/29/21

Signature: 
Trang To, Acting Chairman

24
25 Dated: 1/29/21

Signature: 
Paula Labrie, Commissioner

26
27 Dated: 1/29/21

Signature: 
Gareth Lacy, Commissioner