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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

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

LIQIN QIAN

Respondent.

BGC Case No. BGC-HQ2018-00013SL
CGCC Case No. CGCC-2018-0111-11D

DECISION AND ORDER

Hearing Date: November 6, 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, in Sacramento, California, on November 6, 2018.

Colin Wood, Deputy Attorney General, State of California (DAG Wood), represented complainant Stephanie Shimazu, Director of the Bureau of Gambling Control (Bureau), Department of Justice, State of California.

Respondent Liqin Qian (Qian) did not attend the evidentiary hearing.

During the evidentiary hearing, Presiding Officer Jason Pope took official notice of the Notice of Hearing, with enclosures, sent by the Commission to Qian, Designated Agent Karrie On (DA On), and DAG Wood, via certified mail, on April 24, 2018. On May 1, 2018, a second Notice of Hearing was sent to Qian and DA On, via certified mail, because the April 24, 2018 Notice of Hearing was sent to incorrect mailing addresses for Qian and DA On.

Presiding Officer Jason Pope also took official notice of the Commission's Conclusion of Prehearing Conference letter, the Bureau's Statement of Reasons, and Qian's signed Notice of Defense.

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

- (1) Statement of Reasons dated September 19, 2018; Statement to Respondent dated September 20, 2018; Copy of Bus. & Prof. Code, §§ 19870 & 19871;

1 Copy of Cal. Code. Regs., tit. 4, § 12060; Certificate of Service by
2 Certified Mail Service dated September 20, 2018; Notice of Defense,
3 signed February 1, 2018, Bates Nos. 001-024;

4 (2) California Gambling Control Commission Notices and Communications:

- 5 a. January 17, 2018, CGCC Referral of Initial Third-Party Proposition
6 Player Services to an Evidentiary Hearing, Bates Nos. 025-026;
7 b. April 24, 2018, Notice of Hearing, with attachments, Bates Nos. 027-
8 044; and
9 c. September 18, 2018, Notice of Continued Hearing, Bates Nos. 045-
10 050;

11 (3) Redacted Application for Third-Party Proposition Player Services License
12 for Supervisor, Player or Other Employee dated November 15, 2016; Level
13 I and Level II Supplemental Information dated November 15, 2016, Bates
14 Nos. 051-063;

15 (4) Redacted BGC Third-Party Player Background Investigation Report, Level
16 III, Liqin Qian, Pacific United Service, Inc., with attachments, dated
17 November 2017, Bates Nos. 064-075;

18 (5) BGC Registration/Licensing History and correspondence with California
19 Gambling Control Commission, Bates Nos. 076-085;

20 (6) BGC Historical Registration and Licensing Documents, Bates Nos. 086-
21 111;

22 (7) CGCC Licensing Division Memorandum, dated January 11, 2018, Bates
23 Nos. 112-114;

24 (8) BGC communications and requests for additional information, and
25 responses, Bates Nos. 115-129; and

26 (9) Appointment of Designated Agent for Owners and Proposition Players
27 dated November 15, 2016, Bates No. 130.
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1 The record was closed and the matter was submitted on November 6, 2018.

2 FINDINGS OF FACT

3 **Procedural History**

4 1. On or about December 6, 2016, the Bureau received an Application for Third-Party
5 Proposition Player Services License for Player and Level II Supplemental Information form
6 (Supplemental) (collectively, Application) from Qian.

7 2. On or about November 21, 2017, the Bureau submitted a Third-Party Player
8 Background Investigation Report on Qian to the Commission. In this report, the Bureau
9 recommends that the Commission deny Qian's Application.

10 3. At its January 11, 2018 meeting, the Commission voted to refer the consideration of
11 Qian's Application to a Gambling Control Act evidentiary hearing.

12 4. On or about February 1, 2018, Qian submitted a signed Notice of Defense to the
13 Commission requesting an evidentiary hearing on the consideration of her Application.

14 5. On or about April 24, 2018, the Commission sent a Notice of Hearing, via certified
15 mail, to Qian, DA On, and DAG Wood.

16 6. On or about May 1, 2018, the Commission sent a second Notice of Hearing to Qian
17 and DA On, via certified mail, because the April 24, 2018 Notice of Hearing was sent to incorrect
18 mailing addresses for Qian and DA On.

19 7. On or about September 18, 2018, the noticed Prehearing Conference was held before
20 Presiding Officer Jason Pope, Attorney III of the Commission. DAG Wood attended on behalf of
21 the Bureau. Qian did not attend the Prehearing Conference.

22 8. Also on or about September 18, 2018, the Commission sent a Conclusion of
23 Prehearing Conference letter to Qian and DAG Wood.

24 9. On or about September 20, 2018, the Bureau sent a Statement of Reasons via certified
25 mail to Qian, and via United States regular mail to DA On. In the Statement of Reasons, the
26 Bureau recommends that the Commission deny Qian's Application.

27 10. The Commission heard this matter on November 6, 2018. The Bureau was represented
28

1 throughout the hearing by DAG Wood. Respondent Qian did not attend the evidentiary hearing.

2 **Qian's Current Employment**

3 11. Qian has been employed as a third-party proposition player with Pacific United
4 Service, Inc. (Pacific), a third-party provider of proposition player services (TPPPS), from 2016
5 to the present. Qian currently holds third-party proposition player registration number TPPL-
6 018000.

7 **Qian's Application and Responses to the Bureau's Requests for Information**

8 12. Applications for licensure by the Commission are submitted on forms furnished by the
9 Bureau. An applicant for licensing shall make full and true disclosure of all information to the
10 Bureau and Commission as necessary to carry out the policies of this state relating to licensing,
11 registration, and control of gambling.

12 13. An application consists of two parts. The first part is two pages and consists of four
13 sections, including applicant information. The second part of an application is the Supplemental,
14 which consists of nine pages. The Supplemental contains four sections and requires that the
15 applicant disclose, among other things, employment history, licensing history information, and
16 criminal history information.

17 14. The Bureau relies, in large part, on the applicant's disclosures while conducting a
18 background investigation. The failure to honestly and accurately disclose information on an
19 application subverts the Bureau's efforts to conduct a thorough and complete investigation.

20 15. Both the substance of an applicant's disclosures, and the truthfulness and
21 thoroughness of an applicant's disclosures, are considered by the Bureau in making a
22 recommendation as to the applicant's suitability for licensure, and by the Commission in making
23 a determination whether to approve or disprove a license application.

24 16. The last section of the Supplemental is a Declaration, to be signed by the applicant
25 under the penalty of perjury, that the statements are true, correct, and contain a full and true
26 account of the information requested. By signing the Declaration, the applicant also
27 acknowledges that "any misrepresentation or failure to reveal information requested may be
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1 deemed sufficient cause for denial of an application or revocation of a state license, finding or
2 permit.” Qian signed the Declaration on November 15, 2016.

3 17. Section 1(D) of the Supplemental requires that the applicant provide his or her
4 employment history. It provides “beginning with your current employment, list your employers
5 and periods of unemployment during the last 10 years.” It also requires that the applicant provide
6 the reason for leaving employment. The applicant is instructed to “attach an additional sheet if
7 necessary.” Given that Qian signed her Application on November 15, 2016, Qian was required to
8 provide her employment history from November 15, 2006 to November 15, 2016.

9 18. Qian listed five items in the employment history section of her Application:

- 10 a. From July 25, 2016 to the present with Pacific United Service, Inc.;
- 11 b. From February 2013 to April 2014 with PT Gaming;
- 12 c. From January 2013 to June 2016, unemployed;
- 13 d. From May 2004 to March 2014, unemployed; and
- 14 e. From February 2003 to April 2004, with PT Gaming.¹

15 19. Qian wrote “leave town” as the reason for leaving both periods of her employment
16 with PT Gaming.

17 20. On or about November 15, 2016, Qian submitted an Appointment of Designated
18 Agent for Owners and Proposition Players to the Bureau. DA On is listed as Qian’s Designated
19 Agent.

20 21. On or about April 27, 2017, DA On submitted a letter to the Bureau providing that
21 Qian’s only employment between November 2006 and June 2016 was with PT Gaming from
22 December 12, 2012 to July 31, 2013. The letter also stated the reason Qian left her employment
23 was because she had to go back to China.

24 22. During its background investigation, the Bureau discovered that Qian had previously
25 worked for three other TPPPS during the 10 year period requested on the Application as follows:

- 26 a. From November 2015 to December 2015 with Metis TPS, LLC (Metis);

27 _____
28 ¹ Both Pacific United Service, Inc. and PT Gaming are licensed TPPPS.

- b. From December 2011 to July 2012 with CB Certified Banker, Inc. (CB); and
- c. From April 2011 to January 2012 with Voyager PPSP, LLC (Voyager).

23. When a third-party proposition player's employment status or affiliation with a TPPPS ceases to exist, the primary owner of the TPPPS must notify the Commission of the change in the employee's status and submit the player's badge. The primary owner sends to the Commission a Change in Status Form for a Third Party Proposition Player Services Registration or License (CGCC-441) (Change in Status Form).

24. The Commission received Change in Status Forms regarding Qian from Voyager on or about January 30, 2012; from CB on or about June 21, 2012; and from Metis on or about December 18, 2015. Each Change in Status Form provides that Qian was terminated from her employment. Another Change in Status Form provides that Qian had also been terminated from PT Gaming on or about July 31, 2013.

25. As part of its background investigation, the Bureau requested additional and clarifying information from Qian regarding her employment history at Metis, CB, and Voyager.

26. Qian submitted three written statements to the Bureau regarding her failure to disclose her employment history at Metis, CB, and Voyager and the circumstances surrounding the reasons that she left each company:

- a. On or about May 4, 2017, Qian wrote that she did not disclose her entire employment history "due to a variety of reasons." The main reason was that Qian was "unsure of the start and end dates." Qian wrote that she left Metis due to illness; that she left CB when she traveled to China; and that she left Voyager because the company was bought out.
- b. On or about August 16, 2017, Qian wrote that she left Metis due to illness and that she was unaware that she had been terminated; that she left CB in order to have surgery in China; and that she left Voyager because the company closed. Qian also wrote that she was sorry that she did not put these employments on her Application and that she did not disclose them because she did not work

1 there very long and could not remember the dates she started and left.

2 c. On or about October 24, 2017, Qian wrote that she did not receive time off
3 when she was sick, so she stopped showing up at work for Metis. Regarding
4 CB, Qian wrote that she did not receive time off when she was sick, so she did
5 not show up some days when she did not feel well. She then traveled to China
6 for surgery. Qian wrote that it was a mistake not to put this information
7 regarding Metis on the Application, and that she was sorry for not putting this
8 information regarding CB on the Application. Qian also wrote that Voyager
9 “quit Normandie Casino” and that she had transferred to CB. Qian wrote that
10 she did not get fired from Voyager.

11 **Assessment of Qian’s Suitability for Licensure**

12 *Failure to Meet Burden of Proving Qualifications for Licensure*

13 27. The burden of proving his or her qualifications to receive any license is on the
14 applicant. Qian did not attend the evidentiary hearing or submit any information or evidence in
15 support of her Application. As a result of Qian’s lack of attendance and participation in the
16 evidentiary hearing, and her failure to submit any information or evidence in support of her
17 Application, Qian has failed to meet her burden of proving her qualifications for licensure.

18 *Failure to Provide Information Required by the Gambling Control Act and the Bureau*

19 28. A request for licensure by the Commission is triggered by the submission of an
20 application. On November 15, 2016, Qian signed the Application’s Declaration under penalty of
21 perjury. By signing the Declaration, Qian declared the statements contained therein are true,
22 accurate, and complete. Qian’s Application required her to disclose her complete employment
23 history for the ten years preceding the submission of her Application. Qian failed to disclose that
24 she worked for Metis, CB, and Voyager, all of which were TPPPS and each term of employment
25 was entirely within 10 years of the application date. As a result, Qian has failed to provide
26 accurate and complete information required by the Gambling Control Act and requested by the
27 Bureau.

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

3 35. 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 36. The Commission has the responsibility of assuring that licenses, approvals, and
8 permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose
9 operations are conducted in a manner that is inimical to the public health, safety, or welfare.
10 Business and Professions Code section 19823(a)(1).

11 37. An “unqualified person” means a person who is found to be unqualified pursuant to
12 the criteria set forth in Section 19857, and “disqualified person” means a person who is found to
13 be disqualified pursuant to the criteria set forth in Section 19859. Business and Professions Code
14 section 19823(b).

15 38. The Commission has the power to deny any application for a license, permit, or
16 approval for any cause deemed reasonable by the Commission. Business and Professions Code
17 section 19824(b).

18 39. The Commission has the power to take actions deemed to be reasonable to ensure that
19 no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled
20 gambling activities. Business and Professions Code section 19824(d).

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

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

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

2 43. 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 44. 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 45. No gambling license shall be issued unless, based on all of the information and
13 documents submitted, the commission is satisfied that the applicant is a person that is in all other
14 respects qualified to be licensed as provided in this chapter. Business and Professions Code
15 section 19857(c).

16 46. The Commission shall deny a license to any applicant who is disqualified for failure of
17 the applicant to clearly establish eligibility and qualification in accordance with this chapter.
18 Business and Professions Code section 19859(a).

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

24 48. Application for a state license or other commission action shall be submitted to the
25 department on forms furnished by the department. Business and Professions Code section
26 19864(a).

27 49. The department shall furnish to the applicant supplemental forms, which the applicant
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1 shall complete and file with the department. These supplemental forms shall require, but shall not
2 be limited to requiring, complete information and details with respect to the applicant's personal
3 history, habits, character, criminal record, business activities, financial affairs, and business
4 associates, covering at least a 10-year period immediately preceding the date of filing of the
5 application. Business and Professions Code section 19865.

6 50. An applicant for licensing or for any approval or consent required by this chapter,
7 shall make full and true disclosure of all information to the department and the commission as
8 necessary to carry out the policies of this state relating to licensing, registration, and control of
9 gambling. Business and Professions Code section 19866.

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

13 52. A requester shall be ineligible for licensing [as a third-party proposition player] if the
14 requester would be ineligible for a state gambling license under any of the criteria set forth in
15 Business and Professions Code section 19859, subdivisions (b), (e), or (f). CCR section
16 12218.11(f).

17 53. An applicant shall be ineligible for registration [as a third-party proposition player] if
18 the applicant has had an application denied under this chapter or the [Gambling Control] Act.
19 CCR section 12204(d).

20 54. Any regular registration shall be cancelled if the Commission determines after a
21 noticed hearing that the registrant is ineligible for registration. CCR section 12205(a).

22 55. Qian did not attend the evidentiary hearing or submit any information or evidence in
23 favor of granting her Application. As a result, Qian did not meet her burden of proving her
24 qualifications to receive a third-party proposition player services license pursuant to Business and
25 Professions Code sections 19856(a) and 19857 and CCR section 12060(i). By failing to clearly
26 establish her qualifications to receive a third-party proposition player license, Qian is also
27 disqualified from licensure pursuant to Business and Professions Code section 19859(a). As a
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1 result, Qian is ineligible for licensing as third-party proposition player pursuant to CCR section
2 12218.11(e).

3 56. Qian failed to disclose her employment with Metis, CB, and Voyager on her
4 Application and failed to provide any explanation sufficient to excuse her failure to disclose this
5 employment history. Qian also failed disclose that she was terminated from her employment with
6 PT Gaming, and that she was terminated from CB and Metis in her May 4, 2017 and August 16,
7 2017 written responses to the Bureau. Based on the foregoing, Qian failed to provide information,
8 documentation and assurances required by the Gambling Control Act and requested by the
9 Bureau. As a result, Qian is disqualified from receiving a third-party proposition player license
10 pursuant to Business and Professions Code section 19859(b). Therefore, Qian is ineligible for
11 licensing as third-party proposition player pursuant to CCR section 12218.11(f).

12 57. Based on the foregoing, Qian's Application is subject to denial pursuant to CCR
13 section 12218.11, subsections (e) and (f). As a result, Qian is ineligible for registration as a third-
14 party proposition player pursuant to CCR section 12204(d). Therefore, Qian's regular registration
15 is cancelled pursuant to CCR section 12205(a).

16 NOTICE OF APPLICANT'S APPEAL RIGHTS

17 Respondent Liqin Qian, has the following appeal rights available under state law:

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

19 An applicant denied a license, permit, registration, or finding of suitability,
20 or whose license, permit, registration, or finding of suitability has had
21 conditions, restrictions, or limitations imposed upon it, may request
22 reconsideration by the Commission within 30 calendar days of service of the
23 decision, or before the effective date specified in the decision, whichever is
24 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.

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

26 A decision of the commission denying a license or approval, or imposing
27 any condition or restriction on the grant of a license or approval may be
28 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

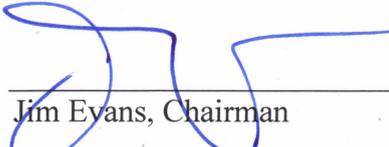
1. Respondent Liqin Qian's Application for Third-Party Proposition Player Services License is DENIED.

2. Respondent Liqin Qian's Third-Party Proposition Player Registration number TPPL-018000 is CANCELLED.

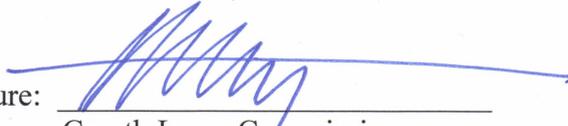
3. No costs are to be awarded.

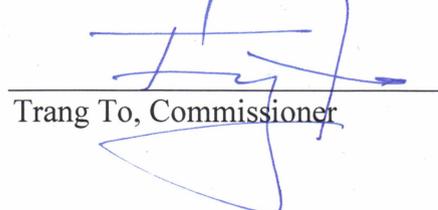
4. Each side to pay its own attorneys' fees.

This Order is effective on December 7, 2018.

Dated: 12/7/2018 Signature: 
Jim Eyans, Chairman

Dated: 12/7/2018 Signature: 
Paula LaBrie, Commissioner

Dated: 12/7/2018 Signature: 
Gareth Lacy, Commissioner

Dated: 12/7/18 Signature: 
Trang To, Commissioner