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BEFORE THE  
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Application for Third-Party  
Proposition Player Services License  
Regarding:  
  
ANDREW ARELLANO  
  
Respondent.

BGC Case No. BGC-HQ2019-00009SL  
CGCC Case No. CGCC-2019-0307-8C

**DECISION AND ORDER**

Hearing Date: April 29, 2020  
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, and held via Zoom video conference, on April 29, 2020.

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

Respondent Andrew Arellano (Arellano) appeared on his own behalf.

During the evidentiary hearing, Presiding Officer Jason Pope took official notice of the Notice of Hearing, with enclosures, sent by the Commission to Arellano, Designated Agent Melissa Ezaki of L.E. Gaming, Inc. (DA Ezaki), and Deputy Attorney General Therese Hickey<sup>1</sup> (DAG Hickey), via certified mail, on October 16, 2019.

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

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

- (1) Jurisdictional Documents:

<sup>1</sup> Deputy Attorney General Therese Hickey was replaced in this matter by Deputy Attorney General Neil Houston.

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- a. Copies of Statement to Respondent, Statement of Reasons, Business and Professions Code sections 19870 and 19871, California Code of Regulations section 12060, Declaration of Service by Certified Mail and Return Receipt, dated January 10, 2020, Bates Nos. BGC0001-0026; and
  - b. January 10, 2020 Department of Justice letter re: document and witness disclosures, Bates Nos. BGC0027-0028;
- (2) Bureau of Gambling Control Documents:
- a. Application for Third-Party Proposition Player Services License for Supervisor, Player or Other Employee, dated January 5, 2017, Bates Nos. BGC0029-0030;
  - b. Level I Supplemental Information, dated January 5, 2017, Bates Nos. BGC0031-0040;
  - c. May 31, 2017 BGC letter to Cary Cauley, Designated Agent requesting additional information/documentation, Bates Nos. BGC0041-0043;
  - d. June 8, 2017 Email from Andrew Arellano to BGC (Estrada) responding to May 31, 2017 Request from BGC with attachments, Bates Nos. BGC0044-0047;
  - e. Email string between Arellano-BGC (Estrada) re: information request June – July 2017, Bates Nos. BGC0048-0055;
  - f. July 31, 2018 BGC letter to Cary Cauley, Designated Agent re: acknowledging receipt of additional information, Bates No. BGC0056-0057;
  - g. August 10, 2018 Email response from Andrew Arellano to BGC (Zehnder) per letter of July 31, 2018, with attachments, Bates Nos. BGC0058-0059;
  - h. August 20, 2018 BGC letter to Cary Cauley, Designated Agent re:

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acknowledging receipt of additional information, Bates No. BGC0060;

- i. January 9, 2019 BGC letter to Cary Cauley, Designated Agent re: BGC’s recommendation of denial, Bates Nos. BGC0061-0062;
- j. February 1, 2019 BGC letter to Cary Cauley, Designated Agent re Notification of Investigative Report (with attachments including Third-Party Player Initial Background Investigation Report, Level III, phone contact sheets, and some criminal records), Bates Nos. BGC0063-0080;
- k. February 8, 2017 Registration History of Andrew Arellano, Bates No. BGC0081; and
- l. March 26, 2019 Certification of Official Records signed by Kathi Hegelein, Manager I, Bureau of Gambling Control, Department of Justice, Bates No. BGC0082;

(3) California Gambling Control Commission Documents

- a. CGCC Notice of Scheduled Commission Meeting letter to Respondent (App No. 92710), dated February 22, 2019, Bates No. BGC0083;
- b. CGCC letter to Respondent re: Referral of Third-Party Proposition Player Services License application to an Evidentiary Hearing to Respondent with attached blank Notice of Defense, dated March 12, 2019, Bates Nos. BGC0084-0087;
- c. CGCC’s Notice of Hearing Without Applicant Participation letter, dated April 25, 2019, with attachments, Bates Nos. BGC0088-0102;
- d. CGCC’s Default Decision and Order dated June 27, 2019, Bates Nos. BGC0103-0109;
- e. Written statement from Respondent requesting reconsideration, dated July 8, 2019, Bates No. BGC0110;
- f. CGCC’s letter re Request for Reconsideration Granted, dated August 29, 2019, Bates Nos. BGC0111-0112;

- 1 g. Melissa Ezaki, Designated Agent, LE Gaming, Inc., letter dated  
2 September 9, 2019 to the Bureau of Gambling Control re: Attached is  
3 completed defense form, Bates Nos. BGC0113-0115;
- 4 h. CGCC’s letter re: Notice of Hearing with Attachments, dated October  
5 11, 2019, Bates Nos. BGC0116-0131;
- 6 i. CGCC’s Conclusion of Pre-Hearing Conference, dated January 15,  
7 2020, Bates Nos. BGC0132-0138; and
- 8 j. CGCC’s letter to Respondent, Melissa Ezaki, Neil Houston re  
9 notification that Evidentiary Hearing will be held via Zoom video web  
10 conferencing, dated April 9, 2020, Bates Nos. BGC0139-0140; and
- 11 (4) State of Nevada criminal records re: Andrew Joseph Arellano, Bates Nos.  
12 BGC0141-0157.

13 The record was closed and the matter was submitted on April 29, 2020.

#### 14 FINDINGS OF FACT

##### 15 **Procedural History**

16 1. On or about January 13, 2017, the Bureau received an Application for Third-Party  
17 Proposition Player Services License for Player and a Level I Supplemental Information form  
18 (Supplemental) (collectively, Application) from Arellano.

19 2. On or about February 1, 2019, the Commission received a Third-Party Player Initial  
20 Background Investigation Report on Arellano from the Bureau. In this report, the Bureau  
21 recommends that the Commission deny Arellano’s Application.

22 3. At its March 7, 2019 meeting, the Commission voted to refer the consideration of  
23 Arellano’s Application to a Gambling Control Act evidentiary hearing pursuant to CCR section  
24 12060.

25 4. On or about March 12, 2019, the Commission sent a letter to Arellano that his  
26 Application had been referred to an evidentiary hearing and included a blank Notice of Defense  
27 form. An applicant must request an evidentiary hearing by submitting a signed Notice of Defense  
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1 form to the Commission within 15 calendar days of its receipt. The failure of an applicant to  
2 submit a signed Notice of Defense form acts as a waiver of the applicant's right to request an  
3 evidentiary hearing. Arellano did not submit a signed Notice of Defense within 15 calendar days  
4 of having received the March 12, 2019 letter and blank Notice of Defense form.

5 5. On or about April 25, 2019, the Commission sent a Notice of Hearing Without  
6 Applicant Participation to Arellano via certified mail. This notice provided that Arellano had  
7 waived his right to request an evidentiary hearing by failing to submit a signed Notice of Defense  
8 and that Arellano's Application would be considered at a meeting of the Commission on June 27,  
9 2019.

10 6. At its June 27, 2019 meeting, which was conducted without the presence of Arellano,  
11 the Commission issued a Default Decision and Order denying Arellano's Application and  
12 cancelling his third-party player registration.

13 7. On or about July 8, 2019, Arellano submitted a written request for reconsideration of  
14 the Default Decision and Order denying his Application and cancelling his third-party player  
15 registration.

16 8. At its August 29, 2019 meeting, the Commission granted Arellano's request for  
17 reconsideration and provided Arellano with a new Notice of Defense form for Arellano to request  
18 an evidentiary hearing on the consideration of his Application.

19 9. On or about September 9, 2019, Arellano submitted a signed Notice of Defense  
20 requesting an evidentiary hearing on the consideration of his Application.

21 10. On or about October 16, 2019, the Commission sent a Notice of Hearing, via certified  
22 mail, to Arellano, DA Ezaki, and DAG Hickey.

23 11. On or about January 10, 2020, the Bureau sent a Statement of Reasons to Arellano and  
24 DA Ezaki via certified mail. The Commission received the Statement of Reasons from the Bureau  
25 on or about January 10, 2020. In the Statement of Reasons, the Bureau recommends that the  
26 Commission deny Arellano's Application.

27 12. On or about January 13, 2020, the noticed Prehearing Conference was held before  
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1 Presiding Officer Jason Pope, Attorney III of the Commission. DAG Hickey attended on behalf  
2 of the Bureau. Arellano did not attend the Prehearing Conference.

3 13. On or about January 15, 2020, the Commission sent a Conclusion of Prehearing  
4 Conference letter to Arellano and DAG Hickey.

5 14. On or about February 28, 2020, the Commission sent a Notice of Continued Hearing  
6 to Arellano, DA Ezaki, and DAG Hickey.

7 15. On or about April 9, 2020, the Commission sent a letter to Arellano, DA Ezaki, and  
8 DAG Houston that due to COVID-19, the evidentiary hearing on Arellano's Application would  
9 take place via Zoom video conference on April 29, 2020.

10 16. The Commission heard this matter via Zoom video conference on April 29, 2020. The  
11 Bureau was represented throughout the hearing by DAG Houston. Arellano appeared on his own  
12 behalf.

### 13 **Arellano's Employment History in Controlled Gambling**

14 17. From approximately November 2005 to October 2011, Arellano was employed by  
15 Harrah's Reno Hotel & Casino as a cage supervisor.

16 18. From approximately November 2016 to the present, Arellano has been employed by  
17 L.E. Gaming, Inc., a third party provider of proposition player services, as a third-party  
18 proposition player under registration number TPPL-018728. Arellano's registration expires on  
19 December 31, 2020.

20 19. There was no evidence presented during the evidentiary hearing that Arellano has  
21 had any derogatory employment-related issues while working in controlled gambling.

### 22 **Arellano's Criminal History**

23 20. On or about March 9, 2010, Arellano was convicted by the Reno Justice Court in  
24 Nevada of violating Nevada Revised Statute section 484.361, driving with basic speed 1-10 miles  
25 per hour over limit, a misdemeanor, in the case of *The State of Nevada v. Arellano* (Nev., Reno  
26 Justice Court, 2010, Case No. 00295392). Arellano was ordered to pay a fine. Arellano paid the  
27 fine in full. Arellano did not disclose this conviction on his Application.  
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1           21. On or about August 10, 2018, Arellano wrote a letter to the Bureau regarding the  
2 circumstances surrounding his conviction for speeding. Arellano wrote that he was waiting to  
3 receive the speeding ticket in the mail for a court date but that he never received it. He lost track  
4 of taking care of the speeding ticket. After he had taken care of it, he put it out of his mind.

5           22. Also on or about March 9, 2010, Arellano was convicted by the Washoe County  
6 Second Judicial District Court in Nevada of violating Nevada Revised Statute section 205.130,  
7 drawing and passing a check without sufficient funds with intent to defraud, in the case of *The*  
8 *State of Nevada v. Arellano* (Nev., Second Judicial District Court, Washoe County, 2010, Case  
9 No. RCR-2009-050098). Arellano was ordered to pay a fine and restitution. Arellano paid the fine  
10 and restitution in full. Arellano did not disclose this conviction on his Application.

11           23. On or about July 5, 2017, Arellano wrote a letter to the Bureau regarding the  
12 circumstances surrounding his misdemeanor conviction for drawing and passing a check without  
13 sufficient funds with intent to defraud. Arellano wrote that he and his wife were living in Reno,  
14 Nevada, and went out for the night. They went to Sands Casino to eat. They did not have any cash  
15 with them, so they decided to write a check for approximately \$100<sup>2</sup> to Sands Casino for cash to  
16 be able to eat. Arellano wrote that he was never aware that the check bounced until he was  
17 informed of a court date. Arellano stated that he paid what was required pursuant to the court's  
18 order.

### 19 **Arellano's Application**

20           24. Applications for licensure by the Commission are submitted on forms furnished by the  
21 Bureau. An applicant for licensing shall make full and true disclosure of all information to the  
22 Bureau and Commission as necessary to carry out the policies of this state relating to licensing,  
23 registration, and control of gambling.

24           25. An application consists of two parts. The first part is two pages and consists of four  
25 sections, including applicant information. The second part of an application is the Supplemental,  
26 which consists of 9 pages. The Supplemental contains four sections and requires that the applicant

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27           <sup>2</sup> According to the criminal complaint, the check was in the amount of \$200. During the  
28 evidentiary hearing, Arellano testified that to the best of his recollection the check was for \$100.  
However, he acknowledged that it could have been \$200.

1 disclose, among other things, his or her criminal history information. All of the information  
2 requested on the Application and Supplemental has been considered through the legislative and  
3 regulatory processes and determined necessary in order for the Commission to discharge its duties  
4 properly.

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

8 27. Both the substance of an applicant's disclosures, and the truthfulness and  
9 thoroughness of an applicant's disclosures, are considered by the Bureau in making a  
10 recommendation as to the applicant's suitability for licensure, and by the Commission in making  
11 a determination whether to approve or disapprove a license application.

12 28. The last portion of the Supplemental is a Declaration to be signed under the penalty of  
13 perjury that all of the information contained in the Supplemental is "true, correct, and complete."  
14 Arellano signed the Declaration on January 5, 2017.

15 29. Section (4) of the Supplemental requires that the applicant disclose his or her  
16 criminal history information.

17 30. On his Supplemental, Arellano checked the box marked "no" to Question (2),  
18 which asks the applicant "Have you been convicted of a misdemeanor within the last 10 years?"  
19 Arellano's answer was inaccurate because he had been convicted of two misdemeanors within the  
20 10-year period immediately preceding the submission of his Application.

21 31. Regarding his failure to disclose his misdemeanor conviction for speeding on his  
22 Application, after the Bureau asked about the conviction, Arellano wrote a letter on August 10,  
23 2018 to the Bureau apologizing for his failure to disclose it on his Application and stated that he  
24 thought it was only a traffic violation.

25 32. Regarding his failure to disclose his misdemeanor conviction for drawing and passing  
26 a check without sufficient funds with intent to defraud on his Application, after the Bureau asked  
27 about the conviction, Arellano wrote on July 5, 2017 that he forgot about the conviction because  
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1 it was a bad time personally in his life. Arellano also apologized for the omission.

2 **Arellano's Character Witnesses**

3 33. Four witnesses testified on Arellano's behalf during the hearing:

- 4 a. Mark English (English) is the owner of L.E. Gaming, Inc. English has worked  
5 with Arellano since 2016. English testified that Arellano always represents the  
6 company well, is willing to work overtime, and makes the company successful.  
7 English testified that there have been no problems at work with Arellano and  
8 no incident reports. English described Arellano as a model employee. He  
9 testified that Arellano cares about his job and should be allowed to keep it and  
10 stay working in the industry. Regarding Arellano's misdemeanor conviction  
11 for drawing and passing a check without sufficient funds with intent to  
12 defraud, English testified that he believes Arellano made an honest mistake.
- 13 b. David Kato (Kato) is a manager of L.E. Gaming, Inc. Kato hired Arellano in  
14 2016 and served as his direct manager until 2017. Kato testified that Arellano  
15 has proven to be a trustworthy employee and that he would like to keep him as  
16 a long-term employee. Regarding Arellano's misdemeanor conviction for  
17 drawing and passing a check without sufficient funds with intent to defraud,  
18 Kato testified that he investigated the matter and concluded that Arellano made  
19 an honest mistake and that the conviction does not affect his faith or trust in  
20 Arellano.
- 21 c. Skylar Combs (Combs) is a dealer at Lake Bowl Cardroom, a gambling  
22 establishment located in Folsom, where L.E. Gaming, Inc. operates as a third-  
23 party provider of proposition player services. Combs testified that he has  
24 worked with Arellano for two years and has no doubt about Arellano's ability  
25 to work as a third-party proposition player. Combs testified that Arellano is  
26 dependable and proficient in his job and a stand-up person.
- 27 d. Alex Bourgoïn (Bourgoïn) worked at Lake Bowl Cardroom alongside Arellano  
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1 for two years. Bourgoin testified that Arellano worked hard and is professional  
2 and a stand-up individual.

3 34. The collective testimony of the four witnesses offered strong support of Arellano. The  
4 collective testimony is persuasive that Arellano is a great employee and hardworking,  
5 professional, and dependable. These characteristics reflect positively on Arellano's character.

6 35. The collective testimony of the four witnesses also provided that Arellano is  
7 trustworthy and a stand-up individual. Both English and Kato testified that they are aware of  
8 Arellano's misdemeanor conviction for drawing and passing a check without sufficient funds  
9 with intent to defraud, and determined that it was an honest mistake that does not affect their trust  
10 in Arellano. Based upon the various witnesses' interactions with Arellano, the collective  
11 testimony that he is trustworthy and a stand-up person reflects positively on Arellano's character.

#### 12 **Arellano's Testimony During the Evidentiary Hearing**

13 36. During the evidentiary hearing, Arellano testified regarding his criminal convictions  
14 and his failure to disclose them on his Application.

15 37. Regarding his conviction for speeding, Arellano testified that the explanation he  
16 provided in his August 10, 2018 letter to the Bureau was accurate.

17 38. Regarding his conviction for drawing and passing a check without sufficient funds  
18 with intent to defraud, Arellano testified that on the night of the bad check incident, he and his  
19 wife went to downtown Reno, Nevada, on a spur-of-the-moment and that he did not have any  
20 money on him and his wife left her purse at home. He only had his ID and a checkbook in his  
21 vehicle. He wrote a personal check made out to cash and cashed the check at the cage in the  
22 Sands Casino. They used some of the cash for dinner and then some of the cash for gambling. He  
23 testified that he was not aware that he had insufficient funds when he cashed the check and  
24 thought he had overdraft protection. Arellano worked for Harrah's Reno Hotel & Casino as a  
25 cage supervisor at the time of the bad check incident.

26 39. Regarding his failure to disclose the two convictions on his Application, Arellano  
27 testified that he did not have his misdemeanor convictions in his head when he filled out the  
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1 Application. Arellano further testified that his time in Reno (approximately 2008-2011) was not a  
2 good time in his life and he just put that time out of his mind.

3 40. Arellano also testified that he was trying to be honest and just trying to get the job, and  
4 that he was not trying to lie. He also apologized for the confusion and testified that he enjoys his  
5 job, that he is a different person since the incident involving the bad check, that it would not  
6 happen again, and that he wants to keep his job.

### 7 **Assessment of Arellano's Suitability for Licensure**

8 41. There are two significant issues regarding Arellano's suitability for licensure. The first  
9 issue is Arellano's misdemeanor conviction for drawing and passing a check without sufficient  
10 funds with intent to defraud. The second issue is his failure to disclose both of his misdemeanor  
11 convictions on his Application.

12 42. Arellano's misdemeanor conviction for drawing and passing a check without  
13 sufficient funds with intent to defraud is a serious crime involving dishonesty. The circumstances  
14 surrounding this conviction are also troublesome. Arellano worked in the gambling industry as a  
15 cage supervisor for Harrah's Reno Hotel & Casino, which means he was familiar with how the  
16 cage operates. He cashed a check in another casino and used a portion of the cash to gamble. It is  
17 concerning that Arellano worked in the gambling industry at the time he passed the bad check,  
18 that he passed the bad check in another casino, and that he used a portion of the cash he received  
19 to gamble.

20 43. The second issue is problematic. It is undisputed that Arellano failed to disclose his  
21 misdemeanor convictions on his Application. An unexcused failure to disclose information on an  
22 application, particularly an applicant's criminal history,<sup>3</sup> is itself material to an applicant's  
23 qualification for licensure. One of Arellano's misdemeanor convictions is for speeding, which is  
24 not a particularly serious crime and is often charged as an infraction. However, Arellano's  
25 conviction for drawing and passing a check without sufficient funds with intent to defraud is a

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27 <sup>3</sup> The importance of an applicant disclosing his or her criminal history is further demonstrated by Business  
28 and Professions Code section 19857(b), which specifically requires that the Commission must be satisfied that an  
applicant's "criminal record" does not pose a threat to the public interest of this state or to the effective regulation  
and control of controlled gambling before the Commission may issue a gambling license to an applicant.

1 serious crime involving dishonesty that is material to his qualifications for licensure.

2 44. Arellano's explanations for failing to disclose the convictions are that he did not  
3 remember the convictions at the time he filled out his Application and that he put that time period  
4 out of his mind because it was not a good time in his life. The failure to remember two criminal  
5 convictions that took place within 7 years of submitting an Application, particularly the  
6 misdemeanor conviction for drawing and passing a check without sufficient funds with intent to  
7 defraud, is insufficient to excuse the failure to disclose.

8 45. Based on the foregoing, Arellano has failed to provide information required by the  
9 Gambling Control Act and the Bureau by failing to disclose both of his misdemeanor convictions  
10 on his Application.

11 46. Arellano has also failed to reveal facts material to qualification by failing to disclose  
12 both of his misdemeanor convictions on his Application, including the serious crime of drawing  
13 and passing a check without sufficient funds with intent to defraud.

14 47. All documentary and testimonial evidence submitted by the parties that is not  
15 specifically addressed in this Decision and Order was considered but not used by the Commission  
16 in making its determination on Arellano's Application.

17 48. The matter was submitted for Commission consideration on April 29, 2020.

#### 18 LEGAL CONCLUSIONS

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

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

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

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

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

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

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

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

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

24 58. 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 that is in all other  
26 respects qualified to be licensed as provided in this chapter. Business and Professions Code  
27 section 19857(c).

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

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

9           61. An applicant shall be ineligible for registration [as a third party proposition player] if  
10 the applicant would be ineligible for a state gambling license under any of the criteria set forth in  
11 Business and Professions Code section 19859, subdivisions (b), (e), or (f). CCR section 12204(e).

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

14           63. A requester shall be ineligible for licensing [as a third party proposition player] if the  
15 request to convert is for licensing as an owner, supervisor, or player, and the requester has had an  
16 application denied under this chapter or the [Gambling Control] Act. CCR section 12218.11(d).

17           64. A requester shall be ineligible for licensing [as a third party proposition player] if the  
18 request to convert is for licensing as an owner, supervisor, or player, and the requester would be  
19 ineligible under any of the criteria set forth in Business and Professions Code section 19859,  
20 subdivisions (b), (e), or (f). CCR section 12218.11(e).

21           65. By failing to disclose two misdemeanor convictions on his Application, including one  
22 serious crime for drawing and passing a check without sufficient funds with intent to defraud,  
23 Arellano has failed to provide information and assurances required by the Gambling Control Act  
24 and the Bureau. Therefore, Arellano is disqualified from licensure pursuant to Business and  
25 Professions Code section 19859(b).

26           66. Arellano's criminal history, particularly his conviction for drawing and passing a  
27 check without sufficient funds with intent to defraud, and the circumstances surrounding the  
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1 conviction, is material to his qualifications for licensure. By failing to disclose two misdemeanor  
2 convictions on his Application, including one serious crime for drawing and passing a check  
3 without sufficient funds with intent to defraud, Arellano has failed to reveal facts material to his  
4 qualifications for licensure. Therefore, Arellano is disqualified from licensure pursuant to  
5 Business and Professions Code section 19859(b).

6 67. Given that Arellano is disqualified from licensure pursuant to Business and  
7 Professions Code section 19859(b), Arellano is ineligible for licensing as a third-party proposition  
8 player pursuant to CCR section 12218.11(f).

9 68. Based on the foregoing, Arellano's Application is subject to denial pursuant to  
10 Business and Professions Code section 19859(b) and CCR section 12218.11(f). As a result,  
11 Arellano is ineligible for registration as a third party proposition player pursuant to CCR sections  
12 12204(d) and 12204(e). Therefore, Arellano's third party proposition player registration is subject  
13 to cancellation pursuant to CCR section 12205(a).

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

15 Andrew Arellano has the following appeal rights available under state law:

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

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

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

24 A decision of the commission denying a license or approval, or imposing  
25 any condition or restriction on the grant of a license or approval may be  
26 reviewed by petition pursuant to Section 1085 of the Code of Civil  
27 Procedure. Section 1094.5 of the Code of Civil Procedure shall not apply to  
28 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.

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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**

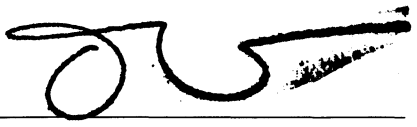
1. Andrew Arellano's Application for Third-Party Proposition Player License is DENIED.

2. Andrew Arellano's Third Party Proposition Player Services Registration Number TPPL-018728 is CANCELLED.


3. No costs are to be awarded.

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


This Order is effective on July 13, 2020.

Dated: June 11, 2020 Signature: 

Jim Evans, Chairman

Dated: 6/11/20 Signature:   
Paula LaBrie, Commissioner

Dated: 6/11/20 Signature:   
Gareth Lacy, Commissioner

Dated: 6/11/20 Signature:   
Trang To, Commissioner