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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

CGCC Case No. GCCC-2018-1115-9D

In the Matter of the Application for Approval
of Third-Party Player Services License for
Supervisor, Player or Other Employee
Regarding:

DECISION AND ORDER

LLOYD DEREK MARIN, JR.

Hearing Dates: Wednesday, May 8, 2019
Time: 10:00 a.m.

Applicant.

This matter was heard by the California Gambling Control Commission (Commission) pursuant to Business and Professions Code sections 19870 and 19871 and Title 4, California Code of Regulations (CCR) section 12060, in Sacramento, California, on Wednesday, May 8, 2019 at 10:00 a.m.

Deputy Attorney General Collin Wood, Department of Justice, Attorney General's Office, State of California, represented complainant Stephanie Shimazu, Jr., Chief of the Bureau of Gambling Control (Bureau), Department of Justice, State of California (Complainant).

Applicant Lloyd Derek Marin, Jr. was present on his own behalf without representation (Applicant).

During the administrative hearing, Presiding Officer Jason Pope took official notice of the Conclusion of Prehearing Conference Letter, the Complainant's Statement of Reasons, Applicant's signed Notice of Defense, and the Notice of Hearing, which included Applicant's State Gambling Application and the Bureau's Report.

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

- (1) Statement of Reasons; Statement to Applicant; excerpts from the California Business and Professions Code and CCR; Certificate of Service by Certified Mail Service; and a Notice of Defense, dated December 3, 2018, Bates Nos. 001-025;
- (2) Commission Memorandum, Notices and Letters:

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- a. November 2, 2018, Notice of Scheduled Commission Meeting, Bates Nos. 026;
 - b. CGCC Licensing Division Memorandum for November 15, 2018 Commission Meeting for Application for Initial Third-Party Proposition Player License for Applicant with attachments, Bates Nos. 027-033;
 - c. November 16, 2018, Referral of Third-Party Proposition Player Services License to an Evidentiary Hearing for Applicant, Bates Nos. 034-035;
 - d. Notice of Hearing dated February 12, 2019, with attachments, Bates Nos. 036-056;
 - e. March 26, 2019, Conclusion of Pre-hearing Conference, Bates Nos. 057-063.
- (3) The Bureau’s Registration History for Applicant and Certification of Official Records, Bates Nos. 064-065;
 - (4) Redacted copy of Applicant’s Application for Third-Party Proposition Player Services License for Supervisor, Player or Other Employee, and Level I Supplemental Information, dated February 18, 2015, Bates Nos. 066-079;
 - (5) A redacted copy of the Bureau’s September 2018, Third-Party Player Background Investigation Report, Level III, for Applicant, Bates Nos. 080-094;
 - (6) February 2017 through November 2018, letters, e-mail correspondence and telephone contact sheets to and from the Bureau relating to Applicant, Bates Nos. 095-115;
 - (7) Notices to Appear, Court Records and DMV Records for Applicant, Bates Nos. 116-123;

1 (8) Appointment of Designated Agent for Owners and Proposition Players for
2 Applicant, Bates Nos. 124;

3 (9) April 5, 2019, e-mails between Applicant and Collin Wood.¹

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

6 (A) Summary of payments and receipts for payment:

7 (a) Summary page of payments made to AllianceOne for four accounts;

8 (b) Receipt for payment to AllianceOne for account # Y806188;

9 (c) Receipt for payment to AllianceOne for account # Y848611;

10 (d) Receipt for payment to AllianceOne for account # Y400851;

11 (e) Receipt of payments to AllianceOne for account # 08271SD;

12 (B) Letter of Character Reference from David Kato;

13 (C) Letter of Character Reference from Sean Marin.

14 The matter was submitted on Wednesday, May 8, 2019.

15 **FINDINGS OF FACT**

16 1. On or about October 28, 2013, the Commission issued Applicant a registration,
17 Number TPPL-012779 as a third-party proposition player for L.E. Gaming. Applicant's
18 registration is currently set to expire on October 31, 2020.²

19 2. On or about March 3, 2015, the Bureau received an Application for Approval of
20 Third-Party Player Services License for Supervisor, Player or Other Employee with a
21 supplemental application (Application) from Applicant, signed on February 18, 2015, to allow for
22 his continued employment as a third-party proposition player for L.E. Gaming.

23 3. The Bureau alleges that in the course of Applicant's background investigation, the
24 Bureau discovered that Applicant had five outstanding fines relating to citations issued for
25 California Vehicle Code violations (traffic citations) issued between 2003 and 2009. The Bureau

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27 ¹ This document was not marked with a Bates Number.

28 ² Applicant was previously issued registration No. TPPL-011029 as a third-party proposition player for Global Player Services, Inc. on 11/28/2012.

1 also discovered that Applicant's Driver's License was suspended on October 15, 2009 as a result
2 of his failure to appear in relation to a September 24, 2009 traffic citation.

3 4. On or about September 7, 2018, the Bureau submitted a Third-Party Player
4 Background Investigation Report (Bureau Report) to the Commission recommending the
5 Commission deny Applicant's Application on the basis that Applicant failed to pay fines relating
6 to traffic citations and he has derogatory employment history.

7 5. At its November 15, 2018, meeting, the Commission referred Applicant's Application
8 to an evidentiary hearing, pursuant to CCR section 12054, subdivision (a)(2) to be held pursuant
9 to CCR section 12060 with the Bureau to serve as Complainant.

10 6. On or about December 6, 2018, Applicant submitted a Notice of Defense requesting
11 an evidentiary hearing.

12 7. The Bureau filed a Statement of Reasons with the Commission alleging one cause for
13 denial of the Application based on Applicant's history of disregard for the law demonstrating
14 unsuitability for licensure for five vehicle code infractions, failure to pay fines associated with the
15 infractions, and driving on a suspended license.³

16 8. At the hearing, the Bureau admitted as evidence search results from the Superior Court
17 of California, County of San Diego's website, identifying five case numbers associated with
18 Applicant in the court's Traffic Online Payment System. The Bureau also admitted the results of
19 a Criminal and Traffic/Minor Offense Record Search from the San Diego Superior Court's
20 Central Division and South County Division, which only identified four cases involving
21 Applicant. Additionally, the Bureau admitted copies of three Notices to Appear issued by the San
22 Diego and Chula Vista Police Departments for traffic offenses. From these documents, the
23 following information is provided for the case numbers associated with Applicant:

24 (1) Case Number Y848611 for a violation on September 24, 2009 for failing to stop at a
25 stop sign and failure to show proof of insurance, with a disposition of a warrant issued
26 December 24, 2009;

27 ³ The Statement of Reasons, unlike the Bureau Report, does not allege Applicant's derogatory employment
28 history as a basis for denial.

1 (2) Case Number Y400851 for a violation on August 3, 2009 for speeding and failing to
2 change address on his driver's license and registration, with a disposition of a warrant
3 issued January 13, 2010;

4 (3) Case Number Y806188 for a violation on May 20, 2009 for speeding, with a
5 disposition of a warrant issued August 6, 2009;

6 (4) Case Number Y08271SD, with a disposition of a warrant issued on December 19,
7 2003. No information was provided as to the type or date of the violation;

8 (5) Case Number K373081 with a citation date of December 12, 2008. No information is
9 provided regarding the type of violation or disposition.

10 9. Applicant did not pay all fines associated with his traffic citations and a remaining
11 balance is owed to AllianceOne Receivables Management, Inc., a collection agency. The exact
12 amount owed and which case numbers have remaining balances is not clear from the evidence
13 admitted.

14 10. Applicant testified that he first learned that his Driver's License was suspended and
15 that he owed money for unpaid traffic citations when he received a phone call from a
16 representative of AllianceOne in 2013. Applicant testified that he did not initially believe the
17 AllianceOne representative was truthful because: (1) Applicant did not receive any documents
18 from the DMV notifying him that his license was suspended; (2) the representative told Applicant
19 that one of the violations occurred in 2003 and Applicant did not own a vehicle at that time; and
20 (3) AllianceOne would not provide Applicant with any documents verifying that the traffic
21 citations or fines were issued against him.

22 11. Applicant testified that because he is certain that he did not receive a traffic citation in
23 2003, he questioned whether he was truly responsible for the other citations/fines as well.
24 Applicant testified that he was reluctant to make any payments to AllianceOne without further
25 verification. Applicant's testimony was consistent with an April 21, 2007 written statements that
26 he provided to the Bureau.

27 12. Applicant testified that neither AllianceOne nor the Bureau would provide him with
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1 any documents verifying that Applicant received the traffic citations and failed to pay fines.

2 Applicant testified that now that he has seen the three Notices to Appear admitted as exhibits by
3 the Bureau, he agrees that he was the driver/recipient of those citations, although he cannot recall
4 being pulled over, receiving tickets/notice to appear, or going to court for those incidents.

5 However, Applicant maintains his position that he did not receive a 2003 traffic citation.

6 13. Applicant testified that in 2009 he moved his family to Nevada in anticipation of the
7 birth of his daughter. Applicant testified that he may have put the 2009 ticket “on the back
8 burner” due to the upcoming relocation of his family and birth of his daughter. However,
9 Applicant acknowledged that his move and birth of his daughter did not excuse his obligation to
10 pay the outstanding fines.

11 14. Applicant testified that he intends to satisfy the obligation owed to AllianceOne, but it
12 will take him some time because he has five kids and other debts, and does not have the resources
13 to pay the balance in full now. Applicant testified that he makes periodic payments to
14 AllianceOne based on what he can afford and also pays through a lien on his tax returns and he
15 has already satisfied fines associated with some of the citations.

16 15. Applicant’s driver’s license was suspended effective October 15, 2009 and expired on
17 April 13, 2010. Applicant has not had a valid driver’s license since.

18 16. Applicant testified that he did not know that his license was suspended and continued
19 to drive. Applicant first learned of the suspension in 2013 in a phone call with a representative of
20 AllianceOne. Applicant admitted that he continued to drive even after learning from AllianceOne
21 that his license was suspended. Applicant testified that he stopped driving in 2014 or 2015 and
22 began using Lyft, Uber, or receiving rides from his wife and brother.

23 17. Applicant wrote to the Bureau on April 21, 2017 stating that he would commit to not
24 driving and at that time his primary source of transportation was still for his wife or brother to
25 drive him to work and utilizing Uber and Lyft.

26 18. Applicant testified that he did his best to cooperate with the Bureau and to answer the
27 follow up questions he received during the background investigation process. Applicant also
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1 testified that he is not a strong writer and he had difficulty answering some of the Bureau's
2 questions because such long periods of time would pass between inquiries.

3 19. Applicant admitted a letter of reference from David Kato, Senior Manager at L.E.
4 Gaming, Inc. Mr. Kato states that Applicant has been the primary trainer for the company for
5 approximately three years and he is a trusted, loyal, and dedicated employee. Mr. Kato states that
6 he has no concerns about the quality of Applicant's character.

7 20. Applicant admitted a letter of reference prepared by his brother, Sean Marin. Mr.
8 Marin wrote that Applicant has outstanding character and continues to positively impact others.
9 In his letter, Mr. Marin shared personal stories regarding the positive influence, concern, and
10 guidance that Applicant has offered to his family and coworkers over the years.

11 21. The reference letters offered by Applicant are persuasive and evidence that Applicant
12 is a person of good character, honesty, and integrity.

13 22. There was no evidence presented during the evidentiary hearing that Applicant has
14 ever been convicted of a crime or that he has received a traffic citation since August 3, 2009.

15 23. There was no evidence presented during the evidentiary hearing that Applicant has
16 had any employment-related issues during his approximately six year career in controlled
17 gambling. In fact, the evidence presented during the evidentiary hearing is persuasive that
18 Applicant is an excellent employee and has been successful in his work in controlled gambling.

19 24. Based on the letters of reference, Applicant's untarnished employment history in the
20 controlled gambling industry, and the fact that Applicant's only criminal history involves traffic
21 violations, Applicant has met his burden of proving that he is a person of good character, honesty
22 and integrity.

23 25. The Commission is concerned that Applicant continued to drive his vehicle with a
24 suspended driver's license, even after being told by AllianceOne in 2013 that his license was
25 suspended. Further, even if Applicant did not know that his license was suspended, he should
26 have realized that it was expired. However, Applicant's testimony that he does not currently drive
27 is credible. Applicant is advised that any future violations regarding driving without a valid
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1 license will be taken very seriously by the Commission.

2 26. The Commission is also concerned with Applicant's initial failure to pay, resolve, or
3 dispute the unpaid fines relating to the traffic citations, which is the basis for a condition being
4 placed on Applicant's license.

5 27. All documentary and testimonial evidence submitted by the parties that is not
6 specifically addressed in this Decision and Order was considered but not used by the Commission
7 in making its determination on Applicant's Application.

8 **LEGAL CONCLUSIONS**

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

12 29. At an evidentiary hearing pursuant to Business and Professions Code sections 19870
13 and 19871 and Title 4, CCR section 12060(b), the burden of proof rests with the applicant to
14 prove his qualifications to receive any license under the Gambling Control Act. (Title 4, CCR
15 section 12060(i); Business and Professions Code section 19856(a).)

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

20 31. 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 32. The Commission has the responsibility of assuring that licenses, approvals, and
24 permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose
25 operations are conducted in a manner that is inimical to the public health, safety, or welfare.
26 (Business and Professions Code section 19823(a)(1).)

27 33. An "unqualified person" means a person who is found to be unqualified pursuant to
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1 the criteria set forth in Business and Professions Code section 19857, and “disqualified person”
2 means a person who is found to be disqualified pursuant to the criteria set forth in Business and
3 Professions Code section 19859. (Business and Professions Code section 19823(b).)

4 34. The Commission has the power to limit, condition, or restrict any license for any cause
5 deemed reasonable by the Commission. (Bus. & Prof. Code section 10982(b).)

6 35. 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. (Business and Professions Code section 19857(a).)

9 36. 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. (Business and Professions Code section 19857(b).)

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

21 38. A requester shall be ineligible for licensing as a third party proposition player if the
22 requester has failed to meet the requirements of Business and Professions Code sections 19856 or
23 19857. (CCR section 12218.11(e).)

24 39. Applicant has met his burden of proving that he is a person of good character, honesty,
25 and integrity. Therefore, Applicant is qualified to receive a third party proposition player license
26 pursuant to Business and Professions Code section 19857(a). As a result, Applicant is not
27 ineligible to receive a third party proposition player license pursuant to CCR section 12218.11(e).
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1 CCR section 12066, subsection (c) provides:

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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.

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ORDER

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3 1. LLOYD DEREK MARIN, JR.'s Application for Approval of Third-Party Proposition
4 Player Services License is APPROVED with the following condition:

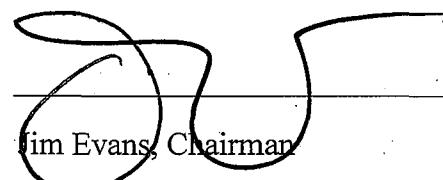
5 a. Applicant must provide a status update to the Bureau every 90 days regarding
6 his efforts to pay, resolve, and/or dispute his outstanding accounts with
7 AllianceOne.

8 2. No costs are to be awarded.

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

10 This Order is effective on July 1, 2019.

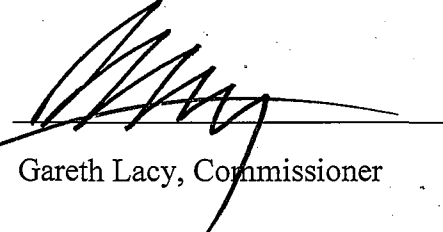
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12 Dated: 5/30/19

12 Signature: 
13 Jim Evans, Chairman

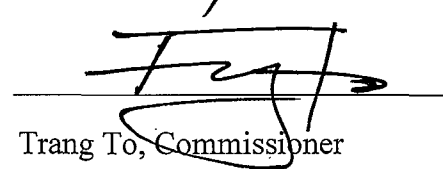
14 Dated: 5/30/19

14 Signature: 
15 Paula LaBrie, Commissioner

16 Dated: 5/30/19

16 Signature: 
17 Gareth Lacy, Commissioner

18 Dated: 5/30/19

18 Signature: 
19 Trang To, Commissioner