



United States Department of Justice

United States Attorney's Office Central District of California

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October 22, 2021

Johnny L. Griffin III
1010 F Street, Suite 200
Sacramento, CA 95814

Re: The Bicycle Casino, L.P.

Dear Mr. Griffin:

On the understandings specified below, the United States Attorney's Office for the Central District of California (the "USAO") agrees that, except as provided herein, it will not bring any criminal case against The Bicycle Casino, L.P. (the "Bicycle"), a limited partnership organized under the laws of, and headquartered in, California, for any acts (except for criminal tax violations, as to which the USAO does not and cannot make any agreement) related to violations of 31 U.S.C. § 5318(h): Failure to Maintain an Effective Anti-Money Laundering Program; 31 U.S.C. § 5324: Failure to File Currency Transaction Reports or Suspicious Activity Reports; or for a conspiracy to commit those offenses under 18 U.S.C. § 371, based on the facts set forth in Attachment A (Statement of Facts) attached hereto, which is incorporated herein by reference, or relating to information disclosed by the Bicycle to the USAO or known to the USAO prior to the date on which this Agreement was signed.

The USAO enters into this Non-Prosecution Agreement (the "Agreement") based, in part, on the following factors: (a) the Bicycle's cooperation with the USAO, including voluntarily making current and former employees available for interviews and making voluntary document disclosures; (b) the Bicycle's efforts (including efforts initiated by the Bicycle prior to learning of the USAO's investigation) to significantly enhance its Anti-Money Laundering ("AML") program and its compliance staff; (c) the positive actions taken by senior Casino management in connection with the conduct set forth in Attachment A; and (d) the Bicycle's agreement to provide written reports to the USAO on its further progress and experience in monitoring and enhancing its AML program, as described in Attachment B (Reporting Requirements).

The Bicycle and the government agree not to make any public statement contradicting Attachment A. The Bicycle accepts and acknowledges responsibility for the conduct of its employees as set forth in Attachment A.

This Agreement does not provide any protection against prosecution for any conduct except as set forth above and applies only to the Bicycle as of the date of this Agreement, and not to any other entities or individuals. The Bicycle understands that the protections provided under this

Agreement shall not apply to any acquirer or successor entity unless and until such acquirer or successor formally adopts and executes this Agreement.

For a period of two (2) years from the date that this Agreement is executed, the Bicycle shall, subject to applicable laws and regulations: (a) cooperate fully with the USAO, Homeland Security Investigations, the Internal Revenue Service – Criminal Investigation, criminal investigators of the California Department of Justice - Bureau of Gambling Control, and any other law enforcement agency designated by the USAO regarding matters arising out of the conduct covered by this Agreement; (b) assist the USAO in any investigation or prosecution arising out of the conduct covered by this Agreement by providing logistical and technical support for any meeting, interview, grand jury proceeding, or any other trial or other court proceeding; (c) use its best efforts, to the extent possible, to secure the timely attendance and truthful statements or testimony of any officer, director, agent, or employee of the Bicycle at any meeting or interview or before the grand jury or at any trial or other court proceeding regarding matters arising out of the conduct covered by this Agreement; and (d) provide the USAO, upon request, all non-privileged information documents, records, or other tangible evidence located in the United States regarding matters arising out of the conduct covered by this Agreement about which the USAO or any designated law enforcement agency inquires.

The Bicycle's obligations under this Agreement shall have a term of two (2) years from the date that this Agreement is executed, except as specifically provided in the following paragraph. The parties agree that for the two-year term of this Agreement, the Bicycle shall: (a) commit no felony under U.S. federal law; (b) truthfully and completely disclose nonprivileged information in response to USAO requests; and (c) bring to the USAO's attention all conduct by, or criminal investigations of, the Bicycle or any of its employees relating to any felony under U.S. federal law of which the Bicycle's senior management is aware, as well as any administrative proceeding or civil action brought by any federal, state, county, or city authority that alleges fraud or corruption by or against the Bicycle.

The parties agree that the Bicycle will continue to strengthen its AML program and will report to the USAO regarding implementation of the further enhancements to its AML program, as described in Attachment B.

The parties agree that the Bicycle has voluntarily agreed to pay the sum of \$500,000.00 to the United States Treasury, which sum represents the parties' agreement of the gambling revenue the Bicycle derived from the individual identified as "Person A" in Attachment A. The Bicycle agrees to pay this sum to the United States Treasury within ten (10) days of executing this Agreement.

The parties agree that, if the USAO in good faith determines that the Bicycle has committed any felony under U.S. federal law after signing this Agreement, that the Bicycle has deliberately given false, incomplete, or misleading testimony or information at any time in connection with this Agreement, or the Bicycle otherwise has violated any provision of this Agreement, the Bicycle shall thereafter be subject to prosecution for any violation of federal law for which the

USAO has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date that this Agreement is executed, as modified by the previously entered tolling agreements between the USAO and the Bicycle, may be commenced against the Bicycle, notwithstanding the expiration of the statute of limitations during the term of this Agreement plus one year. Thus, by signing this agreement, the Bicycle agrees that the statute of limitations with respect to any prosecution that is not time-barred as of the date this Agreement is executed shall be tolled for the term of this Agreement plus one year.

The parties agree that: (a) all statements made by the Bicycle, through its designated representatives, to the USAO or other designated law enforcement agents, including Attachment A hereto, and any testimony given by the Bicycle before a grand jury or other tribunal, whether before or after the execution of this Agreement, and any leads from such statements or testimony, shall be admissible in evidence in any criminal proceeding brought against the Bicycle; and (b) the Bicycle agrees to waive any claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom are inadmissible or should be suppressed.

In the event that the USAO determines that the Bicycle has breached this Agreement, the USAO agrees to provide the Bicycle with written notice of such breach prior to instituting any prosecution resulting from such breach. The Bicycle shall, within thirty (30) days of receipt of such notice, have the opportunity to respond to the USAO in writing to explain the nature and circumstances of such breach, as well as the actions the Bicycle has taken to address and remediate the situation, if necessary, which explanation the USAO shall consider in determining whether to institute a prosecution.

The parties agree that this Agreement does not bind any federal, state, local, or foreign prosecuting, enforcement, administrative, or regulatory authority other than the USAO. The USAO will, however, bring the extent of the Bicycle's cooperation and its enhanced AML program to the attention of other prosecuting and investigative offices, if requested by the Bicycle.

The parties agree that either the USAO or the Bicycle may disclose this Agreement to the public. With respect to this matter, from the date of execution of this Agreement forward, this Agreement supersedes all prior, if any, understandings, promises, or conditions between the USAO and the Bicycle, with the exception that the tolling agreements entered by the USAO and the Bicycle on July 15, 2021, and September 24, 2021, remain in effect. No additional promises,

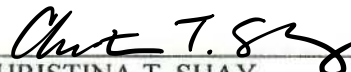
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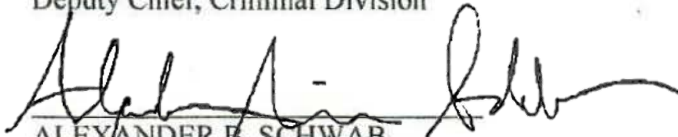
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agreements, or conditions have been entered into other than those set forth in this Agreement and none will be entered into unless in writing and signed by all parties.

TRACY L. WILKISON
Acting United States Attorney



CHRISTINA T. SHAY
Assistant United States Attorney
Deputy Chief, Criminal Division


ALEXANDER B. SCHWAB
Assistant United States Attorney
Major Frauds Section

I, the undersigned, am an officer as stated below and have authority to sign and bind The Bicycle Casino, L.P. On behalf of The Bicycle Casino, L.P., on whose behalf I am signing this agreement: I have read this Agreement carefully; I have discussed it fully with Johnny L. Griffin III, the attorney for The Bicycle Casino, L.P.; I understand the terms of this Agreement; I knowingly and voluntarily agree to these terms after a thorough discussion with Mr. Griffin; I do so free from force, threats, or coercion; no promises, representations, agreements, commitments, or inducements have been made except those set forth in this Agreement; and I am satisfied with Mr. Griffin's representation of The Bicycle Casino, L.P. in this matter.

AGREED AND CONSENTED TO: THE BICYCLE CASINO, L.P.

Date:
Oct, 26, 21


HASHEM MINAIY
Chief Executive Officer
THE BICYCLE CASINO, L.P.

I have carefully reviewed and discussed this Agreement with my client, The Bicycle Casino, L.P., through its officers, including Hashem Minaiy, the chief executive officer. To the best of my knowledge, Mr. Minaiy is an officer of The Bicycle Casino, L.P., who is duly authorized to

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execute this Agreement on behalf of The Bicycle Casino, L.P., and that Mr. Minaiy is doing so knowingly and voluntarily.

APPROVED AS TO FORM:

Date: Oct. 26, 2021



JOHNNY L. GRIFFIN III
Attorney for The Bicycle Casino, L.P.

Attachment A
Statement of Facts

The following Statement of Facts is incorporated by reference as part of the Non-Prosecution Agreement (the “Agreement”), dated October 26, 2021, between the United States Attorney’s Office for the Central District of California (the “USAO”) and The Bicycle Casino, L.P. (the “Bicycle”). The USAO and the Bicycle agree that the following facts are true and correct.

At times relevant to this Non-Prosecution Agreement:

A. The Bank Secrecy Act

1. The Bank Secrecy Act (“BSA”), codified at Title 31, United States Code, Sections 5313–5326, as implemented through related federal regulations, was enacted by Congress to address criminal money laundering activities utilizing financial institutions.
2. Pursuant to the BSA, Title 31, United States Code, Section 5313(a), and related regulations, financial institutions, including certain casinos, were required to file with the United States Department of the Treasury a “Currency Transaction Report” (“CTR”), FinCEN Form 104, for any transactions involving more than \$10,000 in currency that were conducted through the financial institution by or on behalf of the same person on the same day.
3. Each CTR consisted of three parts. Part I required the financial institution to verify and accurately record the name and address of the individual who conducted a reportable currency transaction, and to accurately record the identity and social security or taxpayer identification number of any person or entity on whose behalf the currency transaction was conducted. Part II required the financial institution to record the date of the transaction, the amount of the transaction, and the form of the transaction. Part III required the name of the financial institution where the transaction occurred, the person completing the CTR, and the person approving the completion and filing of the CTR.

4. The BSA, Title 31, United States Code, Section 5313(a), and related regulations, also required financial institutions, including casinos, to file with the Department of the Treasury a “Suspicious Activity Report for Casinos” (“SARC”) for any transaction conducted through the casino that involved at least \$5,000 in funds, and the casino knew, suspected, or had reason to suspect that the transaction (or a pattern of transactions of which the transaction was a part):

- (i) involved funds derived from illegal activity or was intended or conducted in order to hide or disguise funds or assets derived from illegal activity as part of a plan to violate or evade any federal law or regulation or to avoid any transaction reporting requirement under federal law or regulation;
- (ii) was designed, whether through structuring or other means, to evade any regulations promulgated under the BSA;
- (iii) had no business or apparent lawful purpose or was not the sort in which the particular customer would normally be expected to engage, and the casino knew of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction;
- or (iv) involved use of the casino to facilitate criminal activity.

5. CTRs and SARCs were filed with the Financial Crimes Enforcement Network (“FinCEN”), a bureau of the Department of the Treasury.

6. Regulations promulgated under the BSA, including Title 31, Code of Federal Regulations, Section 1021.210, required certain casinos to develop, implement, and maintain an effective anti-money laundering program reasonably designed to prevent such casinos from being used to facilitate money laundering. The program was required to have written policies and procedures governing the verification of customer identification, the filing of reports such as CTRs and SARCs, and assuring compliance with these and other BSA requirements via internal controls and independent testing.

B. Background

7. The Bicycle was a limited partnership headquartered in and organized under the laws of the State of California.

8. The Bicycle operated The Bicycle Hotel & Casino (the “Casino”) in Bell Gardens, California, in Los Angeles County, within the Central District of California, which was a California card room licensed and regulated by the California Bureau of Gambling Control and the California Gambling Control Commission.

9. As a licensed gaming establishment with an annual gaming revenue of more than \$1,000,000, the Casino was a “financial institution” within the meaning of the Bank Secrecy Act, Title 31, United States Code, Section 5312(a)(2)(x), and required to file CTRs and SARCs with FinCEN. Consistent with its federal and state regulatory obligations, the Casino maintained a compliance program that included responsibility for developing written policies, training, and monitoring of the generation and reporting of CTRs and SARCs.

10. The Casino hosted and facilitated various card games generally falling within two categories: poker, which included games such as Texas Hold’em and Omaha, and so-called California Asian games, which included games such as Baccarat and Pai Gow. As a card room, the Casino did not have a financial stake in the outcomes of the games it offered as a traditional casino would. Rather, the Casino received a preapproved collection fee for each round of play based on the size of the wagers involved. For games like Baccarat where players traditionally played against the “house,” the role of the house was filled by a licensed third-party entity known as a Third-Party Proposition Player, against which other players wagered.

11. The Casino employed cashiers who conducted cash transactions for players, such as exchanging cash for gambling chips (“cash-in”) or exchanging gambling chips for cash

(“cash-out”). The gambling chips were marked in various denominations and were used by players when playing the games at the Casino. The Casino also employed “floorpersons,” who, among other duties, conducted cash transactions, such as cash-ins and cash-outs, on behalf of players at the Casino.

C. Person A

12. Beginning in approximately December 2015 when the Casino opened a new hotel, the Casino began experiencing a marked increase in its number of international visitors who wanted to play games at higher limits.

13. Person A, a Chinese national, was a “high roller” who regularly patronized the Casino in 2016 and who typically played Baccarat. During his visits to the Casino, Person A was frequently accompanied by his associate, Person B. Because Person A wagered large amounts per hand, the Casino received collection fees of approximately \$1,500 per hour that Person A played (collection rate of approximate \$50 per hand at a rate of approximately 30 hands per hour). Because of Person A’s volume of play, he would request and was generally afforded the opportunity to play in a “VIP” room in addition to other areas of play. Person A was a frequent patron of the Casino, visiting approximately one hundred times between January 2016 and August 2016 for the purpose of gambling and averaging at least between three and four hours per session. Many of Person A’s gambling sessions were often substantial, both in their length and the amounts of the wagers. For example, on August 5, 2016, Person A withdrew \$2,000,000 from his player account at approximately 2:45 p.m. and played in a “VIP” room through 1:20 a.m. the following morning.

14. Person A conducted large cash transactions during his visits to the Casino, including transporting cash into and out of the Casino using duffle bags. For example, on

January 23, 2016, he exchanged \$1,000,000 in cash for chips. On June 25, 2016, he exchanged \$1,600,000 in cash for chips.

15. When conducting cash transactions, Person B cashed in or cashed out on Person A's behalf. Casino employees knew or should have known the cash transactions were conducted on Person A's behalf, but despite this fact, from at least January 7, 2016, through July 27, 2016, all CTRs the Casino filed for Person A's cash transactions were filed in Person B's name without reference to Person A. These cash transactions, which included both cash-in and cash-out transactions, totaled over \$100 million. During that same timeframe, the Casino also filed no SARCs for Person A.

16. On January 22, 2016, the USAO publicly announced the Normandie Casino had agreed to plead guilty to criminal violations of the BSA. The announcement mentioned that the Normandie Casino avoided reporting transactions for certain high rollers by submitting CTRs that named promoters instead of the gamblers responsible for the transactions. The Casino took action to alert its employees of this situation and undertook to reevaluate its policies and procedures to avoid similar occurrences. The Bicycle represents that the Casino had not previously experienced the level of play by Person A or the use of an agent to conduct cash transactions.

17. In March 2016, the Casino amended its AML policies and procedures to specifically include a definition of "agent." Thereafter the Casino's employee training was updated to address the Normandie case and to discuss the use of agents and proper reporting of transactions involving more than one person.

18. On July 15, 2016, FinCEN publicly announced that it had reached a settlement agreement with Hawaiian Gardens Casino in which the Hawaiian Gardens Casino would be assessed \$2.8 million for violations of the BSA.

19. During a meeting with the Casino's Asian Games floorpersons on July 26, 2016, an employee identified Person B as a possible agent for Person A. Specifically, when asked on one occasion for the source of the substantial amount of cash Person B sought to exchange for chips, Person B had identified his affiliation with Person A. Casino staff acknowledged at the July 26 meeting that the Casino should have filed SARCs or otherwise documented the large sums of cash Person A brought to the Casino. At the meeting, the Hawaiian Gardens settlement was discussed. The Bicycle represents that, before this July 26, 2016, meeting, the Bicycle's senior management had not been aware that Person B was conducting cash transactions on behalf of Person A.

D. Casino Remedial Efforts

20. On August 10 and 11, 2016, the Casino amended the previously filed CTRs to indicate that Person B had conducted the transactions on Person A's behalf. Beginning August 23, 2016, the Casino also began regularly filing SARCs for Person A based on the suspicious nature of his source of funds.

21. In 2016, the Casino reviewed its BSA policies and procedures in light of the increase in its international clientele. After learning of the settlements with other Los Angeles area cardrooms, the Casino determined that the resources on which it previously relied were no longer sufficient. The Casino therefore retained an outside expert to (1) perform a new risk assessment; (2) ensure that its AML program met all legal requirements; and (3) verified that the

Casino's AML program successfully prevented the BSA violations detailed in the enforcement actions against the Normandie Casino and the Hawaiian Gardens Casino.

22. The independent expert performed a risk assessment and developed a new AML program. Additionally, the compliance department was restructured and given added staff and resources to comply with BSA requirements and the new AML program, and the Casino created an AML Committee comprising members of senior management who met regularly to discuss AML compliance issues.

Attachment B
Review and Reporting Requirements

1. During the two-year period covered by the Non-Prosecution Agreement (the “Agreement”), The Bicycle Casino, L.P. (the “Bicycle”), shall: (1) obtain a third-party audit of its Bank Secrecy Act (“BSA”) compliance program; (2) conduct an initial review of its BSA compliance program and submit an initial report; and (3) conduct and prepare at least two follow-up reviews and reports to be submitted by the Bicycle’s compliance officer, as described below:

a. By no later than 180 days from the date this Agreement is executed, the Bicycle shall secure and retain an independent, external, and qualified party or entity (the “Third-Party Reviewer”), not subject to any conflict of interest, and subject to the determination of non-objection of the United States Attorney’s Office for the Central District of California (the “USAO”), to examine the Bicycle’s compliance with the BSA and other applicable anti-money laundering laws and evaluate whether the program is reasonably designed to ensure and monitor compliance. The Third-Party Reviewer’s review shall commence within one year of the date the Agreement is executed and will cover, at a minimum the previous two years. The Third-Party Reviewer will prepare a written report for the Bicycle, setting forth its findings, and will transmit the report and all draft reports to the USAO simultaneously with any transmission to the Bicycle or its agents. To the extent that the report identifies any material deficiencies in the Bicycle’s compliance with the BSA and other applicable anti-money laundering laws, the Bicycle shall address and rectify the deficiencies as soon as is reasonably practicable.

b. By no later than 240 days from the date the Agreement is executed, the Bicycle shall submit to the USAO a written report setting forth a complete description of the Bicycle’s internal controls, policies, and procedures for ensuring compliance with the BSA and

other applicable anti-money laundering laws and summarizing how those controls, policies, and procedures differ from those in place on July 26, 2016; and the proposed scope of the subsequent reviews. The report will also memorialize the fact that the Bicycle's compliance officer (1) has reviewed the commitments contained in the Agreement; (2) has made inquiries with relevant Bicycle personnel; and (3) based on those inquiries, can attest that the Bicycle has taken substantial steps to fully comply with the commitments contained in this Attachment B. The report and subsequent reports shall be transmitted to the Chief of the Major Frauds Section, United States Attorney's Office, Central District of California, 312 N. Spring Street, Suite 1100, Los Angeles, California 90012. The Bicycle may extend the time period for issuance of the report with prior written approval of the USAO.

c. The Bicycle shall undertake at least two follow-up reviews and reports, incorporating the USAO's comments on the Bicycle's prior reviews and reports, to further monitor and assess whether the Bicycle's policies and procedures are reasonably designed to detect and prevent violations of the BSA and other applicable anti-money laundering laws.

d. The first follow-up review and report shall be completed by no later than 180 days after the initial review. Each follow-up review and report shall be completed by no later than 180 days after the completion of the preceding follow-up review.

e. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation and impede pending or potential government investigations and, thus, undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing or as otherwise provided by law.

f. The Bicycle may extend the time period for submission of any of the follow-up reports with prior written approval of the USAO.

2. During the pendency of the Agreement, with regard to patron activity beginning, ending, or passing through the United States, the USAO, upon request, may inspect the Bicycle's casino, compliance, marketing, or finance records located in the United States and the Bicycle will provide the USAO any requested casino, compliance, marketing, or finance records located in the United States within ten business days of the request.

3. Prior to the termination of the Agreement, the Bicycle's compliance officer must provide the USAO with an attestation that the Bicycle is operating according to the best practices of anti-money laundering compliance as determined by the independent review and, if not, what steps are being taken to reach best practices, including reporting what has been done during the preceding period to implement and strengthen the Bicycle's compliance with the BSA and other applicable anti-money laundering laws and what steps are planned to continue to improve the program.

4. The review and reporting requirements imposed on the Bicycle under this Attachment B will terminate upon the expiration of the two-year period covered by the Agreement or when the Bicycle no longer operates or owns a cardroom or casino, whichever occurs first, with the understanding that any acquirer or successor entity that adopts and executes this Agreement will still be bound by the review and reporting requirements under this Attachment B for the balance of the two-year period covered by the Agreement.