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BEFORE THE  
CALIFORNIA GAMBLING CONTROL COMMISSION

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

JOSHUA BETANCUR  
Registration No. TPPL-014353

Respondent.

BGC Case No. BGC-HQ2017-00009SL  
CGCC Case No. CGCC-2017-0622-11F

**DECISION AND ORDER**

Hearing Date: December 13, 2017  
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 December 13, 2017.

William L. Williams, Jr., 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.

Jarhett Blonien, Blonien & Associates, Inc. represented Joshua Daniel Betancur (Betancur or Respondent) at the hearing.

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

- (a) Notice of Hearing and Prehearing Conference letter with attachments;
- (b) Statement of Reasons filed and served by the Bureau;
- (c) Notice of Defense signed by Betancur;
- (d) Conclusion of Prehearing Conference letter dated November 2, 2017.

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

(1) Bureau's Correspondence to Respondent: (a) November 1, 2017 correspondence to Respondent's counsel forwarding documents, Bates Nos. 0001; (b) October 2, 2017 correspondence to Respondent enclosing Statement to Respondent, Statement of Reasons, Notice

1 of Hearing, and related documents, Bates Nos. 0002; (c) October 3, 2017 correspondence to  
2 Respondent's Designated Agent enclosing Statement to Respondent, Statement of Reasons,  
3 Notice of Hearing, and related documents, Bates Nos. 0003; (d) Statement of Reasons and related  
4 documents, Bates Nos. 0004-0022; (e) Notice of Defense signed by Respondent, Bates Nos.  
5 0022-0023.

6 (2) Commission documents: (a) November 2, 2017 correspondence to parties re:  
7 Conclusion of Prehearing Conference, Bates Nos. 0024-0028; (b) August 24, 2017  
8 correspondence to parties re: Notice of Hearing and Prehearing Conference with enclosures,  
9 Bates Nos. 0029-0041; (c) June 26, 2017 correspondence to Respondent re: Referral of Joshua  
10 Betancur to Evidentiary Hearing, Bates Nos. 0042-0043; (d) June 24, 2016 correspondence to  
11 Respondent re: Approval of the Renewal of Third Party Proposition Player Services Registration  
12 Badge, Bates Nos. 0044; (e) Commission Memorandum, Commission Meeting dated June 22,  
13 2017, Bates Nos. 0045-0046; (f) June 9, 2017 correspondence to Respondent re: Notice of  
14 Scheduled Commission Meeting, Bates Nos. 0047; (g) May 11, 2017 correspondence to  
15 Respondent's Designated Agent re: Notification of Investigative Report, Bates Nos. 0048.

16 (3) Bureau Documents: (a) April 13, 2017 Email to Respondent's Designated Agent re:  
17 Confirmation of Scheduled Telephone Conference, Bates Nos. 0049; (b) February 18, 2017,  
18 February 8, 2017, November 20, 2016, and August 22, 2016 correspondence to Respondent's  
19 Designated Agent requesting additional information and Respondent's responses, Bates Nos.  
20 0050-0059; (c) Third Party Player Background Investigation Report, Level III, dated July 2017,  
21 Bates Nos. 0060-0066; (d) March 22, 2017 correspondence to Respondent's Designated Agent re:  
22 Recommendation for Denial of Application for a Third Party Provider of Proposition Player  
23 Services, Bates Nos. 0067-0068; (e) Employment Verification form by Arise LLC dated August  
24 22, 2016, Bates Nos. 0069; (f) Respondent's Application for Third Party Proposition Player  
25 Services License (Rhino Gaming, Inc.) signed February 19, 2015, Bates Nos. 0070-0086; (g)  
26 Application for Third Party Proposition Player Services Registration (Arise, LLC) signed July 26,  
27 2014, Bates Nos. 0087-0091; (h) August 22, 2014 correspondence from Commission to  
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1 Respondent re: Third Party Proposition Player Services Badge, # TPPL-014182, Bates Nos. 0092;  
2 (i) Change in Status form, signed August 28, 2014, Bates Nos. 0093; (j) Request for an  
3 Additional/Transfer/Reinstatement Third party Proposition Player Services Registration/License  
4 signed September 09, 2014, Bates Nos. 0094; (k) September 30, 2014 correspondence to  
5 Respondent re: Transfer of Third-Party Proposition Player Services Badge, Bates Nos. 0095.

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

8 (A) Declaration of Kerry Barclay;

9 (B) Declaration of Rafael Travino;

10 (C) Declaration of Bill Richardson.

11 The matter was submitted on December 13, 2017.

#### 12 FINDINGS OF FACT

13 1. On August 1, 2014, the Bureau received an application from Betancur for registration  
14 as a third-party proposition player for Arise, LLC (Arise) a third-party provider of proposition  
15 player services.

16 2. On August 22, 2014, the Commission issued Betancur registration number TPPL-  
17 014182, with an expiration date of August 31, 2016.

18 3. On September 4, 2014, the Bureau received a Change in Status form from Arise  
19 notifying the Bureau that Betancur's employment was terminated on August 27, 2014.

20 4. On September 18, 2014, the Bureau received a request to transfer Betancur's  
21 registration from Arise to Rhino Gaming, Inc. (Rhino). On September 30, 2014, the Bureau  
22 issued a transferred registration number TPPL-014353, with an expiration date of August 31,  
23 2016.

24 5. On March 3, 2015, the Bureau received an application from Betancur for a Third-Party  
25 Proposition Player Services License, as well as a Level 1 Supplemental Information form  
26 (collectively herein "Application") to convert his registration as a third-party proposition player to  
27 a license.  
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1           6. The Application was signed by Betancur under penalty of perjury on February 19,  
2 2015.

3           7. On Respondent's Application, he stated that the reason for leaving his employment  
4 with Arise was to "acquire employment closer to home and CSU Fresno."

5           8. On June 24, 2016, the Commission renewed Betancur's registration through August 31,  
6 2018.

7           9. On or about August 22, 2016, the Bureau received an Employment Verification form  
8 by Arise stating that Betancur was terminated for cheating on a test during training.

9           10. On or about May 9, 2017, the Bureau issued a Third-Party Player Background  
10 Investigation Report, Level III, recommending denial of Betancur's Application on the basis that  
11 he provided untrue and misleading information on his Application regarding his termination from  
12 Arise.

13           11. On June 22, 2017, pursuant to California Code of Regulations, title 4, section 12054,  
14 subdivision (a)(2), the Commission referred consideration of Betancur's Application to an  
15 evidentiary hearing to be held under the provisions of California Code of Regulations, title 4,  
16 section 12060.1.

17           12. On or about October 3, 2017, the Bureau filed a Statement of Reasons with the  
18 Commission recommending the denial of Betancur's Application and the cancellation of his  
19 registration as a third-party proposition player.

20           13. On or about June 28, 2017, Betancur signed and sent a Notice of Defense to the  
21 Commission requesting an evidentiary hearing.

22           14. The Commission heard Case No. CGCC-2017-0622-11F on December 13, 2017. The  
23 Bureau was represented throughout the pendency of the hearing by Deputy Attorney General  
24 William Williams, Jr. Betancur was represented by attorney Jarhett Blonien.

25           15. Kathi Hegeleim, Staff Services Manager at the Bureau, testified that she oversees the  
26 licensing investigations for third party players and supervisors. She reviews reports done by her  
27 subordinates relative to the suitability of applicants.

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1           16. Ms. Hegeleim testified that on Betancur's application, he stated that he worked at  
2 Arise from July 2014 to August 2014 as a proposition player and left his employment with Arise  
3 to acquire employment closer to home and CSU Fresno.

4           17. Ms. Hegeleim testified that the Bureau sent a form to Arise to verify Betancur's  
5 employment history. Arise filled out and returned the employment verification form to the  
6 Bureau, which disclosed that Betancur was terminated for cheating on a training test.

7           18. On or about November 20, 2016, the Bureau contacted Betancur and asked for an  
8 explanation regarding the circumstances that led to his termination from Arise and why he failed  
9 to disclose the termination on his Application.

10           19. On November 23, 2016, Betancur signed a statement responding to the Bureau's  
11 inquiry about his termination from Arise. Betancur stated that he slightly increased his test results  
12 on one session of a timed Black Jack simulator. Betancur stated that the following day, Arise  
13 terminated his employment contract and "the reason I failed to disclose the termination was  
14 because I was under the impression that Arise, LLC put on record that I left voluntarily. I elected  
15 the decision to quit because I assumed I still had the action available to protect my records..."

16           20. Betancur testified that when he was hired with Rhino in September of 2014, he did  
17 not disclose that he was terminated from Arise and that he was not asked any questions that  
18 required him to disclose that he had been terminated from Arise. However, later when the Bureau  
19 first contacted him about the discrepancy Betancur told his supervisor at Rhino that he was  
20 terminated from Arise.

21           21. Betancur testified that he only worked for Arise for a period of three weeks before the  
22 incident that led to his termination occurred. Betancur also testified that when he was terminated,  
23 he had never worked at a table, did not yet have a badge, and had never read the Gambling  
24 Control Act or Commission regulations.

25           22. Betancur testified that the Black Jack simulator was a practice tool to increase  
26 memory and his results were not related to his hire or continued employment. Betancur testified  
27 that he changed his score so that he would get a better score than another trainee that he was  
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1 competing with personally.

2 23. Betancur testified that Rhino is closer to his home and Fresno state, which is  
3 consistent with his statements on his Application regarding his reasons for leaving his  
4 employment at Arise. However, Betancur admits that he left Arise because he was terminated.

5 24. Betancur testified that the Application did not ask if he had ever been terminated, or  
6 he would have disclosed his termination from Arise.

7 25. Betancur also testified that he did not disclose his termination because he was in a  
8 rush when completing the Application and wasn't as thorough as he should have been. Betancur  
9 also stated that he didn't read the Application, but he only "scanned" it. This testimony is not  
10 credible given that, other than the omission of the true reasons for leaving his employment with  
11 Arise, the Application is accurate, thorough, and neatly written, including the use of a ruler to  
12 write in straight lines when adding a page with additional employment information.

13 26. Betancur testified that he regretted cheating on the Black Jack simulator and that he  
14 learned from his mistake. However, Betancur did not appear to be forthcoming or remorseful  
15 while testifying. Also, Betancur provided different explanations to the Bureau and to  
16 Commissioners as to why he did not disclose his termination on the Application. Further,  
17 Betancur testified that he still has not read the Gambling Control Act or Commission regulations.

18 27. Based on Betancur's demeanor while testifying and the substance of his testimony,  
19 the Commission finds that his failure to disclose his termination from Arise on his Application  
20 was more likely based on a purposeful intent to deceive the Bureau than an inadvertent mistake.

21 28. The matter was submitted for Commission consideration on December 13, 2017.

## 22 LEGAL CONCLUSIONS

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

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

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

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

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

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

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

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

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

2 10. A registrant requesting a license shall be ineligible for licensing if the requestor has  
3 failed to meet the requirements of Business and Professions Code sections 19856 or 19857. Title  
4 4, CCR section 12218.11(e).

5 11. A registrant requesting a license shall be ineligible for licensing if the requestor  
6 would be ineligible for a state gambling license under any of the criteria set forth in Business and  
7 Professions Code section 19859, subdivisions (b), (e), or (f). Title 4, CCR section 12218.11(f).

8 12. Any regular registration issued in accordance with Chapter 2.1 of Division 18 of Title  
9 4 of the California Code of Regulations shall be subject to cancellation if the Commission  
10 determines after a noticed hearing that the registrant is ineligible for registration, has failed in the  
11 application for registration to reveal any fact material to the holder's qualification for registration,  
12 or has supplied information in the registration application that is untrue or misleading as to a  
13 material fact pertaining to the criteria for issuance of registration. Title 4, CCR section 12205(a).

14 13. An applicant is ineligible for registration if the applicant would be ineligible for a  
15 state gambling license under any of the criteria set forth in Business and Professions Code section  
16 19859, subdivisions (b), (e), or (f). Title 4, CCR section 12204(e).

17 14. Betancur has not met his burden of proving that he is a person of good character,  
18 honesty, and integrity. Therefore, Betancur is unqualified for licensure pursuant to Business and  
19 Professions Code section 19857(a) and ineligible for licensing as a third-party provider of  
20 proposition player services pursuant to Title 4, CCR section 12218.11(e).

21 15. Betancur failed to provide required information and to reveal a fact material to  
22 qualification, and supplied information that is untrue or misleading as to a material fact pertaining  
23 to the qualification criteria. Therefore, Betancur is disqualified from licensure pursuant to  
24 Business and Professions Code section 19859 (b) and ineligible for licensing as a third-party  
25 provider of proposition player services pursuant to Title 4, CCR section 12218.11(f).

26 16. Given that Betancur is ineligible for registration pursuant to Title 4, CCR section  
27 12204(e), his regular registration is subject to cancellation pursuant to Title 4, CCR section  
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1 12205(a).

2 NOTICE OF APPLICANT’S APPEAL RIGHTS

3 Betancur has the following appeal rights available under state law:

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

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

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

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

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

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

1  
2 1. Joshua Betancur's Application for a Third-Party Proposition Player Services  
3 License for Supervisor, Player or Other Employee is DENIED.


4 2. Joshua Betancur's regular registration as a third-party proposition player,  
5 Registration Number TPPL-014353, is CANCELLED.

6 3. No costs are to be awarded.

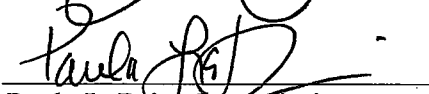
7 4. Each side to pay its own attorneys' fees.

8 This Order is effective on 2/12/18.

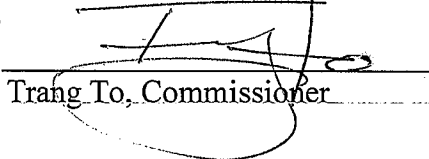
9 Dated: 1/11/18

Signature:   
10 Jim Evans, Chairman

11 Dated: 1/11/2018

Signature:   
12 Paula LaBrie, Commissioner

13  
14 Dated: 1/11/18

Signature:   
15 Trang To, Commissioner