

1
2
3
4
5
6
7
8

BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

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

TAWNI SUMMER VARGAS

Applicant.

CGCC Case No. GCCC-2018-0524-8F
BGC Case No. BGC-HQ2018-00035SL

DECISION AND ORDER

Hearing Dates: Wednesday, January 30, 2019
Time: 10:00 a.m.

9 This matter was heard by the California Gambling Control Commission (Commission)
10 pursuant to Business and Professions Code sections 19870 and 19871 and Title 4, California
11 Code of Regulations (CCR) section 12060, in Sacramento, California, on Wednesday, January 30,
12 2019.

13 Deputy Attorney General James Waian (Waian), Department of Justice, Attorney
14 General's Office, State of California, represented complainant Stephanie Shimazu, Jr., Chief of
15 the Bureau of Gambling Control (Bureau), Department of Justice, State of California
16 (Complainant).

17 Applicant Tawni Summer Vargas (Applicant) did not appear and no one appeared on her
18 behalf.

19 During the administrative hearing, Presiding Officer Kate Patterson took official notice of
20 the Conclusion of Prehearing Conference Letter, Applicant's signed Notice of Defense, the
21 Notice of Hearing which enclosed Applicant's State Gambling Application and the Bureau's
22 Report, and Commission's Referral of Application Letter.

23 During the administrative hearing, Presiding Officer Kate Patterson accepted into
24 evidence the following exhibits offered by the Complainant:

- 25 (1) December 3, 2018 Cover Letter from the California Department of Justice
26 to Tawni Summer Vargas; Statement to Respondent; Statement of
27 Reasons; August 22, 2018 Notice of Hearing (without enclosures); copies
28

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

of Bus. & Prof. Code §§ 19870 & 19871; copy of Cal. Code. Regs., tit. 4, § 12060; and December 3, 2018 Certificate of Service by Certified Mail., Bates Nos. 001-043;

- (2) February 12, 2016 Application for Key Employee License, for Tawni Summer Vargas (including Supplemental Background Investigation Information form), Bates Nos. 0044-0063.
- (3) March 9, 2018 Cardroom Key Employee Background Investigation Report, Level III, Bureau of Gambling Control (with attachments)., Bates Nos. 064-100;
- (4) Notices and Documents from the California Gambling Control Commission:
 - a. March 26, 2018 Notice of Cancellation of Interim Portable Personal Key Employee License for Tawni Vargas, Bates Nos. 0101-0104;
 - b. May 24, 2016 Interim Key Employee License notification for Tawni Vargas, Bates Nos. 0105;
 - c. May 11, 2018 Notification of Scheduled Commission Meeting (GEKE-002174) regarding Tawni Vargas, Bates Nos. 0106
 - d. May 24, 2018 Commission Licensing Division Memorandum (without attachments), Bates Nos. Bates Nos. 0107-116;
 - e. May 25, 2018 Referral of Initial Key Employee Application to an Evidentiary Hearing for Tawni Vargas. Bates Nos. 0117-0118;
- (5) Correspondence regarding and between the Bureau of Gambling Control and Tawni Vargas., Bates Nos. 0119-0141;
- (6) May 29, 2018 Executed Notice of Defense form for Tawni Vargas, Bates Nos. 0142-0143;
- (7) License renewal information regarding Poker Flats Casino, Bates No. 0144-0179;
- (8) Letters of warning and notices of violation regarding Poker Flats Casino, Bates No. 180-0219;
- (9) Commission Decisions and Orders regarding Poker Flats Casino license

1 renewals, Bates Nos. 0220-0251;

2 (10) Evidence submitted by Poker Flats Casino at June 12, 2018 evidentiary
3 hearing, Bates Nos. 0252-0255;

4 The matter was submitted on January 30, 2019.

5 **FINDINGS OF FACT**

6 1. On or about February 12, 2016, the Bureau received an Application for Gambling
7 Establishment Key Employee License (Application) from Applicant.

8 2. On or about May 24, 2016, Applicant was issued an interim key employee license,
9 valid until May 31, 2018.

10 3. On or about March 9, 2018, the Bureau submitted a Cardroom Key Employee
11 Background Investigation Report (Bureau Report) to the Commission recommending the
12 Commission deny Applicant's Application.

13 4. On or about March 26, 2018, the Commission cancelled Applicant's interim key
14 employee license under CCR section 12354(e)(5) based on the Bureau's recommendation of
15 denial for Applicant's application.

16 5. On or about May 24, 2018, the Commission referred Applicant's Application to an
17 evidentiary hearing, pursuant to CCR section 12054, subdivision (a)(2) to be held pursuant to
18 CCR section 12060 with the Bureau to serve as Complainant. This was confirmed in an
19 evidentiary hearing referral letter sent on May 25, 2018 by Commission staff to Applicant.

20 6. On or about May 29, 2018, Applicant submitted a signed Notice of Defense, dated
21 May 25, 2018, wherein she requested an evidentiary hearing.

22 7. On or about August 22, 2018, the Commission sent a Notice of Hearing and
23 Prehearing Conference, via US mail, to Applicant and Deputy Attorney General William
24 Williams (Williams).

25 8. On or about November 30, 2018, the Complainant provided the Applicant a Statement
26 of Reasons. In its Statement of Reasons, Complainant recommended that the Commission deny
27 Applicant's Application.

28

1 means a person who is found to be disqualified pursuant to the criteria set forth in Business and
2 Professions Code section 19859. (Bus. & Prof. Code § 19823, subd. (b).)

3 18. The Commission has the power to deny any application for a license, permit, or
4 approval for any cause deemed reasonable by the Commission. (Bus. & Prof. Code § 19824,
5 subd. (b).)

6 19. No gambling license shall be issued unless, based on all of the information and
7 documents submitted, the commission is satisfied that the applicant is a person of good character,
8 honesty and integrity. (Bus. & Prof. Code § 19857, subd. (a).)

9 20. No gambling license shall be issued unless, based on all of the information and
10 documents submitted, the commission is satisfied that the applicant is a person whose prior
11 activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the
12 public interest of this state, or to the effective regulation and control of controlled gambling, or
13 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in
14 the conduct of controlled gambling or in the carrying on of the business and financial
15 arrangements incidental thereto. (Bus. & Prof. Code § 19857, subd. (b).)

16 21. The commission shall deny a license to any applicant who is disqualified for
17 failure of the applicant to provide information, documentation, and assurances required by this
18 chapter or requested by the chief, or failure of the applicant to reveal any fact material to
19 qualification, or the supplying of information that is untrue or misleading as to a material fact
20 pertaining to the qualification criteria. (Bus. & Prof. Code § 19859, subd. (b).)

21 22. Therefore, as the Applicant initially returned a Notice of Defense form but did not
22 attend the evidentiary hearing, and did not submit any information or evidence in favor of
23 granting Applicant's Application, Applicant did not meet Applicant's burden of demonstrating
24 why a license should be issued pursuant to Business and Professions Code section 19856(a) and
25 Title 4, CCR section 12060(i).

26 ///

27 ///

28 ///

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

NOTICE OF APPLICANT’S APPEAL RIGHTS

Applicant has the following appeal rights available under state law:

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

An applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had conditions, restrictions, or limitations imposed upon it, may request reconsideration by the Commission within 30 calendar days of service of the decision, or before the effective date specified in the decision, whichever is 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.

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

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

CCR section 12066, subsection (c) provides:

A decision of the Commission denying an application or imposing conditions on license shall be subject to judicial review as provided in 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 to seek reconsideration.

///
///
///

ORDER

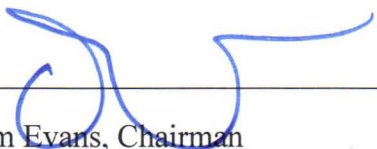
1
2 1. TAWNI SUMMER VARGAS' Application for Approval of Initial Key Employee
3 License is DENIED.

4 2. No costs are to be awarded.

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

6 This Order is effective on 4/5/19.

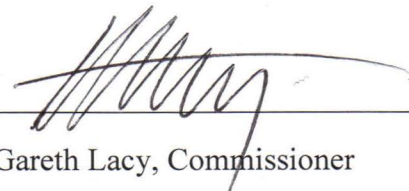
7
8 Dated: 3/6/19

Signature: 
9 Jim Evans, Chairman


10
11 Dated: 3/6/19

Signature: 
12 Paula LaBrie, Commissioner

13
14 Dated: 3/6/19

Signature: 
15 Gareth Lacy, Commissioner

16
17 Dated: 3/6/19

Signature: 
18 Trang To, Commissioner