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BEFORE THE  
CALIFORNIA GAMBLING CONTROL COMMISSION

CGCC Case No. 2012-1128

In the Matter of the Application for Approval  
of Initial Key Employee Portable Personal  
License for:

**DECISION AND ORDER**

EUGENE VICTOR LOPEZ

Hearing Date: January 14, 2014  
Time: 10:00 a.m.

Applicant.

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) subdivision 12050(b)(2), in Sacramento, California, on January 14, 2014.

Ronald L. Diedrich, Deputy Attorney General, Department of Justice, State of California, represented Wayne J. Quint, Jr., Chief of the Bureau of Gambling Control (Complainant).

Eugene Victor Lopez represented himself.

The matter was submitted on January 14, 2014.

PROCEDURAL HISTORY

1. On or about June 16, 2010, Eugene Victor Lopez submitted an Application for Gambling Establishment Key Employee License (Application), License No. GEKE-001572, to be a key employee at Club One Casino (Club One), with the Commission. This Application is being treated as an Application for Approval of Initial Key Employee Portable Personal License pursuant to Business and Professions Code section 19854 and Title 4, CCR section 12350 due to the portable nature of key employee licenses.

2. At its November 17, 2011 meeting, the Commission voted to preliminarily deny Mr. Lopez' Application. Mr. Lopez requested an administrative hearing.

1           3. On or about November 28, 2011, the Executive Director of the Commission set the  
2 matter for a *de novo* administrative hearing to be conducted according to the provisions of the  
3 Administrative Procedure Act pursuant to Business and Professions Code section 19825 and Title  
4 4, CCR subdivision 12050(b)(1). The matter was set for hearing on January 28 and 29, 2013.

5           4. On or about April 16, 2012, Complainant filed a Statement of Issues with the  
6 Commission requesting the denial of Mr. Lopez' Application. Complainant mailed the Statement  
7 of Issues by certified mail to Mr. Lopez on or about April 26, 2012.

8           5. On or about May 24, 2012, Mr. Lopez submitted a Notice of Defense.

9           6. On June 18, 2012, Complainant filed a Notice of Hearing with the Commission and  
10 mailed a copy to Mr. Lopez.

11           7. On January 14, 2013, Presiding Administrative Law Judge Karen J. Brandt issued an  
12 Order vacating the January 28 and 29, 2013 hearing dates and returning the matter to the  
13 Commission.

14           8. On January 29, 2013, the Executive Director of the Commission re-set the  
15 matter for a *de novo* hearing to be conducted pursuant to Business and Professions Code sections  
16 19870 and 19871 and Title 4, CCR subdivision 12050(b)(2).

17           9. On January 29, 2013, the Commission served a Notice of Hearing and Prehearing  
18 Conference, which included Mr. Lopez' Application and the Bureau of Gambling Control's  
19 (Bureau) Background Investigation Report, with addendums, in Case No. CGCC-2012-1128, on  
20 Mr. Lopez and Complainant. The matter was set for hearing on April 16 and 17, 2013.

21           10. On March 5, 2013, the Commission served a Notice Vacating Prehearing Conference  
22 and Hearing Dates on Mr. Lopez and Complainant.

23           11. On October 25, 2013, the Commission served an amended Notice of Hearing and  
24 Prehearing Conference on Mr. Lopez and Complainant. The matter was set for a prehearing  
25 conference on December 3, 2013 and hearing on January 14 and 15, 2014.

26           12. On or about November 27, 2013, Complainant filed a First Amended Statement of  
27 Issues with the Commission requesting the denial of Mr. Lopez' Application. Complainant  
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1 mailed the First Amended Statement of Issues to Mr. Lopez on or about November 27, 2013.

2 13. On December 3, 2013, a prehearing conference was held before Presiding Officer  
3 Jason Pope, Staff Counsel III of the Commission. Ronald Diedrich, Deputy Attorney General,  
4 appeared on behalf of Complainant. Mr. Lopez did not attend the Prehearing Conference.

5 14. The Commission heard Case No. CGCC-2012-1128 on January 14, 2014. On  
6 January 14, 2014, the matter was submitted for Commission consideration. The following factual  
7 findings are based on the documentary and testimonial evidence received during the  
8 administrative hearing.

9 **FACTUAL FINDINGS**

10 15. Mr. Lopez worked for Club One from October 16, 2003 to March 8, 2011.

11 16. On the date of his Application, Mr. Lopez was a Customer Service Representative  
12 (CSR) for Club One. On his Application, he described his job duties as follows: "to oversee  
13 casino as well as employees on all table games."

14 17. Mr. Lopez was working as a CSR at Club One on March 2 and 3, 2011.

15 18. Souphak Inthachack (Souphak) was employed and working at Club One as a poker  
16 dealer on March 2 and 3, 2011.

17 19. Souphak was Mr. Lopez' girlfriend or fiancé during the time period including March 2  
18 and 3, 2011.

19 20. Vanessa Lorange (also known as Thoy) was employed and working at Club One as a  
20 food and beverage server on March 2 and 3, 2011.

21 21. Souphak ordered steak and prawns from Club One at approximately 9:19 p.m. on  
22 March 2, 2011, Bill Receipt No. 30293. Ms. Lorange delivered the steak and prawns to Souphak  
23 in the employee break room. Souphak ate the steak and prawns that evening.

24 22. Bill Receipt No. 30293 was handed to Mr. Lopez to pay. Mr. Lopez wrote the name  
25 "Steve" and that "Steve" was a "new 2-2x2 NL [no limit poker] player" on the bill receipt. Mr.  
26 Lopez signed Bill Receipt No. 30293 with his name and badge number.

27 23. There was a policy at Club One regarding issuing complimentary meals in effect on  
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1 March 2 and 3, 2011. The policy required CSRs to record the following information on the food  
2 order receipt: (1) CSR name; (2) CSR badge number; (3) Customer name; (4) Customer's table  
3 number; and (5) Customer's seat number.

4 24. Mr. Lopez was aware of the policy at Club One regarding issuing complimentary  
5 meals on March 2 and 3, 2011.

6 25. Mr. Lopez did not record the table number or seat number of "Steve" on Bill Receipt  
7 No. 30293, in violation of Club One's complimentary meals policy. Five of Mr. Lopez' other  
8 complimented bill receipts on March 2 and 3, 2011 comply with Club One's complimentary  
9 meals policy by including the customer's name, table number and seat number.

10 26. Mr. Lopez intentionally and dishonestly complimented Souphak's steak and prawns  
11 meal, Bill Receipt No. 30293, in the amount of \$15.95, by writing the complimentary meal ticket  
12 for "Steve".

13 27. During a meeting on March 8, 2011, with Mr. Lopez, Club One President Kyle  
14 Kirkland, and Human Resources Manager Robyn Fox present, Mr. Lopez stated that he had made  
15 a mistake complimenting Souphak's meal because it was busy and he was working on last call,  
16 and that he meant to compliment the meal for a new player named "Steve."

17 28. Immediately following this meeting, Kyle Kirkland and Robyn Fox had a separate  
18 meeting to discuss this matter. They agreed that Mr. Lopez was not being truthful regarding the  
19 fact that he improperly complimented Souphak's meal, and determined to terminate his  
20 employment at Club One.

21 29. After returning to the meeting with Mr. Lopez, Kyle Kirkland informed Mr. Lopez  
22 that he was terminating Mr. Lopez' employment for falsifying a complimentary meal ticket.

23 30. Within two or three days of March 8, 2011, Mr. Lopez sought the advice of legal  
24 counsel regarding potentially filing a harassment and/or wrongful termination lawsuit against  
25 Club One.

26 31. On March 13, 2011, Mr. Lopez filed a claim for unemployment insurance benefits  
27 with the California Employment Development Department (EDD).

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1           32. Mr. Lopez told the EDD that he was terminated from employment at Club One for  
2 filling out a complimentary meal ticket incorrectly.

3           33. The EDD denied Mr. Lopez' claim for unemployment insurance benefits on April 15,  
4 2011, after finding that Mr. Lopez broke a reasonable employer rule.

5           34. On March 21, 2011, Mr. Lopez told Lorraine Alford of the Bureau that he quit his job  
6 with Club One and that he was not terminated from employment.

7           35. Mr. Lopez lied to the Bureau when he stated that he quit his job with Club One and  
8 that he was not terminated from employment.

9           36. On May 20, 2011, Mr. Lopez filed an appeal with the EDD for unemployment  
10 insurance benefits. Mr. Lopez submitted a written letter as part of his appeal with the EDD.

11           37. In his letter, Mr. Lopez lied when he stated that there has never been a verbal or  
12 written policy on the complimentary meal system at Club One.

13           38. Mr. Lopez also stated in his letter that he complimented Souphak's meal but paid for  
14 her dessert. No dessert item appears on Bill Receipt No. 30293.

15           39. Mr. Lopez further stated in his letter that he complimented Souphak's meal because he  
16 was told by Club One President Kyle Kirkland that he was allowed to provide complimentary  
17 meals to his fiancé once in a while.

18           40. During the November 17, 2011 Commission meeting, Mr. Lopez admitted that he lied  
19 to the Bureau when he told them he quit his job and was not terminated from Club One.

20           41. Mr. Lopez' explanation for lying to the Bureau about his termination from Club One  
21 was that he was told by legal counsel not to say anything about his termination to anyone. Mr.  
22 Lopez' explanation is not credible because he revealed to the EDD on March 13, 2011, when he  
23 filed his claim for unemployment insurance benefits, that he was terminated from employment.

24           42. Also during the November 17, 2011 Commission meeting, Mr. Lopez lied to the  
25 Commission when he stated that he was terminated by Club One for negligently filling out a  
26 complimentary meal ticket.

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1           43. Mr. Lopez further lied to the Commission during this meeting when he stated that  
2 there was no complimentary meal policy in place at Club One on March 2 and 3, 2011.

3           44. During the January 14, 2014 hearing on this matter, Mr. Lopez admitted that Club  
4 One's complimentary meal policy requires that the CSR write the customer's name, seat number  
5 and table number on the meal ticket.

6           45. Mr. Lopez testified that his signed Bill Receipt No. 30293 in good faith to provide a  
7 complimentary steak and prawns meal to "Steve." His testimony is unsupported by credible  
8 evidence.

9           46. Mr. Lopez admitted to lying to the Bureau about not being terminated from Club One  
10 and lying to the Commission about being terminated for negligently filling out a complimentary  
11 meal ticket. Mr. Lopez was dishonest and evasive during the hearing, and his explanations  
12 related to this matter are inconsistent, contradictory and frequently changing. For example:

- 13           (A)       Mr. Lopez initially told the EDD that he was allowed to compliment  
14                    Souphak's meal. Later, he stated that he complimented her meal by accident,  
15                    and that he meant to compliment the meal of a poker player named "Steve."  
16           (B)       Mr. Lopez told the EDD on March 13, 2011 that he was terminated from  
17                    employment by Club One. On March 21, 2011, Mr. Lopez told the Bureau  
18                    that he quit his job and was not terminated from Club One.  
19           (C)       Mr. Lopez explained his lie to the Bureau by stating that he was told by legal  
20                    counsel not to mention his termination to anyone. However, he disclosed his  
21                    termination to the EDD when he filed a claim for unemployment insurance  
22                    benefits.  
23           (D)       Mr. Lopez told the EDD on May 20, 2011 that there was no complimentary  
24                    meal policy in place at Club One. During the January 14, 2014 hearing on  
25                    this matter, Mr. Lopez admitted that Club One's complimentary meal policy  
26                    requires that the CSR write the customer's name, seat number and table  
27                    number on the meal ticket.

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1 LEGAL CONCLUSIONS

2 1. Every key employee shall apply for and obtain a key employee license. Business and  
3 Professions Code subdivision 19854(a).

4 2. The burden of proving his or her qualifications to receive any license from the  
5 Commission is on the applicant. Business and Professions Code subdivision 19856(a).

6 3. An application to receive a license constitutes a request for a determination of the  
7 applicant's general character, integrity, and ability to participate in, engage in, or be associated  
8 with, controlled gambling. Business and Professions Code subdivision 19856(b).

9 4. In reviewing an application for any license, the Commission shall consider whether  
10 issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the  
11 license will undermine public trust that the gambling operations with respect to which the license  
12 would be issued are free from criminal and dishonest elements and would be conducted honestly.  
13 Business and Professions Code subdivision 19856(c).

14 5. The Commission has the responsibility of assuring that licenses, approvals, and  
15 permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose  
16 operations are conducted in a manner that is inimical to the public health, safety, or welfare.  
17 Business and Professions Code subdivision 19823(a)(1).

18 6. An "unqualified person" means a person who is found to be unqualified pursuant to  
19 the criteria set forth in Business and Professions Code section 19857. Business and Professions  
20 Code subdivision 19823(b).

21 7. 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 subdivision 19824(b).

24 8. The Commission has the power to take actions deemed to be reasonable to ensure that  
25 no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled  
26 gambling activities. Business and Professions Code subdivision 19824(d).

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1           9. The Commission shall not issue a gambling license unless, based on all of the  
2 information and documents submitted, the Commission is satisfied that the applicant is all of the  
3 following: (a) A person of good character, honesty and integrity; (b) A person whose prior  
4 activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the  
5 public interest of this state, or to the effective regulation and control of controlled gambling, or  
6 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in  
7 the conduct of controlled gambling or in the carrying on of the business and financial  
8 arrangements thereto; (c) A person that is in all other respects qualified to be licensed as provided  
9 in this chapter. Business and Professions Code section 19857.

10           10. As set forth in the Factual Findings, Mr. Lopez intentionally and dishonestly  
11 complimented a meal for his girlfriend by writing the false name "Steve" on the meal ticket.

12           11. A person who intentionally and dishonestly compliments a meal for his girlfriend to  
13 the financial detriment of his employer demonstrates a lack of good character, honesty and  
14 integrity.

15           12. Mr. Lopez was also dishonest and lied on several occasions to the Bureau and the  
16 Commission.

17           13. Most notably, when being confronted about complimenting the meal for his girlfriend,  
18 Mr. Lopez continued to lie to the Commission during the hearing by stating that he meant to  
19 provide the complimentary meal to "Steve."

20           14. A person who is dishonest and lies to the Bureau and Commission demonstrates a lack  
21 of good character, honesty and integrity.

22           15. In their totality, Mr. Lopez' statements and actions related to this matter demonstrate  
23 that he lacks the good character, honesty and integrity required for licensure pursuant to Business  
24 and Professions Code subdivision 19857(a).

25           16. Mr. Lopez is unqualified for licensure as defined in Business and Professions Code  
26 subdivision 19823(b) because he failed to demonstrate that he is person of good character,  
27 honesty and integrity.

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1           17. Based on the foregoing, Mr. Lopez has failed to meet his burden of proving his  
2 suitability for licensure as required by Business and Professions Code subdivision 19856(a).

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4           NOTICE OF APPLICANT'S APPEAL AND RECONSIDERATION RIGHTS

5           The Applicant has the following appeal rights available under state law:

6           Business and Professions Code subdivision 19870(e) provides:

7                   A decision of the commission denying a license or approval, or imposing any  
8 condition or restriction on the grant of a license or approval may be reviewed by petition  
9 pursuant to Section 1085 of the Code of Civil Procedure. Section 1094.5 of the  
10 Code of Civil Procedure shall not apply to any judicial proceeding described in the  
11 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.

12           Title 4, CCR subdivision 12050(d) provides:

13                   An appeal of a denial or imposition of conditions by the Commission shall be  
14 subject to judicial review under Code of Civil Procedure section 1085 (pursuant to  
15 Business and Professions Code section 19870, subdivision (e)). Neither the right to  
petition for judicial review nor the time for filing the petition shall be affected by failure  
16 to seek reconsideration.

17           Title 4, CCR subdivision 12050(c)(6) provides, in part:

18                   (6)    An applicant denied a license, permit, registration, or finding of suitability, or  
19 whose license, permit, registration, or finding of suitability has had conditions imposed  
20 upon it may request reconsideration by the Commission within 30 days of notice of the  
21 decision. The request shall be in writing and shall outline the reasons for the request,  
22 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 for which the Commission in its  
discretion decides merits reconsideration.

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ORDER

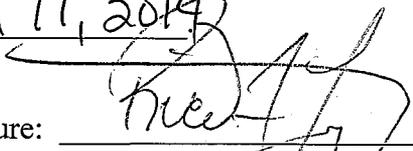
1. Eugene Victor Lopez' Application for Approval of Initial Key Employee Portable Personal License is DENIED.

2. No costs are to be awarded.

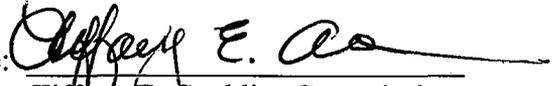
3. Each side to pay its own attorneys' fees.

This Order is effective on March 17, 2014

Dated: 2/4/2014

Signature:   
Richard J. Lopes, Chairman

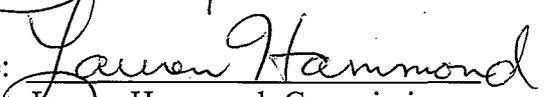
Dated: 2/13/2014

Signature:   
Tiffany E. Conklin, Commissioner

Dated: 2/13/2014

Signature:   
Richard Schuetz, Commissioner

Dated: 2/13/2014

Signature:   
Lauren Hammond, Commissioner