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BEFORE THE  
CALIFORNIA GAMBLING CONTROL COMMISSION

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

VANESSA ELLIS

Respondent.

BGC Case No. BGC-HQ2018-00039SL  
CGCC Case No. CGCC-2018-0510-7C

**DECISION AND ORDER**

Hearing Date: December 12, 2018

Time: 2:00 p.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 December 12, 2018.

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

Respondent Vanessa Ellis (Ellis) 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 Ellis, Designated Agent Cary Cauley of L.E. Gaming, Inc. (DA Cauley), and DAG Diedrich, via certified mail, on August 22, 2018.

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

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

- (1) First Amended Statement of Reasons; November 13, 2018, Certificate of Service by Certified Mail Service; Statement of Reasons; Statement to Respondent; copies of Bus. & Prof. Code §§ 19870 & 19871; copy of Cal.

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Code Regs., tit. 4, § 12060; August 8, 2018, Certificate of Service by Certified Mail Service; and Notice of Defense, dated July 2, 2018, Bates Nos. 001-048;

(2) California Gambling Control Commission (Commission) Memorandum, Notices and Letters:

- a. April 16, 2018, Commission staff's Licensing Division Memorandum, sans attachment, Bates Nos. 049-051;
- b. May 11, 2018, Referral of Third-Party Proposition Player Services License to an Evidentiary Hearing for Vanessa Ellis (CGCC-2018-0510-7C), sans enclosure, Bates Nos. 052-053;
- c. August 22, 2018, Notice of Hearing, with attachments and proof of service, Bates Nos. 054-069; and
- d. October 31, 2018, Conclusion of Prehearing Conference, Bates Nos. 070-074;

(3) The Bureau of Gambling Control's (Bureau's) Information for TPPPS Applicants and License History for Vanessa Eriane Ellis, Bates Nos. 075-076;

(4) Redacted copies of Vanessa Ellis's Application for Third Party Proposition Player Services License for Supervisor, Player or Other Employee and Level I Supplemental Information (collectively, Application), Bates Nos. 077-093;

(5) Redacted copy of the Bureau's March 29, 2018, Third-Party Player Background Investigation Report, Level III, for Vanessa Eriane Ellis, Bates Nos. 094-103;

(6) A summary of Vehicle Code Infractions committed by Vanessa Ellis between March 12, 2014 and January 7, 2016, Bates No. 104;

(7) January 12, 2018, printout from:

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<https://services.saccourt.gov/PublicCase/Access/Traffic/CaseDetails?CaseNumber=2014>, Bates No. 105;

- (8) February 28, 2018, printout from:  
[http://courtpay.gcservices.com/\(S\(webxjs0sy1fbahc515ox1s5\)\)PaymentSelection.aspx](http://courtpay.gcservices.com/(S(webxjs0sy1fbahc515ox1s5))PaymentSelection.aspx), regarding CCServices' summary of payments made by Vanessa Ellis on her Vehicle Code Infractions, Bates No. 106;
- (9) Redacted copies of correspondence between April 19, 2017, and March 15, 2018, with the Bureau regarding Vanessa Eriane Ellis' Application, Bates Nos. 107-130;
- (10) January 2, 2017, Appointment of Designated Agent for Owners and Proposition Players identifying Cary Cauley as Vanessa Ellis' designated agent, Bates No. 131;
- (11) Change in Status Form for a Third Party Proposition Player Services Registration or License (BGC form 441), dated October 26, 2018, submitted by L.E. Gaming, Inc., advising of the termination of Vanessa Ellis's employment as a prop-player, Bates No. 132;
- (12) Redacted copy of November 6, 2018, email correspondence between Brian Gilleland and Cary Cauley (L.E. Gaming, Inc.) regarding the reasons for terminating Vanessa Ellis's employment with L.E. Gaming, Inc., Bates Nos. 133-134;
- (13) Index of Allegations, Bates No. 135;
- (14) DMV Record Check, Bates Nos. 136-137;
- (15) Chart of New Violations, Bates No. 138;
- (16) Traffic Case Details for Citation 272767EG, Bates Nos. 139-140;
- (17) Traffic Case Details for Citation DB36123, Bates Nos. 141-142;
- (18) Traffic Case Details for Citation SA0161733, Bates Nos. 143-144; and
- (19) Synopsis of Outstanding Judgments, Bates No. 145.

1 The record was closed and the matter was submitted on December 12, 2018.

2 FINDINGS OF FACT

3 **Procedural History**

4 1. On or about December 1, 2016, the Commission issued Ellis a third-party proposition  
5 player services registration number TPPL-018710.

6 2. On or about January 13, 2017, the Bureau received an Application for Third-Party  
7 Proposition Player Services License for Player and Level I Supplemental Information form  
8 (Supplemental) (collectively, Application) from Ellis.

9 3. On or about March 29, 2018, the Bureau submitted a Third-Party Player Background  
10 Investigation Report on Ellis to the Commission. In this report, the Bureau recommends that the  
11 Commission deny Ellis's Application.

12 4. At its May 10, 2018 meeting, the Commission voted to refer the consideration of  
13 Ellis's Application to a Gambling Control Act evidentiary hearing.

14 5. On or about July 2, 2018, Ellis submitted a signed Notice of Defense to the  
15 Commission requesting an evidentiary hearing on the consideration of her Application.

16 6. On or about August 20, 2018, the Bureau sent a Statement of Reasons to Ellis via  
17 certified mail, and to DA Cauley via United States regular mail. The Commission also received  
18 the Statement of Reasons from the Bureau on or about August 20, 2018. In the Statement of  
19 Reasons, the Bureau recommends that the Commission deny Ellis's Application and revoke or  
20 cancel Ellis's third-party player registration number TPPL-018710.

21 7. On or about August 22, 2018, the Commission sent a Notice of Hearing, via certified  
22 mail, to Ellis, DA Cauley, and DAG Diedrich.

23 8. On or about October 31, 2018, the noticed Prehearing Conference was held before  
24 Presiding Officer Jason Pope, Attorney III of the Commission. DAG Diedrich attended on behalf  
25 of the Bureau. Ellis did not attend the Prehearing Conference.

26 9. Also on or about October 31, 2018, the Commission sent a Conclusion of Prehearing  
27 Conference letter to Ellis and DAG Diedrich.

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1 regulation of all persons, locations, practices, associations, and activities related to the operation  
2 of lawful gambling establishments and the manufacture and distribution of permissible gambling  
3 equipment. Business and Professions Code section 19801(h).

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

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

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

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

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

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

25 26. No gambling license shall be issued unless, based on all of the information and  
26 documents submitted, the commission is satisfied that the applicant is a person that is in all other  
27 respects qualified to be licensed as provided in this chapter. Business and Professions Code  
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1 section 19857(c).

2 27. A requester shall be ineligible for licensing [as a third-party proposition player] if the  
3 requester has failed to meet the requirements of Business and Professions Code sections 19856 or  
4 19857. CCR section 12218.11(e).

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

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

10 30. Ellis did not attend the evidentiary hearing or submit any information or evidence in  
11 favor of granting her Application. As a result, Ellis did not meet her burden of proving her  
12 qualifications to receive a third-party proposition player services license pursuant to Business and  
13 Professions Code section 19856(a) and CCR section 12060(i). As a result, Ellis is ineligible for  
14 licensing as third-party proposition player pursuant to CCR section 12218.11(e).

15 31. Based on the foregoing, Ellis's Application is subject to denial pursuant to CCR  
16 section 12218.11(e). As a result, Ellis is ineligible for registration as a third-party proposition  
17 player pursuant to CCR section 12204(d). Therefore, Ellis's third-party proposition player  
18 services registration is subject to cancellation pursuant to CCR section 12205(a).

#### 19 NOTICE OF APPLICANT'S APPEAL RIGHTS

20 Vanessa Ellis has the following appeal rights available under state law:

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

22 An applicant denied a license, permit, registration, or finding of suitability,  
23 or whose license, permit, registration, or finding of suitability has had  
24 conditions, restrictions, or limitations imposed upon it, may request  
25 reconsideration by the Commission within 30 calendar days of service of the  
26 decision, or before the effective date specified in the decision, whichever is  
27 later. The request shall be made in writing to the Commission, copied to the  
28 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.

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

2 A decision of the commission denying a license or approval, or imposing  
3 any condition or restriction on the grant of a license or approval may be  
4 reviewed by petition pursuant to Section 1085 of the Code of Civil  
5 Procedure. Section 1094.5 of the Code of Civil Procedure shall not apply to  
6 any judicial proceeding described in the foregoing sentence, and the court  
7 may grant the petition only if the court finds that the action of the  
8 commission was arbitrary and capricious, or that the action exceeded the  
9 commission's jurisdiction.

10 CCR section 12066, subsection (c) provides:

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

16 **ORDER**

17 1. Vanessa Ellis's Application for Third-Party Proposition Player Services License is  
18 DENIED.

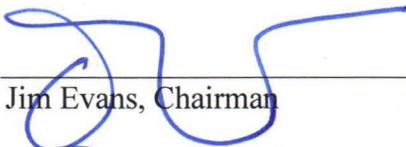
19 2. Vanessa Ellis's Third-Party Proposition Player Registration number TPPL-018710 is  
20 CANCELLED.

21 3. No costs are to be awarded.

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

23 This Order is effective on February 22, 2019.

24 Dated: 1/23/19

25 Signature:   
Jim Evans, Chairman

26 Dated: 1/23/19

27 Signature:   
Paula LaBrie, Commissioner

28 Dated: 1/23/19

Signature:   
Gareth Lacy, Commissioner

Dated: 1/23/19

Signature:   
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