

BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Application for Third-Party
Proposition Player Services Player License for:

GREGORY MICHAEL HILL
Registration No. 12955

Respondent.

CGCC Case No. CGCC-2017-1019-9A
BGC Case No. BGC-HQ2017-000-23SL

DECISION AND ORDER

Hearing Date: July 25, 2018
Time: 10:00 a.m.

This matter was heard by the California Gambling Control Commission (Commission) pursuant to Business and Professions Code sections 19870 and 19871 and Title 4, California Code of Regulations (CCR) section 12060(b), in Sacramento, California, on July 25, 2018.

Timothy Muscat, Deputy Attorney General, State of California, represented complainant Stephanie Shimazu, Director of the Bureau of Gambling Control (Bureau), Department of Justice, State of California (Complainant).

Gregory Hill (Respondent) was present at the hearing on his own behalf without representation.

During the evidentiary hearing, Presiding Officer Jason Pope took official notice of the Notice of Hearing and attachments, the Bureau's Statement of Particulars, the signed Notice of Defense, and the Conclusion of Prehearing conference letter.

During the administrative hearing, Presiding Officer Jason Pope accepted into evidence the following exhibits offered by the Complainant as identified in their table of contents:

1) Statement of Particulars dated April 5, 2018; Statement to Respondent dated April 6, 2018; and, Notice of Defense, dated October 25, 2017, Bates Nos. 001-015;

2) Commission Memorandum, Notices and Letters: (a) October 19, 2017 Licensing Division Memorandum dated October 2, 2017, Bates Nos. 016-017; (b) October 20, 2017, Referral of Conversion of Third-Party Proposition Player Services Registration to an Evidentiary Hearing, Bates Nos. 018-019; (c) January 31, 2018, Notice of Hearing and Prehearing Conference, with attachments and proof of service, Bates Nos. 020-031;

1 violating Penal Code section 243, subdivision (e)(1), former spousal battery, a misdemeanor. Mr.
2 Hill was sentenced to three years of probation, 40 days of community service, ordered to
3 complete a domestic violence program, ordered to pay a fine and a restraining order¹ was issued.
4 The Bureau verified that Mr. Hill is in the process of completing the community service, domestic
5 violence program, and paid the fine in full on July 20, 2017.

6 4. On February 20, 2017, Respondent provided a written statement to the Bureau
7 regarding the circumstances leading to his misdemeanor conviction. Respondent wrote that in
8 2013, his girlfriend, C.M. arrived home from a work event intoxicated at approximately 6:00 am.
9 Respondent and C.M. had an argument and he began to leave their house to go to his
10 grandmother's house down the street. C.M. grabbed Respondent's shirt and told him that she
11 would "call the cops if you leave." Respondent then left to his grandmother's house for a few
12 hours. When he returned home a few hours later, C.M. was asleep. Respondent later learned that
13 C.M. had called the police and falsely stated that Respondent had hit and pushed her. A few
14 weeks later, a detective contacted C.M. and she told the detective that she did not want to press
15 charges against Respondent.

16 5. Respondent's statement to the Bureau further states that he received a warrant in the
17 mail and he immediately went to the courthouse to take care of the matter. Respondent's stated
18 that C.M. agreed to testify at a trial on Respondent's behalf. However, Respondent's public
19 defender advised him that a jury might determine that C.M. was lying at the trial versus believing
20 that she was lying to police when she claimed that Respondent hit her. Respondent decided to
21 plead guilty.

22 6. In August 2017, the Bureau sent a Third-Party Player Background Investigation
23 Report to the Commission in which the Bureau recommended that Respondent's Application for a
24 license be approved.

25 7. At its October 19, 2017 meeting, Respondent declined to arrange for C.M. to appear by
26 phone to verify his version of events. The Commission referred consideration of Respondent's

27 _____
28 ¹ The restraining order was modified to a Level I Protective Order on August 14, 2017.

1 Application to an evidentiary hearing to be conducted as a Gambling Control Act hearing
2 pursuant to California Code of Regulations Title 4, Division 18, Chapter 1, section 12060.

3 8. On or about November 3, 2017, Applicant submitted a Notice of Defense, dated
4 October 25, 2017.

5 9. On March 15, 2018, a Special Agent with the Bureau interviewed Respondent's
6 girlfriend, C.M. At the hearing, Complainant admitted as evidence an electronic recording and a
7 transcript from the interview.

8 10. During the interview, C.M.'s story was consistent with Respondent's February 2017
9 written statement and his statements at the October 2017 Commission meeting. C.M. stated that
10 she was intoxicated, came home late, and she had an argument with Respondent. C.M. stated that
11 Respondent did not get physical with her and it was purely a verbal argument. C.M. stated that
12 she threatened to call the police if Respondent left. Respondent left, so she called the police. C.M.
13 also stated that she called the police out of spite and for revenge.

14 11. In her interview, C.M. stated that approximately a month later after the incident, an
15 officer contacted her to ask if she wanted to press charges, and she said no. C.M. was asked to
16 come to the Sheriff's Department to sign papers to "drop the case." However, C.M. stated in the
17 interview that she was very busy with a full time job and taking her son to T-ball, so she did not
18 have a chance to sign the papers before Respondent received a notice to appear in court.

19 12. Respondent testified at the hearing that he and C.M. are now engaged, they have been
20 together for eight years, and have two kids together.

21 13. Respondent's testimony at the hearing was consistent with his prior statements
22 regarding the incident that resulted in his conviction. Respondent testified that he was home with
23 his son while C.M. attended a work event. Respondent testified that he received a call from
24 C.M.'s coworkers early in the morning asking if they could drop her at home because she was too
25 intoxicated to drive. Respondent was frustrated that she had not let him know that she would be
26 returning home so much later than he expected. When C.M. arrived home, she began to argue
27 with Respondent. Respondent tried to leave the house and C.M. grabbed onto his shirt to prevent
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1 him from leaving. Respondent testified that he brushed her off of him so that he could leave.

2 14. Respondent testified that he left for a few hours and went to his grandmother's house
3 down the street. Respondent also testified that when he returned home, everything seemed normal
4 and that he was never arrested, interviewed, or contacted by police.

5 15. Respondent testified that when he received the notice to appear, he went to the
6 courthouse the next day. Respondent went to the clerk's office and was told to go to Department
7 5 and his case was immediately heard. Respondent was assigned a public defender and pled guilty
8 and it all happened very quickly. Respondent testified that the public defender pushed him to
9 plead guilty.

10 16. Respondent testified that this was his first experience in the court system, and the
11 public defender made it seem that everything would be so much easier for him if he pled guilty.
12 Respondent understood that he would have to take a few classes and do community service.
13 However, Respondent did not understand the ramifications of his plea or that it would result in
14 him having a criminal record that could impact his license application.

15 17. Respondent testified that C.M. was not present when he appeared by phone at the
16 Commission meeting in October 2017. Respondent testified that C.M. did not want to be involved
17 anymore because she felt she had already caused enough trouble for Respondent.

18 18. Respondent was candid and forthcoming while testifying at the hearing.

19 19. There was no evidence presented that Respondent is ineligible for licensing as a third-
20 party proposition player for any of the reasons provided in CCR section 12218.11.

21 20. All documentary and testimonial evidence submitted by the parties that is not
22 specifically addressed in this Decision and Order was considered but not used by the Commission
23 in making its determination on Respondent's Application.

24 21. The matter was submitted for Commission consideration on July 25, 2018.

25 LEGAL CONCLUSIONS

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

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

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

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

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

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

21 7. The Commission has the power to deny any application for a license, permit, or
22 approval for any cause deemed reasonable by the Commission. Business and Professions Code
23 section 19824(b).

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

27 9. 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 whose prior
2 activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the
3 public interest of this state, or to the effective regulation and control of controlled gambling, or
4 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in
5 the conduct of controlled gambling or in the carrying on of the business and financial
6 arrangements incidental thereto. Business and Professions Code section 19857(b).

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

12 11. A requester shall be ineligible for licensing [as a third party proposition player] if the
13 requester has failed to meet the requirements of Business and Professions Code sections 19856 or
14 19857. CCR section 12218.11(e).

15 12. Respondent has met his burden of proving that he is a person of good character,
16 honesty, and integrity. Therefore, Respondent is qualified to receive a third party proposition
17 services player license pursuant to Business and Professions Code section 19857(a). As a result,
18 Respondent is not ineligible to receive a third party proposition player services player license
19 pursuant to CCR section 12218.11(e).

20 13. Respondent has met his burden of proving that he is a person whose prior activities,
21 criminal record, if any, reputation, habits, and associations do not pose a threat to the public
22 interest of this state, or to the effective regulation and control of controlled gambling, or create or
23 enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the
24 conduct of controlled gambling or in the carrying on of the business and financial arrangements
25 incidental thereto. Therefore, Respondent is qualified to receive a third party proposition player
26 services player license pursuant to Business and Professions Code section 19857(b). As a result,
27 Respondent is not ineligible to receive a third party proposition player services player license
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1 pursuant to CCR section 12218.11(e).

2 14. Respondent has met his burden of proving that he is not disqualified from
3 licensure pursuant to Business and Professions Code section 19859 nor ineligible for licensing as
4 a third party proposition player pursuant to CCR section 12218.11.

5 NOTICE OF APPLICANT'S APPEAL RIGHTS

6 Respondent has the following appeal rights available under state law:

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

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

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

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

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

27 A decision of the Commission denying an application or imposing conditions on
28 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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2 1. Gregory Hill's Application for a Third-Party Proposition Player Services Player
3 License is APPROVED.

4 2. No costs are to be awarded.

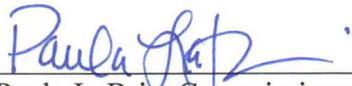
5 3. Each side to pay its own attorneys' fees.

6 This Order is effective on September 20, 2018.

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8 Dated: 9/20/2018

9 Signature: 
Jim Evans, Chairman

10 Dated: 9/20/2018

11 Signature: 
Paula LaBrie, Commissioner

12 Dated: 9/20/2018

13 Signature: 
Trang To, Commissioner

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