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10 **BEFORE THE**  
11 **CALIFORNIA GAMBLING CONTROL COMMISSION**  
12 **STATE OF CALIFORNIA**

14 In the Matter of the Statement of Reasons for  
Denial of Initial Application for State  
15 Gambling License for:

16 John Park dba Bell Jackpot Casino  
17 1100 South Flower Street  
Unit 3100  
18 Los Angeles, CA 90015

19 **Applicant.**

CGCC Case No. CGCC-2021-0422-4A

BGC Case No. BGC-HQ2021-00020SL

**FIRST AMENDED STATEMENT OF**  
**REASONS**

21 Complainant alleges as follows:

22 **PARTIES**

23 1. Yolanda Morrow (Complainant) brings this First Amended Statement of Reasons  
24 solely in her official capacity as Acting Director of the California Department of Justice, Bureau  
25 of Gambling Control (Bureau). This Operative Pleading replaces the Statement of Reasons filed  
26 on September 24, 2021.





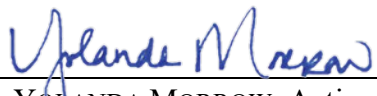
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**PRAYER**

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

1. Denying Applicant’s Application for State Gambling License; and
2. Taking such other and further action as the Commission may deem appropriate.

Dated: February 24, 2022



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YOLANDA MORROW, Acting Director  
Bureau of Gambling Control  
California Department of Justice  
Complainant

1 **APPENDIX A**

2 1. Business and Professions Code section 19811, subdivision (b), provides:

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

7 2. Business and Professions Code, section 19823 provides:

8 (a) The responsibilities of the commission include,  
9 without limitation, all of the following:

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

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

20 (b) For the purposes of this section, “unqualified  
21 person” means a person who is found to be unqualified pursuant  
22 to the criteria set forth in Section 19857, and “disqualified  
23 person” means a person who is found to be disqualified pursuant  
24 to the criteria set forth in Section 19859.

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

26 The commission shall have all powers necessary and proper to  
27 enable it fully and effectually to carry out the policies and purposes of  
28 this chapter,<sup>4</sup> including, without limitation, the power to do all of the  
following:

\* \* \*

29 (b) For any cause deemed reasonable by the  
30 commission, deny any application for a license, permit, or  
31 approval provided for in this chapter or regulations adopted  
32 pursuant to this chapter, limit, condition, or restrict any license,  
33 permit, or approval, or impose any fine upon any person licensed  
34 or approved. The commission may condition, restrict, discipline,  
35 or take action against the license of an individual owner  
36 endorsed on the license certificate of the gambling enterprise

37 \_\_\_\_\_  
38 <sup>4</sup> Hereinafter, “chapter” refers to Business and Professions Code, division 8, chapter 5,  
(commencing with section 19800), also known as the Gambling Control Act.

1 whether or not the commission takes action against the license of  
2 the gambling enterprise.

3 \* \* \*

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

7 4. Business and Professions Code, section 19853, subdivision (a), provides:

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

12 \* \* \*

13 (2) Any person who owns an interest in the  
14 premises of a licensed gambling establishment or in  
15 real property used by a licensed gambling  
16 establishment.

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

19 5. Business and Professions Code, section 19856 provides:

20 (a) Any person who the commission determines is  
21 qualified to receive a state license, having due consideration for  
22 the proper protection of the health, safety, and general welfare of  
23 the residents of the State of California and the declared policy of  
24 this state, may be issued a license. The burden of proving his or  
25 her qualifications to receive any license is on the applicant.

26 (b) An application to receive a license constitutes a  
27 request for a determination of the applicant's general character,  
28 integrity, and ability to participate in, engage in, or be associated  
with, controlled gambling.

(c) In reviewing an application for any license, the  
commission shall consider whether issuance of the license is  
inimical to public health, safety, or welfare, and whether  
issuance of the license will undermine public trust that the  
gambling operations with respect to which the license would be  
issued are free from criminal and dishonest elements and would  
be conducted honestly.

6. Business and Professions Code section 19859 provides, in part:

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

1 (a) Failure of the applicant to clearly establish eligibility  
2 and qualification in accordance with this chapter.

3 (b) Failure of the applicant to provide information,  
4 documentation, and assurances required by this chapter or  
5 requested by the chief, or failure of the applicant to reveal any  
6 fact material to qualification, or the supplying of information  
7 that is untrue or misleading as to a material fact pertaining to the  
8 qualification criteria.

9  
10 7. Business and Professions Code section 19866 provides:

11 An applicant for licensing or for any approval or consent  
12 required by this chapter, shall make full and true disclosure of all  
13 information to the department and the commission as necessary to  
14 carry out the policies of this state relating to licensing, registration,  
15 and control of gambling.

16  
17 8. Business and Professions Code, section 19870 provides:

18 (a) The commission, after considering the  
19 recommendation of the chief<sup>5</sup> and any other testimony and  
20 written comments as may be presented at the meeting, or as may  
21 have been submitted in writing to the commission prior to the  
22 meeting, may either deny the application or grant a license to an  
23 applicant who it determines to be qualified to hold the license.

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

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

(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.

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28 <sup>5</sup> "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1 9. Business and Professions Code, section 19871 provides:

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

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

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

9 (A) To call and examine witnesses.

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

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

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

17 (E) To offer rebuttal evidence.

18 (3) If the applicant does not testify in his or her  
19 own behalf, he or she may be called and examined as if  
20 under cross-examination.

21 (4) The meeting need not be conducted  
22 according to technical rules relating to evidence and  
23 witnesses. Any relevant evidence may be considered, and is  
24 sufficient in itself to support a finding, if it is the sort of  
25 evidence on which responsible persons are accustomed to  
26 rely in the conduct of serious affairs, regardless of the  
27 existence of any common law or statutory rule that might  
28 make improper the admission of that evidence over  
objection in a civil action.

(b) Nothing in this section confers upon an applicant a  
right to discovery of the department's<sup>6</sup> investigative reports or  
to require disclosure of any document or information the  
disclosure of which is otherwise prohibited by any other  
provision of this chapter.

10. Business and Professions Code section 19877 provides:

The failure of an owner licensee to file an application for  
renewal before the date specified in this chapter may be deemed a

<sup>6</sup> "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.  
(h).)



1 surrender of the license. A license has not been renewed within the  
2 meaning of this section until all required renewal fees have been paid.

3 11. Business and Professions Code, section 19963 subdivision (a) provides:

4 (a) In addition to any other limitations on the expansion  
5 of gambling imposed by Section 19962 or any provision of this  
6 chapter, the commission may not issue a gambling license for a  
7 gambling establishment that was not licensed to operate on  
December 31, 1999, unless an application was on file with the  
department prior to September 1, 2000.

8 12. California Code of Regulations, title 4, section 12054, subdivision (a)(2) provides:

9 (a) At a non-evidentiary hearing meeting, the  
10 Commission may take, but is not limited to taking, one of the  
following actions:

11 \* \* \*

12 (2) Elect to hold an evidentiary hearing in  
13 accordance with Section 12056 and, when for a renewal  
14 application, issue an interim renewal license pursuant to  
15 Section 12035. The Commission shall identify those issues  
related to the applicant's suitability.

16 13. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in  
17 part:

18 If the Commission elects to hold an evidentiary hearing, the  
19 hearing will be conducted as a GCA hearing under Section 12060,  
20 unless the Executive Director or the Commission determines the  
hearing should be conducted as an APA hearing under Section  
12058 . . . .

21 14. California Code of Regulations, title 4, section 12060, subdivision (b) provides:

22 When the Commission has elected to hold a GCA hearing, the  
23 Executive Director shall give notice to the applicant, pursuant to  
24 paragraph (2) subsection (c) of Section 12052, to the Office of the  
Attorney General, and to the Bureau no later than 60 calendar days in  
advance of the GCA hearing.

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15. California Code of Regulations, title 4, section 12142, subdivision (b) provides:

(b) A cardroom business owner license that has been surrendered or abandoned after the effective date of this section is subject to the following:

(1) The license cannot be reactivated, reinstated, reissued, or renewed.

(2) The cardroom business licensee associated with that cardroom business license is no longer eligible to conduct any gambling operation under that license.

(3) Business and Professions Code section 19963 precludes that gambling establishment from being reopened in that jurisdiction or in any other jurisdiction.

16. California Code of Regulations, title 4, section 12144, subdivision (a) & (b) provide:

(a) A cardroom business license that was valid as of December 31, 1999, or that was issued pursuant to an application that was on file with the department prior to September 1, 2000, and that was surrendered or expired without being renewed prior to January 6, 2011, will be eligible for reinstatement in accordance with the following guidelines:

(1) The applicant seeking to reinstate the license must be the last holder of the license that he or she is seeking to reinstate.

(2) The applicant must notify the Commission, in writing, within 30 calendar days of the effective date of this section of the intent to apply for reinstatement of the license.

(3) The applicant must submit a complete application for an initial cardroom business license pursuant to Section 12112, and all documentation required by subsection (b) within 12 months of the effective date of this section.

\*\*\*

(f) A cardroom business license meeting the qualifications of subsection (a) will be considered abandoned if the time limits imposed by paragraphs (2) and (3) of subsection (a) are not met. An abandoned license will be subject to the provisions of subsection (b) of Section 12142.

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**DECLARATION OF SERVICE BY E-MAIL ONLY**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for the electronic service of documents and in accordance with that practice on February 24, 2022, I served the attached **FIRST AMENDED STATEMENT OF REASONS** by transmitting a true copy via electronic mail addressed as follows:

Robert S. McWhorter  
Buchalter  
500 Capitol Mall, Suite 1900  
Sacramento, CA 95814  
Email: [rmcwhorter@buchalter.com](mailto:rmcwhorter@buchalter.com)

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on February 24, 2022, at Sacramento, California.

PAULA CORRAL  
Declarant

*Paula Corral*

Signature