

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 a Key Employee License Regarding:

ROMMEL NARAVAL

Respondent.

BGC Case No. BGC-HQ2017-00006SL
CGCC Case No. CGCC-2017-0223-7C

DECISION AND ORDER

Hearing Date: January 30, 2018
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(b), in Sacramento, California, on October 26, 2017, November 16, 2017, and January 30, 2018.

Paras Modha, Deputy Attorney General, State of California, represented complainant Wayne J. Quint, Jr., Chief of the Bureau of Gambling Control (Bureau), Department of Justice, State of California.

Rommel Naraval (Respondent) failed to appear and was not represented at the hearing.

During the administrative hearing on October 26, 2017, Presiding Officer Jason Pope took official notice of the following:

- (a) Notice of Hearing and Prehearing Conference;
- (b) Bureau's Statement of Reasons;
- (c) Notice of Defense;
- (d) Conclusion of Prehearing Conference notice.

During the administrative hearing on October 26, 2017, and January 30, 2018, Presiding Officer Jason Pope accepted into evidence the following exhibits offered by the Bureau:

- (1) Statement of Reasons filed and served by the Bureau and attachments, Bates Nos. 0001-0026;
- (2) Commission correspondence to Respondent: (a) Letter dated February 24, 2017, re:

1 Referral an Evidentiary Hearing, Bates No. 0027-0029; (b) letter dated February 13, 2017, re:
2 Notice of Cancellation of Interim Portable Personal Key Employee License, Bates Nos. 0030-
3 0031; (c) letter dated February 10, 2015, re: Interim Key Employee License, Bates Nos. 0032-
4 0033;

5 (3) The Bureau's Cardroom Key Employee Background Investigation Report and
6 attachments and January 11, 2017 correspondence to Respondent notifying him of the report,
7 Bates Nos. 0034-0123;

8 (4) Communications between Bureau Licensing staff and Respondent requesting
9 Additional Information from Respondent, Bates Nos. 0124-0206;

10 (5) Business Searches re: Rommel Naraval, Bates Nos. 0207-0252;

11 (6) Liens and Judgments against Respondent, Bates Nos. 0253-0267;

12 (7) Internal Revenue Service Tax Liabilities for Respondent, Bates Nos. 0268-0308;

13 (8) Employment Development Department Overpayment Statement for Respondent, Bates
14 Nos. 0309-0311;

15 (9) Accounts in Collections for Respondent, Bates Nos. 0312-0316

16 (10) San Joaquin County Litigation Lien Search for Respondent, Bates Nos. 0317-0318;

17 (11) Commercial Trade Bureau Judgment against Beyond Bronze, LLC, Bates Nos. 0319-
18 0321

19 (12) Citibank Credit Card/Portfolio Recovery Associates, LLC, litigation documents,
20 Bates Nos. 0322-0341;

21 (13) Bronze Image, LLC litigation and lease documents, Bates Nos. 0342-0370;

22 (14) Savings Account statements for Respondent, Bates Nos. 0371-0374;

23 (15) DMV Criminal History for Respondent, Bates Nos. 0375

24 (16) Respondent's Application for Gambling Establishment Key Employee License dated
25 February 26, 2015, Bates Nos. 0376-0380; Respondent's Key Employee Supplemental
26 Background Investigation Information dated February 25, 2015, Bates Nos. 0381-0394;
27 Respondent's Application for Gambling Establishment Key Employee License dated
28

1 February 26, 2013, Bates Nos. 0395-0400; Respondent's Key Employee Supplemental
2 Background Investigation Information dated February 26, 2013, Bates Nos 0401-0414.
3 (17) Respondent's Application for Interim Key Employee License dated January 30, 2015,
4 Bates Nos. 0415-0417; Respondent's Application for Interim Key Employee License
5 dated December 12, 2012, Bates Nos. 0418-0419.

6 (18) The Bureau's requests for additional information from Respondent, Bates Nos. 0420-
7 0429;

8 (19) Litigation documents re: Foreclosure Help Now, LLC, Bates Nos. 0430-0527.

9 During the administrative hearing on January 30, 2018, Presiding Officer Jason Pope
10 accepted into evidence the following exhibits offered by the Bureau:

11 (20) Email correspondence between Commission Licensing staff and Respondent, 2 pages
12 (no bates numbers).

13 The matter was submitted on January 30, 2018.

14 FINDINGS OF FACT

15 1. On February 4, 2015, the Bureau received an interim key employee license application
16 from Respondent. On February 10, 2015, the Commission issued an interim key employee
17 license, number GEKE-002066 to Respondent with an expiration date of February 28, 2017.

18 2. On or about March 9, 2015, the Bureau received an Application for Gambling
19 Establishment Key Employee License and a Key Employee Supplemental Background
20 Investigation Information (Application) dated February 26, 2015 from Respondent.

21 3. On his Application, Respondent failed to disclose that from June 2008 to February 2009
22 he was employed as an Outside Salesperson with Option 1 Communications.

23 4. On his Application, Respondent failed to disclose his employment history as a Senior
24 Account Executive with Telepacific Communications from September 2007 to June 2008.

25 5. On his Application, Respondent failed to disclose that since June 2005, he has held a
26 100% ownership interest in Business Communication Solutions, a company that resells voice and
27 data network services.

1 6. On his Application, Respondent failed to disclose his employment history as a
2 Consultant with Foreclosure Help Now, LLC, from June 2005 to December 2006. Respondent
3 also failed to disclose that he held a 20% ownership interest in Foreclose Help Now, LLC.

4 7. On his Application, Respondent failed to disclose that in April 2003 he became the
5 owner of Sterling Investments, LLC, a real estate investment company.

6 8. On his Application, Respondent failed to disclose that in February 1998 he became the
7 owner of GENX, a website development company.

8 9. The Application required Respondent to submit the last three years of Federal Tax
9 Returns to the Bureau, including schedules and attachments. Respondent did not provide his W-2
10 forms. The Bureau requested W-2 forms from Respondent on March 11, 2016, May 18, 2016,
11 November 18, 2016 and November 29, 2016, and December 5, 2016, but Respondent did not
12 provide the requested documents.

13 10. By email on December 21, 2016 and by phone on December 22, 2016, Respondent
14 represented to the Bureau that he had copies of his W-2's and would provide them, but he failed
15 to do so.

16 11. On his Application, Respondent failed to disclose that the California Employment
17 Development Department filed a tax lien against Beyond Bronze, LLC in October 2007. Beyond
18 Bronze, LLC is a tanning salon that Respondent held a 60% ownership interest in from January
19 2005 and May 2009.¹

20 12. Respondent also failed to disclose that there are four unpaid state tax liens totaling
21 \$8,774.93, filed against Beyond Bronze, LLC in 2007, 2008, and 2009.

22 13. Respondent failed to disclose that there are three unpaid county tax liens totaling
23 \$5,493.49, filed against Beyond Bronze, LLC in 2007 and 2008.

24 14. Respondent failed to disclose a default judgment against him and Foreclosure Help
25 Now, LLC stemming from a lawsuit. On June 25, 2012, judgment for plaintiffs in the amount of
26 \$271,024.83 was entered in *Clarke v. Foreclosure Help Now, LLC, and Rommel Naraval*, in the

27 ¹ The record did not establish the amount of the lien, but the evidence supports the
28 existence of the lien and that the lien has not been released.

1 Delaware Circuit Court, State of Indiana

2 15. The Complaint in *Clarke v. Foreclsoure Help Now, LLC and Rommel Naraval*,
3 alleged that Respondent engaged in fraudulent conduct, including forgery and misrepresentation,
4 that resulted in real property being wrongfully converted from the plaintiffs.

5 16. Respondent also failed to disclose a judgment filed against him in the San Joaquin
6 County Superior Court for \$20,289.89 arising from a lawsuit alleging that defendant Bronze
7 Image, LLC, Respondent (and other defendants) failed to pay rent and breached their duties under
8 a lease agreement.

9 17. Respondent failed to disclose a September 2007 judgment filed against him in the
10 Fresno Superior Court for the sum of \$2,301.33 filed by the Commercial Trade Bureau of
11 California.

12 18. The Application required Respondent to provide the Bureau with his bank statements
13 for the 12 months preceding submission of the Application. Upon review of Respondent's bank
14 statements, the Bureau found that Respondent had an additional savings account that was not
15 disclosed to the Bureau. The Bureau asked Respondent to provide statements for the savings
16 account, but he failed to do so.

17 19. On or about January 10, 2017, the Bureau submitted a Cardroom Key Employee
18 Background Investigation Report to the Commission recommending that Respondent's
19 Application be denied.

20 20. On or about February 13, 2017, Respondent's interim key employee license was
21 cancelled by the Commission pursuant to California Code of Regulations, title 4, section 12354,
22 subdivision (e)(5).

23 21. On February 23, 2017, the Commission referred consideration of Respondent's
24 Application to an evidentiary hearing to be held under the provisions of California Code of
25 Regulations, title 4, section 12060.

26 22. On February 24, 2017, the Commission sent Respondent a Notice of Defense and a
27 letter informing him that his Application was referred to an evidentiary hearing.
28

1 23. On or about March 9, 2017, Respondent submitted a Notice of Defense to the
2 Commission requesting an evidentiary hearing.

3 24. On or about May 12, 2017, the Commission served a Notice of Hearing and
4 Prehearing Conference on Respondent and the Bureau by Certified Mail. The Notice of Hearing
5 stated that the evidentiary hearing Respondent requested was set for October 26 and 27, 2017 at
6 10:00 am.

7 25. On or about August 15, 2017, the Bureau filed a Statement of Reasons with the
8 Commission requesting denial of Respondent's Application. A copy was served on Respondent
9 by Certified Mail.

10 26. On September 12, 2017, Respondent attended the Prehearing Conference to discuss
11 the upcoming evidentiary hearing with the Commission's Presiding Officer. Counsel for the
12 Bureau was also present.

13 27. On September 13, 2017, a Conclusion of Prehearing Conference letter was sent to
14 Respondent. The letter contained a reminder that the evidentiary hearing was set for October 26
15 and 27, 2017 at 10:00 am.

16 28. The Commission heard Case No. CGCC-2017-0223-7C on October 26, 2017. The
17 Bureau was represented by Deputy Attorney General Paras Modha. Respondent failed to appear
18 throughout the pendency of the hearing. Respondent made no prior contact with the Commission
19 or the Bureau indicating he was unable or unwilling to attend.

20 29. The Commission opened the record and Mr. Modha made an opening statement. The
21 Commission accepted the Bureau's exhibits 1-19 into evidence. The Commissioners continued
22 the hearing to November 16, 2017 to give Respondent the opportunity to attend and participate.

23 30. On October 26, 2017, the Commission sent a Notice of Continuance of Hearing to
24 Respondent notifying him that the hearing was continued to November 16, 2017 at 10:00. The
25 notice was sent by Certified Mail.

26 31. On November 16, 2017, in response to an email inquiry from Commission staff,
27 Respondent stated that he did not attend the hearing on October 26, 2017 because he received a
28

1 notice of continuance. Respondent's statement was untrue. The Commission did not send a
2 notice of continuance to Respondent prior to the October 26 hearing.

3 32. Respondent appeared at the November 16, 2017 hearing by phone and stated that due
4 to a death in his family the night before, he was unable to appear in person for the hearing.
5 Respondent requested that the hearing be continued.

6 33. In response to questions from the Commissioners at the November 16, 2017,
7 Respondent stated that he did not appear at the October 26 hearing because he received a letter
8 and an email stating that the hearing had been continued.

9 34. The Commission agreed to continue the hearing a second time so that Respondent
10 could attend in person. The Commission's Chairman counseled Respondent that failing to attend
11 the continued hearing would be detrimental to his application.

12 35. On November 21, 2017, the Commission sent a Notice of Continuance of Hearing to
13 Respondent notifying him that the hearing was continued to January 30, 2018 at 10:00. The notice
14 was sent by Certified Mail.

15 36. The Commission held the continued hearing for Case No. CGCC-2017-0223-7C on
16 January 30, 2018. The Bureau was again represented by Deputy Attorney General Paras Modha.
17 For the second time, Respondent failed to appear for the hearing or to make any contact with the
18 Commission or the Bureau to explain his absence.

19 37. The failure of an applicant to attend the hearing on his or her application may affect
20 the applicant's ability to apply for and/or receive a license from the Commission and/or from
21 other jurisdictions.

22 38. Failing to attend the hearing, Respondent did not present or submit any information or
23 evidence in favor of granting his Application

24 39. Respondent failed to disclose, delayed disclosing and/or supplied misleading
25 information material to his qualification for licensure.

26 40. Respondent was dishonest and exhibited poor character when he told the Commission
27 in an email that he received a notice of continuance prior to the October 26, 2017 hearing and
28

1 then repeated this falsehood in a statement to the Commission at the November 16, 2017 meeting.

2 41. Respondent was dishonest and exhibited poor character by omitting numerous things
3 from his Application and then refusing to provide his W-2 forms and bank statements to the
4 Bureau.

5 42. Respondent exhibited lack of integrity by requesting an evidentiary hearing and then
6 failing to attend on two occasions. This is compounded by the fact that Respondent appeared by
7 phone on November 16, 2017 and was warned by the Commission that failing to attend the third
8 hearing would be detrimental to his application.

9 43. 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 Respondent's Application.

12 44. The matter was submitted for Commission consideration on January 30, 2018.

13 LEGAL CONCLUSIONS

14 1. 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 2. 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 3. At an evidentiary hearing pursuant to Business and Professions Code sections 19870
22 and 19871 and Title 4, CCR section 12060(b), the burden of proof rests with the applicant to
23 prove his or her qualifications to receive any license under the Gambling Control Act. Title 4,
24 CCR section 12060(i). Business and Professions Code section 19856(a).

25 4. An application to receive a license constitutes a request for a determination of the
26 applicant's general character, integrity, and ability to participate in, engage in, or be associated
27 with, controlled gambling. Business and Professions Code section 19856(b).

28

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

6 6. The Commission has the responsibility of assuring that licenses, approvals, and permits
7 are not issued to, or held by, unqualified or disqualified persons, or by persons whose operations
8 are conducted in a manner that is inimical to the public health, safety, or welfare. Business and
9 Professions Code section 19823(a)(1).

10 7. An “unqualified person” means a person who is found to be unqualified pursuant to the
11 criteria set forth in Business and Professions Code section 19857, and “disqualified person”
12 means a person who is found to be disqualified pursuant to the criteria set forth in Business and
13 Professions Code section 19859. Business and Professions Code section 19823(b).

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

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

20 10. An application for a Key Employee License shall be denied by the Commission if the
21 applicant is found unqualified pursuant to the criteria set forth in subdivisions (a) or (b) of
22 Business and Professions Code section 19857.

23 11. Respondent did not meet his burden of demonstrating that he is a person of honesty
24 and integrity. Therefore, Respondent is not qualified for the issuance of a Key Employee License
25 pursuant to Business and Professions Code section 19857(a).

26 12. Respondent is disqualified from licensure for failure to provide the information,
27 documentation, and assurances required by the Gambling Control Act and/or requested by the
28

1 Bureau, or failure of the applicant to reveal any fact material to qualification, or the supplying of
2 information that is untrue or misleading as to a material fact pertaining to the qualification criteria
3 pursuant to Business and Professions Code section 19857(b).

4 NOTICE OF APPLICANT'S APPEAL RIGHTS

5 Respondent Rommel Naraval has the following appeal rights available under state law:

6 Title 4, CCR section 12064, subsections (a) and (b) provide, in part:

7 An applicant denied a license, permit, registration, or finding of suitability, or whose
8 license, permit, registration, or finding of suitability has had conditions, restrictions,
9 or limitations imposed upon it, may request reconsideration by the Commission
10 within 30 calendar days of service of the decision, or before the effective date
11 specified in the decision, whichever is later. The request shall be made in writing to
12 the Commission, copied to the Bureau, and shall state the reasons for the request,
13 which must be based upon either newly discovered evidence or legal authorities that
14 could not reasonably have been presented before the Commission's issuance of the
15 decision or at the hearing on the matter, or upon other good cause which the
16 Commission may decide, in its sole discretion, merits reconsideration.

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

14 A decision of the commission denying a license or approval, or imposing any
15 condition or restriction on the grant of a license or approval may be reviewed by
16 petition pursuant to Section 1085 of the Code of Civil Procedure. Section 1094.5 of
17 the Code of Civil Procedure shall not apply to any judicial proceeding described in
18 the foregoing sentence, and the court may grant the petition only if the court finds
19 that the action of the commission was arbitrary and capricious, or that the action
20 exceeded the commission's jurisdiction.

18 Title 4, CCR section 12066, subsection (c) provides:

19 A decision of the Commission denying an application or imposing conditions on license
20 shall be subject to judicial review as provided in Business and Professions Code section
21 19870, subdivision (e). Neither the right to petition for judicial review nor the time for
22 filing the petition shall be affected by failure to seek reconsideration.
23
24
25
26
27
28

ORDER

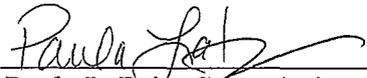
1. Rommel Naraval's Application for Key Employee license is DENIED.
2. Each side to pay its own attorneys' fees.

This Order is effective on April 9, 2018.

Dated: 3/8/18

Signature: 
Jim Evans, Chairman

Dated: 3/8/2018

Signature: 
Paula LaBrie, Commissioner

Dated: 3/8/18

Signature: 
Trang To, Commissioner

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