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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

BGC Case No. BGC-HQ2013-00008SL
CGCC Case No. CGCC-2013-1121-10C-2

In the Matter of the Statement of Reasons for
Denial of License Application and Cancellation
of Registration Regarding:

DECISION AND ORDER

RENE VIDALES

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

Registration No. TPPL-009803

Respondent.

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

Ronald Diedrich, 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.

Rene Vidales (Vidales) failed to appear and was not represented at the hearing.

During the administrative hearing, Presiding Officer Jason Pope took official notice of the following:

- (a) Notice of Hearing and Prehearing Conference, dated August 8, 2014, served by certified mail, return receipt requested; and
- (b) Conclusion of Prehearing Conference letter, dated September 17, 2014.

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

- (1) Statement of Reasons filed and served by the Bureau;
- (2) Copies of the December 8, 2011 letter approving the issuance of Vidales' Third-Party Proposition Player Services registration and September 25, 2013 letter renewing Vidales' Third Party Proposition Player Services

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registration;

- (3) Copies of the November 27, 2013 letter from Marianne Estes notifying Vidales that the Commission voted to refer consideration of his application to a hearing; August 8, 2014 Notice of Hearing and Prehearing Conference; and September 17, 2014 Conclusion of Prehearing Conference letter;
- (4) Certified copy of the court records regarding Vidales' October 25, 2007 misdemeanor conviction for violating California Vehicle Code section 20002(a), hit and run driving, in the case *People v. Rene Vidales* (Super. Ct. Los Angeles County, 2007, Case No. 7JB08072);
- (5) Baldwin Park Police Department's Narrative Report, Case No. DR07-20655, regarding the circumstances giving rise to Vidales' October 25, 2007 misdemeanor conviction in Case No. 7JB08072;
- (6) Orange County Superior Court records regarding Vidales' January 12, 2012 misdemeanor convictions for violating California Vehicle Code section 23152(a), driving under the influence of drugs/alcohol and Vehicle Code section 23152(b), driving under the influence of alcohol/.08 percent or higher, in the case *People v. Rene Vidales* (Super. Ct. Orange County, 2012, Case No. 12NM00277); and Notice of Completion Certificate and August 6, 2013 letter from Twin Palms Recovery Center, Inc.;
- (7) Certified copy of the court records regarding Vidales' February 13, 2003 misdemeanor conviction for violating California Vehicle Code section 23152(b), driving under the influence of alcohol/.08 percent or greater, in the case *People v. Rene Vidales* (Super. Ct. Los Angeles County, 2003, 3EL00870);
- (8) Vidales' July 18, 2013, June 25, 2013, and March 25, 2013 statements to the Bureau regarding his criminal convictions;
- (9) Vidales' October 28, 2011 Application for Third-Party Proposition Player

1 Services License for Supervisor, Player or Other Employee; Appointment
2 of Designated Agent for Owners and Proposition Players; Authorization to
3 Release Information; and Level 1 Supplemental Information.

4 The matter was submitted on October 14, 2014.

5 FINDINGS OF FACT

6 1. Vidales holds registration number TPPL-009803 as a third party proposition player
7 for PT Gaming, LLC, a licensed provider of third-party proposition player services.

8 2. On or about October 28, 2011, Vidales submitted an Application for a Third-Party
9 Proposition Player Services License (Application) to the Commission to convert his registration
10 as a third-party proposition player to a license.

11 3. At its November 21, 2013 meeting, the Commission voted to refer the matter of
12 Vidales' Application to an evidentiary hearing.

13 4. On or about November 27, 2013, the Executive Director of the Commission set the
14 matter for an administrative hearing to be conducted pursuant to Business and Professions Code
15 sections 19870 and 19871 and Title 4, CCR section 12050(b)(2).

16 5. On or about July 17, 2014, the Bureau filed a Statement of Reasons with the
17 Commission recommending the denial of Vidales' Application and the cancellation of his
18 registration as a third-party proposition player, Registration No. TPPL-009803.

19 6. On or about August 8, 2014, the Commission served a Notice of Hearing and
20 Prehearing Conference on Vidales and the Bureau.

21 7. On or about September 15, 2014, the noticed Prehearing Conference was held before
22 Presiding Officer Jason Pope, Attorney III of the Commission. Ronald Diedrich, Deputy
23 Attorney General, attended on behalf of the Bureau. Vidales failed to attend the Prehearing
24 Conference.

25 8. On or about September 17, 2014, the Commission served a Conclusion of Prehearing
26 Conference letter on Vidales and the Bureau.

27 9. The Commission heard Case No. CGCC-2013-1121-10C-2 on October 14, 2014. The
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1 Bureau was represented throughout the pendency of the hearing by Deputy Attorney General
2 Ronald Diedrich. Vidales failed to appear throughout the pendency of the hearing or make any
3 contact with the Commission or the Bureau.

4 10. On or about February 13, 2003, Vidales was convicted of violating California Vehicle
5 Code section 23152(b), driving under the influence of alcohol/.08 percent or greater, a
6 misdemeanor, in the case *People v. Rene Vidales* (Super. Ct. Los Angeles County, 2003, Case
7 No. 3EL00870). Vidales was sentenced to 36 months' probation, ordered to pay a fine and
8 restitution and complete a First Offender Program.

9 11. On or about August 1, 2003, Vidales submitted proof of completion of the First
10 Offender Program.

11 12. On or about October 25, 2007, Vidales was convicted of violating California Vehicle
12 Code section 20002(a), hit and run driving with property damage, a misdemeanor, in the case
13 *People v. Rene Vidales* (Super. Ct. Los Angeles County, 2007, Case No. 7JB08072). Vidales was
14 sentenced to three years' probation, 30 days in jail or completing a work program in lieu of jail,
15 and ordered to pay a fine and restitution.

16 13. The factual circumstances underlying his conviction for violating California Vehicle
17 Code section 20002(a) involve Vidales drinking at his house and then driving to a friend's house
18 on or about June 16, 2007. Vidales was followed to his friend's house by a friend in another
19 vehicle. Vidales' vehicle struck an unknown object. It was later determined that Vidales' vehicle
20 hit a curb and then struck a tree. Vidales immediately got into his friend's vehicle and left the
21 scene of the accident.

22 14. On or about June 17, 2007, Vidales called the El Monte Police Department to report
23 that his vehicle was stolen. Vidales then told an investigating officer of the Baldwin Park Police
24 Department that his vehicle was stolen sometime after 10:00 p.m. on June 16, 2007. Upon further
25 questioning, Vidales admitted that he had been drinking, crashed his vehicle, and fled the scene of
26 the crash during the night of June 16, 2007.

27 15. Vidales was dishonest regarding the facts and circumstances surrounding his October
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1 25, 2007 conviction for violating California Vehicle Code section 20002(a), hit and run driving
2 with property damage, when he reported to the police and told the investigating officer
3 that his vehicle was stolen.

4 16. Vidales demonstrated a lack of good character and integrity by striking an unknown
5 object and then immediately fleeing the scene of the accident.

6 17. On or about November 24, 2008, Vidales submitted proof of completion of the work
7 program and paying the fine in full.

8 18. On or about January 12, 2012, Vidales was convicted of California Vehicle Code
9 section 23152(a), driving under the influence of alcohol/drugs, a misdemeanor, and California
10 Vehicle Code section 23152(b), driving under the influence of alcohol/.08 percent or higher, a
11 misdemeanor, in the case *People v. Rene Vidales* (Super. Ct. Orange County, 2012, Case No.
12 12NM00277). Vidales was sentenced to five years' probation and ordered to complete 18 months
13 Multiple Offender Alcohol Program, attend a Mothers Against Drunk Driving Victim's Impact
14 Panel, install an Ignition Interlock Device for three years, and pay a fine and restitution.

15 19. On or about August 6, 2013, Vidales submitted proof that he completed all of the
16 program requirements of the Twin Palms Recovery Center's Multiple Offender 18 Month DUI
17 program.

18 20. Failing to appear at the hearing, Vidales did not present or submit any information or
19 evidence in favor of granting his Application.

20 21. Vidales' criminal history, which includes four misdemeanor convictions, each of
21 which involved driving while under the influence of alcohol, and one of which involved hit and
22 run driving with property damage, demonstrates a pattern and practice of flagrant disregard for
23 the law and legal authority.

24 22. Vidales' criminal history demonstrates a lack of good character, honesty and integrity.

25 23. The matter was submitted for Commission consideration on October 14, 2014.
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LEGAL CONCLUSIONS

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

25. At an evidentiary hearing pursuant to Business and Professions Code sections 19870 and 19871 and Title 4, CCR section 12050(b)(2), the burden of proof rests with the applicant to demonstrate why a license should be issued. Title 4, CCR section 12050(b)(3).

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

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

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

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

30. An "unqualified person" means a person who is found to be unqualified pursuant to the criteria set forth in Business and Professions Code section 19857, and "disqualified person" means a person who is found to be disqualified pursuant to the criteria set forth in Business and Professions Code section 19859. Business and Professions Code section 19823(b).

31. The Commission has the power to deny any application for a license, permit, or approval for any cause deemed reasonable by the Commission. Business and Professions Code

1 section 19824(b).

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

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

12 34. An applicant for a license to provide third party proposition player services shall be
13 ineligible for licensing if the applicant has failed to meet the requirements of Business and
14 Professions Code sections 19856 or 19857. Title 4, CCR section 12218.11(e).

15 35. Any regular registration issued in accordance with this chapter shall be subject to
16 cancellation pursuant to this section. A registration shall be cancelled if the Commission
17 determines after a noticed hearing that the registrant is ineligible for registration, has failed in the
18 application for registration to reveal any fact material to the holder's qualification for registration,
19 or has supplied information in the registration application that is untrue or misleading as to a
20 material fact pertaining to the criteria for issuance of registration. Title 4, CCR section 12205(a).

21 36. An applicant shall be ineligible for registration if the application is for registration as
22 an owner, supervisor, or player, the applicant has been subject to a final administrative or judicial
23 adjudication revoking a registration under this chapter or a state gambling license, key employee
24 license, work permit, finding of suitability or has had an application denied under this chapter or
25 the [Gambling Control] Act. Title 4, CCR section 12204(d).

26 37. Vidales did not attend the Prehearing Conference or administrative hearing, or submit
27 any information or evidence in favor of granting his Application. As a result, Vidales did not
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1 meet his burden of demonstrating that he is qualified for a license to provide third-party
2 proposition player services pursuant to Business and Professions Code section 19856(a) and Title
3 4, CCR section 12050(b)(3).

4 38. Vidales' reporting to the police and telling the investigating officer that his vehicle
5 was stolen, which he later recanted as a result of further questioning, demonstrates a lack of good
6 character, honesty and integrity. As a result, Vidales has failed to demonstrate that he is a person
7 of good character, honesty and integrity pursuant to Business and Professions Code section
8 19857(a). Therefore, Vidales is unqualified for licensure pursuant to Business and Professions
9 Code section 19857(a).

10 39. Vidales' striking an unknown object with his vehicle and then immediately fleeing the
11 scene of the accident demonstrates a lack of good character and integrity. As a result, Vidales has
12 failed to demonstrate that he is a person of good character, honesty and integrity pursuant to
13 Business and Professions Code section 19857(a). Therefore, Vidales is unqualified for licensure
14 pursuant to Business and Professions Code section 19857(a).

15 40. Vidales' criminal history, which includes four misdemeanor convictions, each of
16 which involved driving while under the influence of alcohol, and one of which involved hit and
17 run driving with property damage, demonstrates a lack of good character and integrity. As a
18 result, Vidales has failed to demonstrate that he is a person of good character, honesty and
19 integrity pursuant to Business and Professions Code section 19857(a). Therefore, Vidales is
20 unqualified for licensure pursuant to Business and Professions Code section 19857(a).

21 41. Vidales' criminal history of repeatedly driving under the influence of alcohol
22 demonstrates a pattern of prior activities and habits that pose a serious threat to the public interest
23 of the State of California. As a result, Vidales has failed to demonstrate that he is a person whose
24 prior activities, criminal record, reputation and habits do not pose a threat to the public interest of
25 this state pursuant to Business and Professions Code section 19857(b). Therefore, Vidales is
26 unqualified for licensure pursuant to Business and Professions Code section 19857(b).

27 42. Given that Vidales' is unqualified for licensure for failing to meet the requirements of
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1 Business and Professions Code section 19857(a) and (b), Vidales is ineligible for licensing as a
2 third-party proposition player pursuant to Title 4, CCR section 12218.11(e).

3 NOTICE OF APPLICANT'S APPEAL RIGHTS

4 Vidales has the following appeal rights available under state law:

5 Title 4, CCR section 12050, subsection (c)(6) provides, in part:

6 An applicant denied a license, permit, registration, or finding of suitability, or whose
7 license, permit, registration, or finding of suitability has had conditions imposed
8 upon it may request reconsideration by the Commission within 30 days of notice of
9 the decision. The request shall be in writing and shall outline the reasons for the
10 request, which must be based upon either newly discovered evidence or legal
11 authorities that could not reasonably have been presented before the Commission's
12 issuance of the decision or at the hearing on the matter, or upon other good cause for
13 which the Commission in its discretion decides merits reconsideration.

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

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

22 Title 4, CCR section 12050, subsection (d) provides:

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

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2 1. Rene Vidales' Application for a Third-Party Proposition Player Services License
3 is DENIED.

4 2. Rene Vidales' registration as a third party proposition player, Registration
5 Number TPPL-009803, is CANCELLED.¹

6 3. Rene Vidales must surrender his registrant's badge to the Commission not more
7 than ten days following the effective date of this Order.

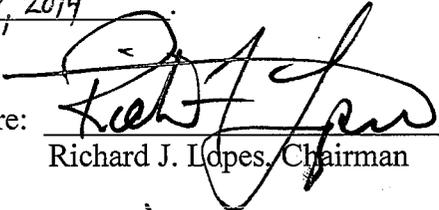
8 4. Rene Vidales may not apply for a license, registration, or work permit for two (2)
9 years after the effective date of this Order.

10 5. No costs are to be awarded.

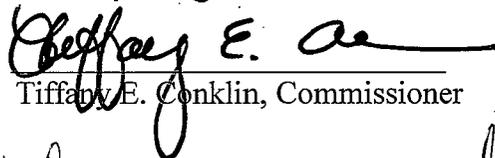
11 6. Each side to pay its own attorneys' fees.

12 This Order is effective on December 8, 2014.

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14 Dated: 11/6/2014

Signature: 
Richard J. Lopes, Chairman

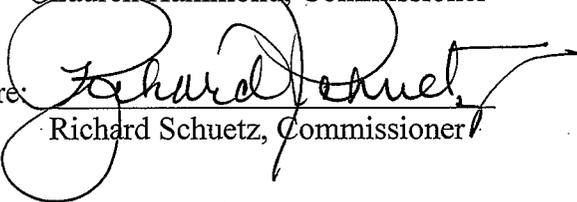
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16 Dated: Nov. 6, 2014

Signature: 
Tiffany E. Conklin, Commissioner

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18 Dated: Nov. 6, 2014

Signature: 
Lauren Hammond, Commissioner

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20 Dated: Nov. 6, 2014

Signature: 
Richard Schuetz, Commissioner

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27 ¹ As a result of the denial of Vidales' Application, Vidales is ineligible for registration pursuant to Title 4,
28 CCR section 12204(d), and his Registration Number TPPL-009803 is subject to mandatory cancellation pursuant to
Title 4, CCR section 12205(a).