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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

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

CALLAYE JO STRAUSS

Respondent.

BGC Case No. BGC-HQ2017-00011SL
CGCC Case No. CGCC-2017-0713-7G

**ORDER OF AFFIRMATION OF THE
SECOND AMENDED DECISION AND
ORDER FOLLOWING
RECONSIDERATION**

Hearing Date: January 24, 2018
Time: 10:00 a.m.

1. On or about January 23, 2020, the California Gambling Control Commission (Commission) issued a Second Amended Decision and Order denying Respondent Callaye Jo Strauss's (Strauss) Application for Gambling Establishment Key Employee License. The Second Amended Decision and Order had an effective date of February 24, 2020.
2. On or about February 19, 2020, Strauss timely requested reconsideration of the Commission's Second Amended Decision and Order.
3. At its May 14, 2020 meeting, the Commission granted Strauss's request for reconsideration of the Commission's Second Amended Decision and Order.
4. The Commission has reconsidered its Second Amended Decision and Order and issues this Order of Affirmation of the Second Amended Decision and Order Following Reconsideration.
5. The Commission's Second Amended Decision and Order is attached as Attachment A.

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ORDER

1. The Commission's Second Amended Decision and Order is AFFIRMED.
2. No costs are to be awarded.
3. Each side to pay its own attorneys' fees.

This Order is effective on June 11, 2020.

Dated: June 11, 2020

Signature: _____



Jim Evans, Chairman

Dated: 6/11/20

Signature: _____



Paula LaBrie, Commissioner

Dated: 6/11/20

Signature: _____



Trang To, Commissioner

ATTACHMENT A

BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

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

CALLAYE JO STRAUSS

Respondent.

BGC Case No. BGC-HQ2017-00011SL
CGCC Case No. CGCC-2017-0713-7G

**SECOND AMENDED DECISION AND
ORDER**

Hearing Date: January 24, 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, in Sacramento, California, on January 24, 2018. The record was left open until January 31, 2018 to allow the parties to submit closing briefs in lieu of closing argument. On or about January 31, 2018, the parties submitted closing briefs to the Commission.

Michelle Laird (Laird), Deputy Attorney General, State of California, represented complainant Nathan DaValle, Acting Director of the Bureau of Gambling Control (Bureau), Department of Justice, State of California.

Attorney Heather Guerena (Guerena) of Duane Morris LLP represented Respondent Callaye Jo Strauss (Strauss).

During the evidentiary hearing, Presiding Officer Jason Pope took official notice of the Notice of Hearing, with enclosures, sent by the Commission to Strauss, Guerena, and Laird, via certified mail, on October 11, 2017.

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

- (1) Statement of Reasons In the Matter of the Statement of Reasons for Denial of Application for a Key Employee License Re: Callaye Jo Strauss, Respondent, BGC Case No. BGC-HQ2017-00011SL, CGCC Case No.

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- CGCC-2017-0713-7G, Bates Nos. 001-014;
- (2) Statement to Respondent In the Matter of the Statement of Reasons for Denial of Application for a Key Employee License Re: Callaye Jo Strauss, Respondent, BGC Case No. BGC-HQ2017-00011SL, CGCC Case No. CGCC-2017-0713-7G; Declaration of Service, Bates Nos. 015-018;
- (3) Notice of Defense, Bates Nos. 019-021;
- (4) February 11, 2016 Correspondence from Commission to Respondent, Bates Nos. 022-024;
- (5) July 14, 2017 Correspondence from Commission to Respondent, Bates Nos. 025-027;
- (6) October 11, 2017 Correspondence from Commission to Complainant, Respondent, and their attorneys, including Attachment A (March, 2016 Application) and Attachment B (June, 2017 Bureau Report), Bates Nos. 028-055; and
- (7) June 20, 2017 e-mail from Bureau staff responding to Commission staff inquiry and including email from Respondent, Bates Nos. 056-060.

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

- (A) Pleadings in Padiernos v. Shyrock, Bates Nos. 4-27;
- (B) Pleadings in Alpine Ridge-Glen Ltd. v. Padiernos UE006352, Bates Nos. 28-85;
- (C) Pleadings in Appeal from Alpine Ridge-Glen Ltd. v. Padiernos GIC783486, Bates Nos. 86-103;
- (D) Callaye Padiernos Viejas Tribal Gaming License Application, Bates Nos. 104-122;
- (E) Viejas Investigative Report, Bates Nos. 123-125;
- (F) Application for Finding of Suitability Tribal Key Employee Background

- 1 Investigative Report on Callaye Padiernos, Bates Nos. 126-160;
- 2 (G) Pleadings in Padiernos Bankruptcy; Case Summary; Chapter 7 Petition,
- 3 Bates Nos. 161-190;
- 4 (H) Pleadings in Padiernos Bankruptcy; Motion to Dismiss; 8/08/2005 Minute
- 5 Order, Bates Nos. 191-225;
- 6 (I) Pleadings in Padiernos Bankruptcy; Order on Motion to Dismiss; Notice of
- 7 Entry of Order Dismissing Case, Bates Nos. 226-229;
- 8 (J) 2005 Post-Judgment Pleadings in Alpine Ridge-Glen Ltd. v. Padiernos
- 9 UE006352; Memo of Costs After Judgment; Writ of Execution; Execution
- 10 Return, Bates Nos. 230-242;
- 11 (K) Application for Renewal of Tribal Gaming License re Callaye Padiernos
- 12 dated 1/22/2007; Application for Finding of Suitability re Callaye
- 13 Padiernos dated 1/22/2007, Bates Nos. 243-246;
- 14 (L) Gaming Employee Gaming License Renewal Application re Callaye
- 15 Padiernos dated 2/14/2007; Renewal Checklist, Bates Nos. 247-249;
- 16 (M) Application for Renewal of Tribal Gaming License re Callaye Padiernos
- 17 dated 12/15/2008; Application for Finding of Suitability re Callaye
- 18 Padiernos dated 12/15/2008, Bates Nos. 250-253;
- 19 (N) Gaming Employee Gaming License Renewal Application re Callaye
- 20 Padiernos dated 12/18/2008, Bates Nos. 254-255;
- 21 (O) Letter enclosing State Key Employee renewal re Callaye Padiernos dated
- 22 1/9/2009; Renewal Checklist; Applications for Finding of Suitability re
- 23 Callaye Padiernos dated 1/26/2011, 12/27/2012, 12/16/2014; Renewal
- 24 Checklist, Bates Nos. 256-265;
- 25 (P) Letter Viejas to Bureau of Gambling Control dated 5/4/2015, Bates Nos.
- 26 266-267;
- 27 (Q) Application for Interim Key Employee License dated 1/25/2016, Bates
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- 1 Nos. 268-269;
- 2 (R) Letter Gambling Control Commission to Callaye Eubank dated 2/11/2016,
3 Bates Nos. 270-272;
- 4 (S) Application for Gambling Establishment Key Employee License re Callaye
5 Eubank dated 3/10/2016; Key Employee Supplemental Background
6 Investigation Information dated 3/10/2016, Bates Nos. 273-290;
- 7 (T) Request for Replacement Key Employee License re Callaye Strauss
8 received 9/08/2016; Reconciliation Form dated 10/12/2016, Bates Nos.
9 291-294;
- 10 (U) Lexis search results re Callaye Padiernos, Bates Nos. 295-309;
- 11 (V) Letter Bureau of Gambling Control to Callaye Strauss dated 2/6/2017,
12 Bates Nos. 310-315;
- 13 (W) Callaye Strauss Response to Bureau of Gambling Control request dated
14 2/16/2017, Bates Nos. 316-325;
- 15 (X) Letter Bureau of Gambling Control to Callaye Strauss dated 2/22/2017,
16 Bates Nos. 326-328;
- 17 (Y) Callaye Strauss Response to Bureau of Gambling Control request for more
18 info, Bates Nos. 329-330;
- 19 (Z) Email S. Golder to C. Strauss dated 3/6/2017, Bates Nos. 331-332;
- 20 (AA) Reply Email C. Strauss to S. Golder dated 3/6/2017, Bates Nos. 333-335;
- 21 (BB) Reply Email C. Strauss to S. Golder dated 3/8/2017, Bates Nos. 336-338;
- 22 (CC) Superior Court Litigation Search for Callaye Padiernos, Bates Nos. 339-
23 340;
- 24 (DD) Superior Court Case Detail and Lexis Search re Capital One Bank v.
25 Padiernos, Bates Nos. 341-343;
- 26 (EE) Bureau of Gambling Control Cardroom Key Employee Background
27 Investigation Report Level II on Callaye Strauss dated June 2017, Bates
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- 1 Nos. 344-364;
2 (FF) California Gambling Control Commission Licensing Division
3 Memorandum dated 7/13/2017, Bates Nos. 365-367;
4 (GG) Statement of Reasons re Callaye Strauss dated 12/8/2017, Bates Nos. 368-
5 381;
6 (HH) Seven Mile Casino Job Duty Statement – Compliance Officer, Bates Nos.
7 382-383; and
8 (II) Recommendation letters re Callaye Strauss, Bates Nos. 384-412.

9 The matter was submitted on January 31, 2018.

10 FINDINGS OF FACT

11 **Procedural Background**

12 1. On or about March 10, 2016, Strauss, formerly known as Callaye Jo Padiernos and
13 Callaye Jo Eubank, submitted an Application for Gambling Establishment Key Employee License
14 and Key Employee Supplemental Background Investigation Information form (Supplemental)
15 (collectively, Application) to the Bureau.

16 2. On or about June 15, 2017, the Bureau submitted a Cardroom Key Employee
17 Background Investigation Report on Strauss to the Commission. In this report, the Bureau
18 recommends that Strauss be found suitable for licensure as a key employee.

19 3. At its July 13, 2017 meeting, the Commission voted to refer the consideration of
20 Strauss' Application to a Gambling Control Act evidentiary hearing.

21 4. On or about July 21, 2017, Strauss submitted a Notice of Defense to the
22 Commission requesting an evidentiary hearing on the consideration of her Application.

23 5. On or about October 11, 2017, the Commission sent a Notice of Hearing, via
24 certified mail, to Strauss, Guerena and Laird.

25 6. On or about December 4, 2017, the noticed Prehearing Conference was held
26 before Presiding Officer Jason Pope, Attorney III of the Commission. Laird, Deputy Attorney
27 General, attended on behalf of the Bureau. Guerena, an attorney with Duane Morris LLP,
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1 attended on behalf of Respondent Strauss, who did not attend.

2 7. Also on or about December 4, 2017, the Commission sent a Conclusion of
3 Prehearing Conference letter to Guerena and Laird.

4 8. On or about December 8, 2017, the Bureau prepared a Statement of Reasons in
5 which it recommends that the Commission deny Strauss' Application.

6 9. The Commission heard this matter on January 24, 2018. The Bureau was
7 represented throughout the hearing by Deputy Attorney General Laird. Respondent Strauss
8 appeared and was represented throughout the hearing by attorney Guerena.

9 10. On or about March 21, 2018, the Commission issued a Decision and Order denying
10 Strauss' Application for Gambling Establishment Key Employee License. The Decision and
11 Order had an effective date of April 20, 2018.

12 11. On or about April 16, 2018, Strauss timely requested reconsideration of the
13 Commission's Decision and Order pursuant to CCR section 12064.

14 12. On or about May 3, 2018, Strauss filed a Petition for Writ of Mandate (Writ) in the
15 Superior Court of California, County of Sacramento, pursuant to California Code of Civil
16 Procedure section 1085, challenging the Commission's Decision and Order.

17 13. At its May 10, 2018 meeting, the Commission voted to deny Strauss' request for
18 reconsideration.

19 14. On or about October 18, 2018, Strauss served a Notice of Entry of Judgment on the
20 Writ with attached Judgment, Exhibits, and Proof of Service on the Commission. The Judgment
21 granted Strauss' Writ, remanded the proceedings to the Commission, and ordered and adjudged
22 that the Commission shall reconsider its prior ruling in this matter (the Decision and Order) in
23 light of the Court's statement of decision.

24 15. The Commission reconsidered its prior ruling in the Decision and Order in light of
25 the Court's statement of decision and issued an Amended Decision and Order denying Strauss'
26 Application for Gambling Establishment Key Employee License on January 11, 2019. The
27 effective date of the Amended Decision and Order was February 11, 2019.
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- 1 16. On or about February 11, 2019, Strauss timely requested reconsideration of the
2 Commission's Amended Decision and Order pursuant to CCR section 12064.
- 3 17. On or about February 11, 2019, Strauss also filed a Motion for Enforcement of Order
4 of the Court and Request for Order Reversing Decision of the California Gambling
5 Control Commission in the Superior Court of California, County of Sacramento.
- 6 18. On or about April 11, 2019, the Commission approved Strauss' request to withdraw
7 her request for reconsideration dated February 11, 2019.
- 8 19. On or about September 25, 2019, the court filed a Judgment Granting Motion to Set
9 Aside Amended Decision and Remanding Case to the California Gambling Control
10 Commission (Judgment).
- 11 20. The Commission has reconsidered its prior ruling in the Amended Decision in light of
12 the Court's Judgment and issues this Second Amended Decision and Order.

13 **Strauss' Litigation History**

- 14 21. Strauss has been a party to three civil court cases and one federal bankruptcy court
15 case:
- 16 a. On or about September 17, 1998, Roger Padiernos (Strauss' former husband)
17 filed a property damage and personal injury complaint arising out of a motor
18 vehicle accident in the case *Roger Padiernos, Callaye Padiernos¹ and Rodney*
19 *Eubank v. Ty Shyrook, et al.* (Super. Ct. San Diego County, 1998, Case No.
20 EC017109). Strauss was a plaintiff in this case. This case will be referred to as
21 the personal injury action.
- 22 b. On or about November 9, 2001, plaintiff Alpine Ridge-Glen Ltd. (Alpine
23 Ridge) filed an unlawful detainer action against Roger Padiernos and Strauss in
24 the case *Alpine Ridge Glen, Ltd. v. Padiernos* (Super. Ct. San Diego County,
25 2001, Case No. UE006352). This case will be referred to as the unlawful
26 detainer action.

27 _____
28 ¹Padiernos was Strauss' married name. She is now divorced and Roger Padiernos has since died.

1 c. On or about January 22, 2003, plaintiff Capital One Bank (Capital One) filed a
2 complaint against Strauss in the case *Capital One Bank v. Padiernos* (Super.
3 Ct. San Diego County, 2003, Case No. IE015812). This case will be referred to
4 as the Capital One action.

5 d. On or about March 28, 2005, Strauss and Roger Padiernos filed for Chapter 7
6 bankruptcy in the case *In re Padiernos* (Bkrtcy. S.D. 2005, Case No. 05-
7 02497-PB7). This case will be referred to as the bankruptcy action.

8 **Strauss' Employment History**

9 22. In 2002 or 2003 Strauss submitted an application to the Viejas Tribal Gaming
10 Commission (Tribal Gaming Commission) for a tribal gaming license (Viejas Application). The
11 Viejas Application, including instructions, consists of 18 pages and is broken down into four
12 sections: (1) Personal History Information; (2) Other Licensing Information; (3) Criminal History
13 Information; and (4) Financial History Information.

14 23. Question [C] under Section (4) asks the applicant "Have you ever been a defendant in
15 a civil suit and/or had a judgment or lien rendered against you?" Strauss initially checked the box
16 marked "No," which was not accurate because she was a defendant and had a judgment entered
17 against her in the unlawful detainer action. During the evidentiary hearing, Strauss testified that
18 when she filled out the Viejas Application, she did not think that an eviction was a civil suit.
19 After speaking with someone from the Tribal Gaming Commission, Strauss felt her answer was
20 incorrect and changed it to "Yes."

21 24. Strauss was employed in various positions, including as an Operations Manager of
22 Table Games, at Viejas Casino from May 2002 to May 2015, when she was laid off. There was
23 no evidence presented during the evidentiary hearing that her lay off was performance related.

24 25. Strauss has been employed with Seven Mile Casino from July 2015 to the present.
25 Strauss started working as an administrative assistant. After Seven Mile Casino reopened, Strauss
26 was promoted into a Compliance Officer position. Strauss currently works as a Cage Manager.

27 26. There was no evidence presented during the evidentiary hearing that Strauss has
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1 had any employment-related issues during her approximately 16 year career in controlled
2 gambling.

3 **Strauss' Application**

4 27. Applications for licensure by the Commission are submitted on forms furnished by the
5 Bureau. An applicant for licensing shall make full and true disclosure of all information to the
6 Bureau and Commission as necessary to carry out the policies of this state relating to licensing,
7 registration, and control of gambling.

8 28. An application consists of two parts. The first part is two pages and consists of five
9 sections, including instructions, applicant information, and job title/description. The first page
10 instructs the applicant to "please read the following paragraphs carefully before you complete this
11 form." The application's instructions also provide that "any misrepresentation or failure to
12 disclose information required on this application may constitute sufficient cause for denial or
13 revocation."

14 29. The second part of an application is the Supplemental, which consists of 14 pages.
15 The Supplemental contains 12 sections and requires that the applicant disclose, among other
16 things, employment history, criminal record, litigation and arbitration history, and personal
17 financial history. All of the information requested on the Application and Supplemental has been
18 considered through the legislative and regulatory processes and determined necessary in order for
19 the Commission to discharge its duties properly. An applicant is neither expected, nor permitted,
20 to determine the importance of the information requested, and instead is required to simply
21 provide full and complete information as requested.

22 30. The Bureau relies, in large part, on the applicant's disclosures while conducting a
23 background investigation. The failure to honestly and accurately disclose information on an
24 application subverts the Bureau's efforts to conduct a thorough and complete investigation.

25 31. Both the substance of an applicant's disclosures, and the truthfulness and
26 thoroughness of an applicant's disclosures, are considered by the Bureau in making a
27 recommendation as to the applicant's suitability for licensure, and by the Commission in making
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1 a determination whether to approve or deny a license application.

2 32. Section (12) of the Supplemental is a Declaration, to be signed by the applicant under
3 the penalty of perjury, that the statements contained therein are true, accurate and complete.

4 Strauss signed the Declaration on March 9, 2016.

5 33. Section (6) of the Supplemental asks for information regarding criminal convictions,
6 litigation, and arbitration history. Section (10) asks for information regarding personal financial
7 history.

8 34. Strauss filled out the Supplemental as part of her Application. One question in Section
9 (10) asks the applicant "Have you filed for bankruptcy within the last 10 years?" Strauss checked
10 the box marked "No." Strauss' response was accurate because the bankruptcy action took place
11 more than 10 years prior to the submission of her Application to the Commission. Another
12 question in Section (10) asks the applicant "Have you had a judgment or lien filed against you
13 within the last 10 years?" Strauss checked the box marked "No." Strauss' response was accurate
14 because the unlawful detainer judgment entered against her took place more than 10 years prior to
15 the submission of her Application to the Commission.

16 35. One question in Section (6) of the Supplemental asks the applicant "Have you ever
17 been a party to any litigation or arbitration?" Strauss checked the box marked "No." Strauss'
18 response was not accurate because she had been a party to three civil court cases and one federal
19 bankruptcy court case. During the evidentiary hearing, Strauss testified that she did not remember
20 being part of any litigation at the time she filled out the Application.

21 **The Personal Injury Action**

22 36. Strauss testified that she did not remember the motor vehicle accident that resulted
23 in the personal injury action. She testified that she only remembered the accident after seeing the
24 court documents prior to this evidentiary hearing. She then recalled that she was in a motor
25 vehicle with her husband and father; that her husband was driving; and that their vehicle was
26 sitting at a stoplight and a big truck came around the corner and hit them head on. Strauss also
27 testified that she forgot about the personal injury action at the time she filled out her Application.

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1 37. Strauss testified that her husband was controlling and did not let her participate in
2 major decisions. However, she testified that she knew that the personal injury action was filed in
3 1998. She was a plaintiff and claimed bodily injuries for which she was treated by a chiropractor
4 and sought money damages of approximately \$5,775. She testified that she believes she received
5 compensation as a result of a settlement.

6 38. While these facts support that Strauss had some knowledge of the personal injury
7 action, it is plausible that Strauss did not remember being a party to the personal injury action at
8 the time she filled out her Application. As a result, there is sufficient reason to explain and justify
9 Strauss' failure to disclose the personal injury action on her Application and the failure to disclose
10 was not considered in evaluating Strauss' suitability for licensure.

11 **The Unlawful Detainer Action**

12 39. Strauss testified that she knew about the eviction that resulted in the unlawful
13 detainer action at the time that she filled out her Application, but that she did not know that the
14 eviction involved litigation. She testified that she was aware that she had evictions in the past, but
15 that she did not think they were litigation. She also testified that she did not remember going to
16 court; the matter going to trial; receiving notice of the trial; whether she testified during trial;
17 submitting evidence during trial; or filing an appeal.

18 40. However, Strauss was an active participant in the unlawful detainer action.
19 Strauss' husband was the primary defendant, while Strauss was a secondary defendant. Strauss
20 signed and submitted an Application for Waiver of Court Fees and Courts. Strauss signed the
21 Answer to the unlawful detainer complaint. The Notice of Hearing was served on Strauss. The
22 Minutes of the trial provide that Strauss was sworn and examined. Strauss and her husband
23 sought a stay of the eviction because "eviction now will create extreme hardship" given that it is
24 "extremely difficult to find dwelling and storage during the holidays." Strauss and her husband
25 received a stay of the eviction until January 1, 2002. As a result of the unlawful detainer action, a
26 judgment was pronounced against Strauss and her husband jointly and severally in the amount of
27 \$2,216.27. Strauss and her husband filed an appeal, which was dismissed as a result of their
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1 failure to designate the record for appeal.

2 41. Strauss had previously been informed that the unlawful detainer action involved
3 litigation. During the evidentiary hearing, Strauss testified that when she filled out the Viejas
4 Application, she did not think that an eviction was litigation. After speaking with someone from
5 the Tribal Gaming Commission, Strauss acknowledged that she had been a defendant in a civil
6 suit and had a judgment rendered against her arising out of the unlawful detainer action. Strauss
7 provided details regarding the unlawful detainer action on her Viejas Application.

8 42. Strauss also provided conflicting accounts of the circumstances surrounding the
9 unlawful detainer action, some of which conflict with the actual court records of the case:

- 10 a. In the court filings, Strauss and her husband sought a stay of the eviction
11 because it would have been extremely difficult to find dwelling and storage
12 during the holidays. At the time, their son was in first grade and they wanted to
13 stay in Alpine Ridge for continuity.
- 14 b. On her Viejas Application, Strauss wrote that the unlawful detainer action was
15 a retaliatory eviction. She wrote “I reported my landlord to health dept. for
16 unsafe living conditions, our landlord retaliated by evicting me. During my
17 hearing, I could not provide documentation from Mr. Blythe (health dept.
18 inspector). Therefore the judge ruled against me. I am pursuing legal options to
19 rectify this as my landlord was untruthful.” During the evidentiary hearing,
20 Strauss testified that this was a truthful statement. Based on her own written
21 statement, Strauss played a very active role in the unlawful detainer action.
- 22 c. In March 2017, Strauss wrote to the Bureau in response to its request for more
23 information regarding the unlawful detainer action. Strauss wrote that she
24 initially believed that she was on the apartment rental, but she and her husband
25 were having problems so she left him. Strauss and her babies moved in with
26 her parents. Strauss wrote that she “was never aware of this going to court,”
27 and that she “would have shown up to the hearing if [she] knew this was going
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1 to court.” She further wrote that she found out her husband was evicted way
2 after the fact when he wanted her to drop their son off for a visit. Regarding the
3 resulting judgment in favor of Alpine Ridge, Strauss wrote that “this is not my
4 debt, it is my ex-husband’s.” During the evidentiary hearing, Strauss admitted
5 that her statement that “she found out her husband was evicted way after the
6 fact” was incorrect.

7 d. On June 20, 2017, Strauss sent an email to the Bureau regarding the unlawful
8 detainer action. Strauss wrote that what she remembers is that she left her
9 former husband a few times because he would not provide for his family. She
10 lived in Alpine Ridge in the beginning and then separated and moved in with
11 her parents. She wrote that she “believes he didn’t want to pay his rent because
12 they would not do requested repairs and it was dangerous for our son but the
13 apartments still took him to court.”

14 e. During the evidentiary hearing, Strauss testified that she remembered that
15 the landlord at Alpine Ridge wanted her family out of the apartment by
16 Christmas 2001, but that she received some extra time. She also recalled some
17 information regarding the unsafe balcony and mold in the basement.

18 43. Strauss testified that she was confused about the timing and appeal of the unlawful
19 detainer action because she had confused this eviction with other past evictions. She stated that
20 she separated from her husband several times during their marriage. She also stated that she had
21 several evictions and got details of the different evictions mixed up.

22 **The Capital One Action**

23 44. During the evidentiary hearing, Strauss testified that she was not aware of the
24 Capital One action. There was no evidence presented that Strauss had ever received a copy of the
25 complaint and there were no other documents produced regarding the Capital One action. As a
26 result, there is good reason to explain and justify Strauss’ failure to disclose the Capital One
27 action on her Application and the failure to disclose was not considered in evaluating Strauss’
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1 suitability for licensure.

2 **The Bankruptcy Action**

3 45. There is some ambiguity in the Application regarding an applicant's bankruptcy
4 history. Section (10) asks for bankruptcy history within the last 10 years, while Section (6) asks
5 for litigation and arbitration history, which would include bankruptcy litigation, without a date
6 restriction. The fact that the Application specifically requests only bankruptcy history within the
7 past ten years suggests that the substance of an older bankruptcy, such as Strauss' bankruptcy in
8 2002, is not material to the suitability of an applicant for licensure.

9 46. Strauss was not required to disclose her bankruptcy litigation in Section (10) of the
10 Application because the bankruptcy took place more than 10 years prior to the submission of her
11 Application to the Commission. Further, given that one section of the Application asks generally
12 for litigation history without a date restriction, which would include bankruptcy litigation, while
13 another section of the Application asks specifically for bankruptcy history within the last 10
14 years, Strauss was not required to disclose her bankruptcy litigation in Section (6) of the
15 Application. As a result, there is sufficient reason to explain and justify Strauss' failure to
16 disclose her bankruptcy litigation in Section (6) of the Application and the failure to disclose was
17 not considered in evaluating Strauss' suitability for licensure.

18 **Strauss' Witnesses and Letters of Reference**

19 46. Four witnesses testified on Strauss' behalf during the hearing:

- 20 a. Arthur Van Loon (Van Loon) is the Chief Executive Officer of Elevation
21 Entertainment, which manages Seven Mile Casino and Stones Gambling Hall.
22 Van Loon testified that he has known Strauss since 2002, when they both
23 worked at Viejas Casino. Van Loon promoted Strauss in 2004 to a supervisor
24 position and hired her to be a compliance officer with Seven Mile Casino. Van
25 Loon testified that Strauss was the best person qualified for the compliance
26 officer position. He also testified that he has complete confidence in Strauss
27 and that Strauss has unquestioned honesty and integrity.

- 1 b. Joseph Olivieri (Olivieri) is the General Manager of Seven Mile Casino.
2 Olivieri testified that he and Strauss were both dealers at Viejas Casino in
3 1992-93, and that he supervised Strauss from 2002-2010 at Viejas Casino.
4 Olivieri testified that Strauss is a great asset with experience in compliance on
5 the gaming floor and in back office administration duties. Olivieri also testified
6 that he has complete confidence in Strauss' honesty and integrity and that
7 Strauss is dedicated, hard-working, and trustworthy.
- 8 c. James McKee (McKee) is a Special Projects Manager with Bay 101 cardroom.
9 He was the independent manager of Seven Mile Casino in December 2015
10 when he met Strauss. He promoted her to a compliance position and testified
11 that she is unbelievable at her job. McKee admitted that he wondered why
12 Strauss could not remember participating in litigation in the past.
- 13 d. Steven Giorgi (Giorgi) is the owner of Giorgi & Associates, a consulting firm
14 that performs work with Seven Mile Casino. He met Strauss two or three years
15 ago and reviewed her work as a compliance officer with Seven Mile Casino.
16 Giorgi testified that Strauss has an impressive ability to carry out duties, that
17 she provided timely and informative reporting, and that she never made any
18 errors in her FINCEN reporting. He also testified that he never questioned her
19 honesty and integrity.

20 47. Strauss also submitted thirteen letters of reference in support of her Application:

- 21 a. Liise Davis (Davis) worked with Strauss at Viejas Casino from January 2008
22 to May 2015. Davis states that Strauss exemplifies the highest level of
23 responsibility and integrity; that she demonstrated the utmost in ethical and
24 detail-oriented practices while a Table Games Manager; and that Strauss is
25 both capable and worthy of executing her duties with the utmost
26 trustworthiness and reliability.
- 27 b. Nichole Pierce (Pierce) is a Human Resources Manager with Seven Mile
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1 Casino. Pierce states that she has known Strauss for 11 months and that they
2 work closely together at Seven Mile Casino. She describes Strauss as honest,
3 moral, hardworking, and selfless. She states that Strauss operates with integrity
4 and honesty as a priority.

5 c. Josette Alvarez (Alvarez) is a realtor who has known Strauss since 2014 when
6 Strauss was interested in becoming a homeowner. Alvarez provided guidance
7 to Strauss to help her qualify for a home loan and states that Strauss was
8 diligent in following that guidance. Alvarez describes Strauss as always
9 organized, diligent, responsive, and timely in signing and turning in all
10 documents. Alvarez further states that Strauss is honest, transparent, and
11 exudes warmth and sincerity.

12 d. Deb Bastian (Bastian) is a Senior Compliance Manager with Viejas Casino.
13 Bastian has known Strauss for approximately 15 years, including while Strauss
14 was an Operations Manager in Table Games at Viejas Casino. Bastian states
15 that Strauss was responsible for reviewing system generated reports, Multiple
16 Transaction Log entries and Internal Currency Reports for the Table Games
17 area. Bastian further states that Strauss became proficient on Title 31 and that
18 it was a pleasure to work with her. Bastian describes Strauss as a hardworking
19 and dedicated person with very good moral character and integrity.

20 e. Farrah Espinoza (Espinoza) met Strauss 15 years ago while working at Viejas
21 Casino. Espinoza states that Strauss is a hard worker, knowledgeable, creative,
22 trustworthy, and reliable, and that Strauss possesses a strong work ethic and
23 integrity.

24 f. Chad Barnett (Barnett) is the General Manager and CFO at The Casino
25 Institute. Barnett states that he has known Strauss for approximately eight
26 years and worked closely with her while conducting a consulting contract with
27 Viejas Casino where Strauss was employed as an Operations Manager of Table
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1 Games. Barnett describes Strauss as a dedicated and hardworking individual.
2 Barnett states that Strauss exhibits strong work ethics, is very well organized,
3 and worked overtime in many instances to ensure the successful launch of a
4 new game for her company. Barnett further states that Strauss is honest, has an
5 upbeat personality, and takes initiative to go beyond the expected parameters
6 of her job.

7 g. Mark Pickens (Pickens) is the Casino Manager at Stones Gambling Hall and
8 has known Strauss since April 2017. Pickens states that Strauss is honest and
9 trustworthy, well respected by her peers, and that she takes a genuine interest
10 in the people around her.

11 h. Tin Bach (Bach) has known Strauss for approximately eight years. They
12 worked together at Viejas Casino. Bach states that Strauss is reliable,
13 knowledgeable with her job functions and duties, and professional. Bach
14 describes Strauss as hard working, dedicated, and helpful to others.

15 i. Bob Schmitt (Schmitt) has known Strauss since 2009 and worked with her in
16 the Table Games department at Viejas Casino. Schmitt describes Strauss as
17 honest and trustworthy. Schmitt states that Strauss takes her duties seriously
18 and takes personal pride in ensuring those duties are carried out to the
19 satisfaction of the organization and any regulating authority.

20 j. Steven Giorgi (Giorgi) submitted a letter of reference in addition to testifying
21 during the evidentiary hearing. In his letter, Giorgi describes Strauss as
22 extremely diligent with respect to her responsibilities as the Cage Manager and
23 in Title 31 compliance matters. Giorgi states that Strauss' employment history
24 and extensive gaming experience and expertise are impressive. Giorgi
25 describes Strauss as possessing a strong work ethic.

26 k. James McKee (McKee) also submitted a letter of reference in addition to
27 testifying during the evidentiary hearing. In his letter, McKee states that
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1 Strauss was one of his most trusted co-workers. McKee states that Strauss was
2 not only experienced and knowledgeable about the gaming industry and
3 compliance, but that Strauss was also witty and personable. McKee also states
4 that Strauss was promoted to the position of Compliance Manager and excelled
5 right away in her new position.

6 l. Jim Wild (Wild) has known Strauss for 12 years. Wild describes Strauss as
7 hardworking, dedicated, kind, helpful, and a person of very good moral
8 character.

9 m. Ragan Diedrich (Diedrich) has known Strauss for 15 years. Diedrich describes
10 Strauss as reliable, hardworking, and honest. Diedrich states that he admires
11 Strauss' integrity; that Strauss is a gifted manager of people; and that she is
12 willing to go the extra mile to help others. Diedrich also states that Strauss is
13 fair and discreet, motivational, and supremely knowledgeable in how to
14 encourage the best performance from her team.

15 48. The collective testimony of the four live witnesses and in the 13 letters of
16 reference was impressive. The testimony and letters of reference were individualized and candid.
17 The collective testimony is persuasive that Strauss is an excellent employee and hardworking,
18 dedicated, helpful, well-respected, and capable. These characteristics reflect positively on
19 Strauss' character.

20 49. The collective testimony of the live witnesses and in the letters of reference also
21 provided that Strauss is honest, trustworthy, and a person of good character and integrity. There
22 was no evidence presented that discredits the various witnesses' perception of Strauss as a person
23 of good character, honesty, and integrity. Based upon the various witnesses' interactions with
24 Strauss, the collective testimony that she is a person of good character, honesty and integrity
25 reflects positively on Strauss' character.

26 **Assessment of Strauss' Suitability for Licensure**

27 50. There are two significant issues that have a negative impact on Strauss' suitability
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1 for licensure. The first is Strauss' failure to disclose the unlawful detainer action on the
2 Supplemental. The second is Strauss' conflicting statements regarding the circumstances
3 surrounding the unlawful detainer action.

4 51. The Application's instructions provide that "any misrepresentation or failure to
5 disclose information required on this application may constitute sufficient cause for denial or
6 revocation." On March 9, 2016, Strauss signed the Application's Declaration under penalty of
7 perjury. By signing the Declaration, Strauss declared the statements contained therein are true,
8 accurate and complete.

9 52. Strauss' litigation history dates from 1998 to 2005 and includes a property damage
10 and personal injury claim arising out of a motor vehicle accident in which Strauss was a plaintiff;
11 an unlawful detainer action arising out of an eviction for the failure to pay rent; a bankruptcy
12 petition; and a complaint from a credit card company that was never received by Strauss. Strauss'
13 litigation history is not recent and does not reflect negatively on her character or integrity.

14 53. The fact that Strauss' litigation history does not reflect negatively on her character
15 or integrity does not excuse her failure to disclose it. An applicant is required to make full and
16 true disclosure of all information asked on the Application because that information may be
17 material and is necessary for the Commission to carry out the policies of the Gambling Control
18 Act.

19 54. The Bureau and Commission assess both the substance and the truthfulness and
20 thoroughness of an applicant's disclosures. It is not up to the applicant to fail to disclose pertinent
21 and required information on an application and then argue that the failure to disclose was not
22 material because the disclosures, had they been properly disclosed, would not have revealed any
23 fact material to the applicant's qualification for licensure. An unexcused failure to disclose
24 information on the application is itself material to an applicant's qualification for licensure.

25 55. Strauss provides two reasons why she did not disclose the unlawful detainer
26 action. First, she does not remember ever being a party to any litigation. Second, she did not think
27 that an eviction was the same as litigation. Strauss fails to convince on either reason.
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56. The unlawful detainer action took place in 2002, 14 years prior to the submission of her Application. Memory fades over time and 14 years is a significant amount of time that has elapsed. Strauss has two excuses for failing to disclose the unlawful detainer action. First, Strauss did not know that the unlawful detainer action involved litigation. Second, although she knew about the eviction at the time she filled out her Application, she did not remember anything regarding the litigation aspect of the unlawful detainer action. Specifically, Strauss testified that she did not remember going to court; the matter going to trial; receiving notice of the trial; whether she testified during trial; submitting evidence during trial; or appealing the eviction.

57. Strauss' two excuses for failing to disclose the unlawful detainer action fail to convince because Strauss was a very active participant in the unlawful detainer action and informed in 2003 that the unlawful detainer action was litigation. Strauss' husband was the primary defendant, while Strauss was a secondary defendant. Strauss signed and submitted an Application for Waiver of Court Fees and Costs. Strauss signed the Answer to the unlawful detainer. The Notice of Hearing was served on Strauss. The Minutes of the trial provide that Strauss was sworn and examined. Strauss and her husband sought a stay of the eviction, which they received. As a result of the unlawful detainer action, a judgment was pronounced against Strauss and her husband jointly and severally in the amount of \$2,216.27. Strauss and her husband filed an appeal, which was dismissed as a result of their failure to designate the record for appeal. Strauss' active participation in the unlawful detainer action, which includes signing legal documents, testifying at trial, and appealing the judgment, supports having some memory of the litigation aspect of the unlawful detainer action. Strauss was also informed in 2003 that the unlawful detainer action was litigation when Strauss corrected her Viejas Application to state that she had "been a defendant in a civil matter and/or had a judgment or lien rendered against you."

58. Additionally, not only did Strauss fail to disclose the unlawful detainer action, she misrepresented the circumstances surrounding the unlawful detainer action in two written responses to the Bureau.

1 59. In the court filings, Strauss acknowledged that she and her husband sought a stay
2 of the eviction. On her Viejas Application, Strauss wrote about her active role in the unlawful
3 detainer action by stating that she reported her landlord to the health department for unsafe living
4 conditions; that the judge ruled against her; and that she is pursuing legal options. However, in
5 March 2017, Strauss wrote that she initially believed that she was on the apartment rental, but she
6 and her husband were having problems so she left him. Strauss and her babies moved in with her
7 parents. Strauss wrote that she “was never aware of this going to court,” and that she “would have
8 shown up to the hearing if [she] knew this was going to court.” She further wrote that she found
9 out her husband was evicted way after the fact when he wanted her to drop their son off for a
10 visit. Regarding the resulting judgment in favor of Alpine Ridge, Strauss wrote that “this is not
11 my debt, it is my ex-husband’s.” During the evidentiary hearing, Strauss admitted that her
12 statement that “she found out her husband was evicted way after the fact” was incorrect.

13 60. Given a second opportunity to address the unlawful detainer action, on June 20,
14 2017, Strauss wrote to the Bureau that she lived in Alpine Ridge in the beginning and then
15 separated and moved in with her parents. She wrote that she “believes he didn’t want to pay his
16 rent because they would not do requested repairs and it was dangerous for our son but the
17 apartments still took him to court.” Strauss’ first written response to the Bureau is wholly
18 inaccurate, while her second written response also misrepresents the facts surrounding the
19 unlawful detainer action.

20 61. Strauss’ written statements to the Bureau are not accidentally inaccurate. They
21 were written to place her in a favorable light. According to these written statements, Strauss had
22 previously moved out of Alpine Ridge; would have shown up to the hearing; and was not
23 responsible for the debt. In fact, Strauss was still residing in the apartment with her husband and
24 children; she showed up at the hearing, testified, sought and received a stay, and filed an appeal;
25 and she was jointly and severally responsible for the debt. Her statement that the debt was not
26 hers is further belied by her presence at the unlawful detainer trial when the judgment was
27 pronounced; her involvement in the appeal; her account of the matter in her corrected Viejas
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1 Application; the inclusion of the judgment in the bankruptcy petition; and her acknowledgment to
2 the Bureau that the eviction judgment at one time appeared on her credit report.

3 62. To explain her misrepresentations to the Bureau, Strauss testified that she was
4 confused about the timing and appeal of the unlawful detainer action because she had confused
5 this eviction with other past evictions. She stated that she separated from her husband several
6 times during their marriage; had several evictions; and got details of the different evictions mixed
7 up. Strauss fails to convince.

8 63. Strauss refers to many evictions but acknowledges that the unlawful detainer
9 action was the only eviction that went to court. The fact that this was the only eviction that went
10 to court and that the eviction occurred during the holidays makes Strauss' claimed lack of
11 memory and misrepresentation of the facts implausible and unbelievable. During the evidentiary
12 hearing, Strauss testified that she was evicted at least four times. However, in a written response
13 to the Bureau dated February 16, 2017, Strauss wrote that she was a stay at home mom; that her
14 late husband was the sole provider for the family; that he gambled a lot and as a result "we were
15 evicted from two properties." Even if Strauss' testimony regarding "at least four" evictions was
16 accurate, the unlawful detainer action is sufficiently unique to have some memory of both the
17 eviction and the subsequent litigation. It does not support Strauss' detailed fabrication of the facts
18 surrounding the unlawful detainer action that place her in a favorable light.

19 64. Overall, Strauss fails to convince that she has no memory of the unlawful detainer
20 action. Rather, Strauss' claimed lack of memory is an implausible excuse used to justify her
21 failure to disclose the unlawful detainer action on the Application. The circumstances surrounding
22 the unlawful detainer action (in which Strauss was evicted; requested and received a stay;
23 testified; and filed an appeal) support Strauss having some memory of the eviction and the
24 resulting litigation, even if the exact circumstances could not be recalled with specific detail given
25 the amount of time that has elapsed.

26 65. Strauss also fails to convince that she did not know the unlawful detainer action
27 was litigation because she actively and meaningfully participated in it and was previously advised
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1 that the specific unlawful detainer action involved litigation as she provided on her corrected
2 Viejas Application.

3 66. Overall, Strauss' explanations for failing to disclose the unlawful detainer action
4 on the Application are insufficient to excuse or justify her failure to disclose and reflect poorly on
5 her honesty.

6 67. Finally, Strauss' excuse for misrepresenting the facts surrounding the unlawful
7 detainer action fails to convince. Even if Strauss was evicted several times, there was no evidence
8 presented of Strauss' other evictions or that Strauss' other evictions involved litigation. To the
9 contrary, Strauss testified that this was the only eviction that resulted in litigation. Strauss'
10 misrepresentations of the facts surrounding her unlawful detainer action reflect poorly on her
11 honesty.

12 68. Strauss has a lengthy and positive employment history in controlled gambling and
13 the support of her employers, co-workers, and many other personal references, which reflects
14 positively on her character. However, Strauss demonstrated a lack of honesty through her
15 implausible excuses for failing to disclose the unlawful detainer action on the Application and by
16 misrepresenting the factual circumstances surrounding her participation in the unlawful detainer
17 action in two separate written statements to the Bureau. Strauss testified that she never intended
18 to mislead or provide incorrect information. Strauss' two misrepresentations to the Bureau
19 regarding her participation in the unlawful detainer action were written to place her in a favorable
20 light.

21 69. While the unlawful detainer action occurred approximately 17 years ago, Strauss'
22 failure to disclose the unlawful detainer action on her Application, and her false statements to the
23 Bureau regarding the facts surrounding the unlawful detainer action, occurred in 2016 and 2017.
24 Given the recency of Strauss' unexcused and unjustified failure to disclose, and her false
25 statements to the Bureau, there has not been sufficient time to rehabilitate.

26 70. Strauss failed to provide information required by the Gambling Control Act and
27 Commission regulations, and requested by the Bureau, by failing to disclose the unlawful detainer
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1 action on her Application. Strauss also failed to reveal facts material to qualification by failing to
2 disclose the unlawful detainer action and supplied untrue and misleading information as to a
3 material fact by misrepresenting the facts surrounding her participation in the unlawful detainer
4 action. The fact that the unlawful detainer action does not reflect negatively on Strauss' character
5 or integrity does not excuse her failure to disclose it. Strauss' unexcused failure to disclose the
6 unlawful detainer action on her Application is itself material to her qualification for licensure.

7 71. Based on the foregoing, Strauss has failed to meet her burden of proving that she is
8 a person of honesty.

9 72. In failing to disclose the unlawful detainer action on her Application, Strauss has
10 failed to provide information required by the Gambling Control Act and Commission regulations,
11 and information requested by the Bureau, and has failed to reveal facts material to the
12 qualification of an applicant for licensure by the Commission.

13 73. In misrepresenting the factual circumstances surrounding the unlawful detainer
14 action, Strauss supplied untrue and misleading information as to material facts pertaining to the
15 qualification criteria of an applicant for licensure by the Commission.

16 74. All documentary and testimonial evidence submitted by the parties that is not
17 specifically addressed in this Amended Decision and Order was considered but not used by the
18 Commission in making its determination on Strauss' Application.

19 LEGAL CONCLUSIONS

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

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

27 77. The Commission has the responsibility of assuring that licenses, approvals, and
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1 permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose
2 operations are conducted in a manner that is inimical to the public health, safety, or welfare.

3 Business and Professions Code section 19823(a)(1).

4 78. An “unqualified person” means a person who is found to be unqualified pursuant
5 to the criteria set forth in Section 19857, and “disqualified person” means a person who is found
6 to be disqualified pursuant to the criteria set forth in Section 19859. Business and Professions
7 Code section 19823(b).

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

11 80. The Commission has the power to take actions deemed to be reasonable to ensure
12 that no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled
13 gambling activities. Business and Professions Code section 19824(d).

14 81. Every key employee shall apply for and obtain a key employee license. Business and
15 Professions Code section 19854(a).

16 82. No person may be issued a key employee license unless the person would qualify for a
17 state gambling license. Business and Professions Code section 19854(b).

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

20 84. An application to receive a license constitutes a request for a determination of the
21 applicant’s general character, integrity, and ability to participate in, engage in, or be associated
22 with, controlled gambling. Business and Professions Code section 19856(b).

23 85. At an evidentiary hearing pursuant to Business and Professions Code sections
24 19870 and 19871 and CCR section 12060(b), the burden of proof rests with the applicant to prove
25 his or her qualifications to receive any license under the Gambling Control Act. CCR section
26 12060(i).

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

3 87. No gambling license shall be issued unless, based on all of the information and
4 documents submitted, the commission is satisfied that the applicant is a person whose prior
5 activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the
6 public interest of this state, or to the effective regulation and control of controlled gambling, or
7 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in
8 the conduct of controlled gambling or in the carrying on of the business and financial
9 arrangements incidental thereto. Business and Professions Code section 19857(b).

10 88. No gambling license shall be issued unless, based on all of the information and
11 documents submitted, the commission is satisfied that the applicant is a person that is in all other
12 respects qualified to be licensed as provided in this chapter. Business and Professions Code
13 section 19857(c).

14 89. The commission shall deny a license to any applicant who is disqualified for the
15 failure of the applicant to provide information, documentation, and assurances required by this
16 chapter or requested by the chief, or failure of the applicant to reveal any fact material to
17 qualification, or the supplying of information that is untrue or misleading as to a material fact
18 pertaining to the qualification criteria. Business and Professions Code section 19859(b).

19 90. Application for a state license or other commission action shall be submitted to the
20 department on forms furnished by the department. Business and Professions Code section
21 19864(a).

22 91. The department shall furnish to the applicant supplemental forms, which the
23 applicant shall complete and file with the department. These supplemental forms shall require, but
24 shall not be limited to requiring, complete information and details with respect to the applicant's
25 personal history, habits, character, criminal record, business activities, financial affairs, and
26 business associates, covering at least a 10-year period immediately preceding the date of filing of
27 the application. Business and Professions Code section 19865.

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1 92. An applicant for licensing or for any approval or consent required by this chapter,
2 shall make full and true disclosure of all information to the department and the commission as
3 necessary to carry out the policies of this state relating to licensing, registration, and control of
4 gambling. Business and Professions Code section 19866.

5 93. An application for a portable personal key employee license shall be denied by the
6 Commission if the Commission finds that the applicant is ineligible, unqualified, disqualified, or
7 unsuitable pursuant to the criteria set forth in the Act or other applicable law or that granting the
8 license would be inimical to public health, safety, welfare, or would undermine the public trust
9 that gambling operations are free from criminal or dishonest elements. CCR section 12355(a)(1).

10 94. Strauss demonstrated a lack of honesty through her unconvincing excuses for
11 failing to disclose the unlawful detainer action on her Application and by misrepresenting the
12 factual circumstances surrounding her participation in the unlawful detainer action. Strauss failed
13 to provide any explanation sufficient to excuse or justify her failure to disclose the unlawful
14 detainer action and her misrepresentations of the factual circumstances surrounding her
15 participation in the unlawful detainer action. As a result, Strauss has not met her burden of
16 proving that she is a person of honesty. Therefore, Strauss is unqualified for licensure pursuant to
17 Business and Professions Code section 19857(a).

18 95. Strauss failed to disclose the unlawful detainer action on her Application and failed to
19 provide any explanation sufficient to excuse or justify her failure to disclose. As a result, Strauss
20 has failed to provide information, documentation, and assurances required by the Gambling
21 Control Act and Commission regulations, and requested by the Bureau. Strauss has also failed to
22 reveal facts material to her qualification for licensure by failing to disclose the unlawful detainer
23 action on her Application. Therefore, Strauss is disqualified from licensure pursuant to Business
24 and Professions Code section 19859(b).

25 96. Strauss has supplied information that is untrue or misleading as to material facts
26 pertaining to the qualification criteria under the Gambling Control Act by misrepresenting the
27 factual circumstances surrounding her participation in the unlawful detainer action. Therefore,
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1 Strauss is disqualified from licensure pursuant to Business and Professions Code section
2 19859(b).

3 97. Given that Strauss is unqualified for licensure pursuant to Business and
4 Professions Code section 19857(a) and disqualified from licensure pursuant to Business and
5 Professions Code section 19859(b), Strauss has failed to clearly establish her eligibility and
6 qualification for licensure in accordance with the Gambling Control Act. Therefore, Strauss is
7 disqualified from licensure pursuant to Business and Professions Code section 19859(a).

8 NOTICE OF APPLICANT'S APPEAL RIGHTS

9 Respondent Strauss has the following appeal rights available under state law:

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

11 An applicant denied a license, permit, registration, or finding of suitability,
12 or whose license, permit, registration, or finding of suitability has had
13 conditions, restrictions, or limitations imposed upon it, may request
14 reconsideration by the Commission within 30 calendar days of service of the
15 decision, or before the effective date specified in the decision, whichever is
16 later. The request shall be made in writing to the Commission, copied to the
Bureau, and shall state the reasons for the request, 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 which the
Commission may decide, in its sole discretion, merits reconsideration.

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

18 A decision of the commission denying a license or approval, or imposing
19 any condition or restriction on the grant of a license or approval may be
20 reviewed by petition pursuant to Section 1085 of the Code of Civil
21 Procedure. Section 1094.5 of the Code of Civil Procedure shall not apply to
22 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.

23 CCR section 12066, subsection (c) provides:

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

ORDER

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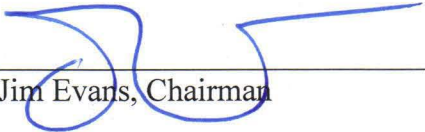
1. Respondent Callaye Jo Strauss' Application for Gambling Establishment Key Employee License is DENIED.

2. No costs are to be awarded.

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

This Order is effective on February 24, 2020.

Dated: 1/23/20

Signature: 
Jim Evans, Chairman

Dated: 1/23/20

Signature: 
Paula LaBrie, Commissioner

Dated: 1/23/20

Signature: 
Trang To, Commissioner