BEFORE THE

CALIFORNIA GAMBLING CONTROL COMMISSION

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| In the Matter of the Application for Approval of State Gambling License Regarding:<br><br>OUTLAWS 101, LLC<br>THOMAS BARTLETT, Member; and<br>JOHN WRONA, Managing Member<br><br>Respondents. | BGC Case No. BGC-HQ2020-00025SL<br>CGCC Case No. CGCC-2020-0924-5B<br><br>**DECISION AND ORDER**<br><br>Hearing Dates: March 22-23, 2021<br>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 March 22-23, 2021.

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.

Attorney Tracey Buck-Walsh (Attorney Buck-Walsh) represented Respondents Outlaws 101, LLC (Outlaws), Thomas Bartlett (Bartlett), Member, and John Wrona (Wrona), Managing Member (collectively Respondents).

During the evidentiary hearing, Presiding Officer Jason Pope took official notice of the Notice of Hearing with the Applications for State Gambling Licenses from Respondents, the Bureau's Initial Background Investigation Report, the Bureau's Addendum to Initial Background Investigation Report, the Bureau's Statement of Particulars, the signed Notices of Defense from Respondents, and the Commission's Conclusion of Prehearing Conference letter.

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

(1) Jurisdictional Documents: Statement to Applicants; Statement of

Particulars; copies of Bus. & Prof. Code, §§ 19870 & 19871; copy of Cal. Code. Regs., tit. 4 § 12060; January 29, 2021 Declaration of Service by Certified Mail Service; California Gambling Control Commission Referral to Evidentiary Hearing; Notices of Defense for Outlaws 101, LLC, John Wrona, and Thomas Bartlett, dated October 1, 2020; Appointments of Designated Agent; Notice of Hearing, with attachments, Bates Nos. BGC001-164;

(2) Application for State Gambling license for Outlaws 101, LLC; Supplemental Information for State Gambling License; Application for State Gambling License for John Wrona; Individual Supplemental Background Investigation Information; Application for State Gambling License for Thomas W. Bartlett; Individual Supplemental Background Investigation Information, Bates Nos. BGC165-282;

(3) Bureau of Gambling Control Initial Background Investigation Report, Level III, Outlaws Card Parlour, Outlaws 101, LLC, John Wrona, Managing Member, Thomas Bartlett, Member, dated June 30, 2020, with attachments, Bates Nos. BGC283-390;

(4) Bureau of Gambling Control Addendum to Initial Background Investigation Report, dated September 14, 2020, Bates Nos. BGC391-393;

(5) Notices of Commission Meetings and Commission Staff Memoranda for Commission Meetings on August 27, 2020 and September 24, 2021, Bates Nos. BGC394-412;

(6) License history for License Number GEGE-001176 and Certification of Official Records, Bates Nos. BGC413-414;

(7) Correspondence between Bureau of Gambling Control and Applicants Related to Licensing, Bates Nos. BGC415-547;

(8) Bureau of Gambling Control Investigation Report Nos. 6 (April 16, 2019)

and 7 (May 13, 2019) from Investigation Number BGC-LA2019-00004, Bates Nos. BGC548-557;

(9) Bureau of Gambling Control Investigation Report Nos. 1 (April 18, 2019) and 7 (May 13, 2019) from Investigation Number BGC-LA2019-00012, Bates Nos. BGC558-567; and

(10) Surveillance Video Recording from Outlaws Card Parlour, dated March 17, 2019, Video.

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

(A) March 18, 2019 BGC Incident Report filed by Outlaws Card Parlour, Bates Nos. OUTLAWS001-003;

(B) [Exhibit Withdrawn][1];

(C) April 17, 2019 California Gambling Control Commission Exclusion of Unregistered Gambling Business Report for Oscar Jones, Bates Nos. OUTLAWS022-023;

(D) March 3, 2021 Declaration of Dora Brown with Exhibits A and B, Bates Nos. OUTLAWS024-029; and

(E) Audio of Interview with John Wrona.

The record was closed and the matter was submitted on March 23, 2021.

FINDINGS OF FACT

**Procedural History**

1. On or about May 3, 2017, the Bureau received an Application for State Gambling License from Outlaws as the prospective owner licensee of Outlaws Card Parlour (OCP), a five-table cardroom located in Atascadero. On or about April 19, 2017, the Bureau received Applications for State Gambling Licenses from Bartlett and Wrona as Members of Outlaws and endorsed licensees on the State Gambling License for Outlaws.

2. On or about July 1, 2020, the Commission received a Level III Initial Background

[1] Respondents' Exhibit B was withdrawn and is not a part of the administrative record.

Investigation Report on Respondents from the Bureau. In this report, the Bureau recommends that the Commission deny Respondents' Applications.

3. On or about September 14, 2020, the Commission received an addendum to Background Investigation Report from the Bureau. In this addendum, the Bureau recommends that the Commission approve Respondents' Applications subject to conditions.

4. On or about September 24, 2020, the Commission referred the consideration of Respondents' Applications to a Gambling Control Act evidentiary hearing to be held pursuant to CCR section 12060.

5. On or about October 1, 2020, the Commission received signed notices of defense from Respondents requesting an evidentiary hearing on the consideration of their Applications.

6. On or about December 31, 2020, the Commission sent a Notice of Hearing, via e-mail, to Attorney Buck-Walsh and DAG Wood. The hearing was set for March 22, 23, 24, and 26, 2021.

7. On or about January 29, 2021, the Bureau sent a Statement of Particulars to Attorney Buck-Walsh via certified mail and e-mail. In the Statement of Particulars, the Bureau requests that the Commission take such action as it may deem appropriate.

8. On or about February 2, 2021, the noticed Prehearing Conference was held before Presiding Officer Jason Pope, Attorney III of the Commission. DAG Wood attended on behalf of the Bureau. Attorney Buck-Walsh attended on behalf of Respondents. Wrona also attended.

9. On or about February 5, 2021, the Commission sent a Conclusion of Prehearing Conference letter, via e-mail, to Attorney Buck-Walsh and DAG Wood.

10. The Commission heard this matter via Zoom video conference from March 22-23, 2021. The Bureau was represented by DAG Wood. Respondents were represented by Attorney Buck-Walsh.

**Assessment of Suitability of Thomas Bartlett, Member of Outlaws**

11. Bartlett submitted a complete and accurate Application and Supplemental Information Form to the Bureau. Neither Bartlett's Application nor the Bureau's background

investigation revealed any derogatory information that would negatively impact his suitability for licensure. Additionally, there was no evidence presented during the hearing of any derogatory information that would negatively impact his suitability for licensure.

12. Based on the foregoing, Bartlett has met his burden of demonstrating that he is a person of good character, honesty, and integrity.

13. Bartlett has also met his burden of demonstrating that he is a person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling on in the carrying on of the business and financial arrangements incidental thereto.

**Assessment of Suitability for John Wrona, Managing Member of Outlaws**

14. Wrona is an owner and manager of the restaurant adjacent to OCP's gambling floor, an owner of the land upon which OCP and the restaurant are located, and a regular patron of OCP. During the evidentiary hearing, Wrona testified that he actively manages the restaurant and is usually present six days per week.

15. Wrona submitted a complete and accurate Application and Supplemental Information Form to the Bureau. Wrona's Application and Supplemental Information Form did not reveal any derogatory information that would negatively impact his suitability for licensure.

16. As a result of the Bureau's background investigation, there are two issues of concern regarding Wrona's suitability for licensure. The first concern involves an occasion in which Wrona improperly entered the cage at OCP. The second concern involves an interaction between Wrona and gambling enterprise employees regarding another patron's attempt to purchase chips at OCP.

*First Concern: Improperly Entering the Cage*

17. Dan DeLaney (DeLaney) is a licensed key employee at OCP. DeLaney is responsible for, among other things, ensuring that OCP employees comply with the Commission's regulations

concerning Minimum Internal Control Standards (MICS) and OCP's policies and procedures manual. During the evidentiary hearing, DeLaney testified that only licensed personnel are allowed to enter the cage. In contrast, non-licensed personnel have to sign the cage entrance log and could only be present in the cage when accompanied by a key employee.

18. On or about January 23, 2019, during a site visit to OCP, Bureau representatives reviewed the cage entrance logs and saw that Wrona was listed on the cage log on January 16, 2019.

19. On or about April 9, 2019, Bureau Field Representative Rosa Medina interviewed Wrona. In the interview, Wrona stated that he entered the cage twice over the last six months. Wrona described the reasons for entering the cage as emergency situations. The first time he entered the cage was to place a delinquent bill into a box located in the cage. He placed the bill and then walked out. He estimated his time in the cage to be five seconds. This event occurred in the morning and he does not believe anyone else was in the cage at that time. Wrona did not recall whether he signed the cage log when he entered to place the delinquent bill inside, but stated there was a good chance he signed it. The second time he entered the cage was to reset the router after the Point of Sale (POS) and camera systems went down. Wrona stated that he signed the cage log when he entered to reset the router. During the hearing, Wrona testified that he believed there was a key employee present when he entered the cage to reset the router.

20. On or about July 2, 2019, Dora Brown, current owner of OCP, wrote a letter to the Bureau stating, "Wrona acknowledges he did enter the cage, sign the Cage Log, and perform urgent and necessary repairs to the wireless system controlling the POS system. This was voluntarily disclosed to Field Representative Rosa Medina at meeting held on April 9, 2019."

21. Wrona violated OCP's policies and procedures when he entered the cage to place a delinquent bill inside without a key employee present. This failure to follow OCP's policies and procedures is a concern because compliance with a cardroom's policies and procedures are necessary to protect the public and provide for the effective regulation and control of controlled gambling. This concern is somewhat ameliorated by the fact that placing a delinquent bill inside

the cage did not represent an intentional involvement in gambling operations.

22. The second occasion where Wrona entered the cage to reset the router does not rise to the level of a clear violation of the cardroom's policies and procedures because he signed the cage log, performed repair services unrelated to the function of the cage, and there was no evidence presented that contradicts Wrona's belief that a key employee was present.

23. There was no other evidence presented that Wrona accessed the cage in violation of OCP's policies and procedures. The two occasions where Wrona entered the cage, only one of which is a clear violation of OCP's policies and procedures, are not enough to establish a pattern or practice of unauthorized access to the cage. Wrona also demonstrated candor by disclosing to Bureau Field Representative Rosa Medina that he had entered the cage on two occasions even though one of the occasions was in violation of the cardroom's policies and procedures.

24. During the hearing, Wrona testified that the restaurant's office and OCP's cage were technically the same room while the office was the size of a closet. To prevent any further issues related to unauthorized access to the cage, Wrona had a wall built with a steel door between the restaurant and the cage. This remedial effort to address issues related to unauthorized access to the cage demonstrates an interest to ensure future compliance with OCP's policies and procedures regarding cage operations.

25. Additionally, on or about July 1, 2019, Dora Brown wrote a letter to Wrona reminding him that he is "prohibited from entering the cage at any time." Wrona acknowledged receipt of the letter by signing it. There was no evidence presented that Wrona has entered OCP's cage since the two occasions where Wrona placed a delinquent bill inside the cage and reset the router.

26. The fact that Wrona entered the cage on two occasions, once in violation of OCP's policies and procedures, does not create any concern regarding his good character, honesty, or integrity. However, the Commission finds it reasonable and appropriate to condition the approval of Outlaws' initial state gambling license to protect the public and ensure the effective regulation and control of controlled gambling through required compliance with the following condition related to cage operations:

**Condition 1:** Licensed cardroom staff may not allow unlicensed persons access to the cage unless they have a legitimate business purpose, they are accompanied at all times by an owner or key employee, and they have signed in on the cage log.

*Second Concern: Interaction With Gambling Enterprise Employees*

27. On or about March 18, 2019, DeLaney filed an Incident Report with the Bureau regarding suspicious gambling activity at OCP. The dates of the incident are March 14, 15, and 17, 2019. The incident report provides that on March 14, 2019, a patron[2] presented himself at the cage and bought $20,000 in casino chips. During the hearing, Wrona testified that Jones's purchase of $20,000 in chips was out of the ordinary for OCP and that he had never seen a transaction of that size. Wrona further testified that Jones's purchase of $20,000 in chips created a buzz in the cardroom.

28. Jensen Wrona is a licensed key employee at OCP and the son of Wrona. During the hearing, Jensen Wrona testified that he called DeLaney on March 14, 2019 to notify him that Jones was purchasing $20,000 in chips. DeLaney testified that Jensen Wrona called him about filing a CTR (currency transaction report) on Jones because of his purchase of $20,000 in chips.

29. Jones announced that he was going to become a regular player/banker in the Pure 21 Blackjack game offered at OCP. Jones further announced to patrons and cardroom staff that he had played in Las Vegas and was ejected from several casinos as he was a card counter. At the end of the day, Jones cashed out $11,127 in chips and maintained a player bank of $10,000 in chips.

30. Wrona testified that he was present and gambling at OCP on March 14, 2017. Jones took a seat at the poker table next to Wrona. Wrona testified that he heard Jones talk about being a blackjack card counter and that Jones was going to be there and start banking every day.

31. On the following day, March 15, 2019, DeLaney told Jones that OCP was not going to honor his action until a discussion could be held with OCP's owner regarding Jones continuing as a player/banker without a gambling license issued by the Commission. Jones then cashed out his player bank of $10,000 in chips. During the hearing, DeLaney testified that he called OCP's

[2] The patron will hereinafter be referenced by his last name "Jones."

owner Dora Brown, who agreed with DeLaney's decision not to honor Jones's action. Dora Brown submitted a signed Declaration dated March 3, 2021 that corroborates DeLaney's testimony. In her Declaration, Dora Brown states that she discussed the matter with DeLaney and agreed that OCP would not honor Jones's action unless he applied for and obtained the appropriate license.

32. Wrona was also present at OCP on March 15, 2019. Wrona testified that he saw Jones enter OCP and heard the conversation between Jones and DeLaney. Wrona testified that he heard DeLaney tell Jones that he could not play blackjack and that OCP was not going to honor Jones's action and let him bank.

33. On March 17, 2019, Jones returned to the cage at OCP and attempted to buy $20,000 in chips to play and bank blackjack. Daniel McCallie (McCallie), a key employee with OCP, was the cage cashier at this time. Wrona was present at OCP during the March 17, 2019 encounter between Jones and McCallie. There was also surveillance video of the March 17, 2019 encounter between Jones and McCallie.

34. The surveillance video shows Wrona interrupt the transaction where Jones was attempting to buy $20,000 in chips by signaling McCallie to following him. McCallie leaves the cage to speak with Wrona without having finished the transaction. The conversation between Wrona and McCallie is not audible because it occurred beyond the video surveillance camera's microphone range. McCallie returns to the cage and asks Jones if he has spoken with OCP owner Dora Brown. Dora Brown calls OCP and speaks with McCallie. After a discussion with Dora Brown, McCallie then terminates the transaction and refuses to sell Jones any chips.

35. In her Declaration, Dora Brown states that on March 17, 2019, she received a phone call informing her that Jones had returned to OCP and was attempting to exchange a large amount of cash for chips in order to resume play in OCP's Pure 21.5 Blackjack game. Dora Brown does not recall who called her. She then immediately called McCallie, an OCP employee who was working as the cashier in the cage, and told him that OCP had already barred Jones from acting as a player-dealer at OCP until Jones obtained the appropriate license. Dora Brown instructed

McCallie to once again inform Jones of her decision.

36. During the hearing, Wrona testified that he saw Jones at the cage and got nervous because he thought Jones was engaging in illegal activity. Wrona testified that he signaled McCallie to follow him into the restaurant area and let McCallie know he needed to talk to Brown. He could not recall what McCallie said in response. Wrona's testimony is credible and is supported by the surveillance video footage.

37. Wrona also testified that he was not trying to direct cardroom actions. He testified that he hoped that other patrons would bring issues to the attention of the cardroom owner.

38. Wrona's interruption of the chip transaction between Jones and McCallie was the only evidence presented at the hearing that Wrona may have directed gambling enterprise employees without a state gambling license in potential violation of the Gambling Control Act.

39. During an April 9, 2019 interview with Bureau Field Representative Rosa Medina, Wrona stated that he is not involved in the operation of OCP, does not direct or supervise the work of any gambling enterprise employee, and has never been involved in scheduling games or promotions. During the hearing, Wrona testified that there has not been any situation where gambling enterprise employees solicited or accepted direction from him. Wrona's testimony is credible and supported by various Bureau reports and the testimony of DeLaney and Jensen Wrona. Jensen Wrona testified that he has never seen Wrona give direction to him or any other gambling enterprise employees. In a Bureau investigation report dated October 2, 2019, Bureau Field Representative Rosa Medina states that the surveillance video of OCP on November 17, 2018 and January 10, 2019 did not show any gambling enterprise employee receive directions from Wrona. The report also provided that gambling enterprise employee Kristopher Dearie denied having received any directions from Wrona. During the hearing, DeLaney testified that he never saw Wrona provide direction to cardroom employees.

40. Additionally, on or about July 1, 2019, Dora Brown wrote a letter to Wrona reminding him that he is "prohibited from exercising any control over the operation of Outlaws or directing any of Outlaws employees or employees of the TPPPS contractor." Wrona acknowledged receipt

of the letter by signing it. There was no evidence presented of any occasions since receipt of the letter from Dora Brown that Wrona has improperly exercised any control over the operation of OCP or directed any OCP gambling enterprise employees or employees of the third-party provider of proposition player services.

41. DeLaney testified that he has known Wrona for ten years, most of the interaction occurring while Wrona played poker. He testified that Wrona is knowledgeable about poker games and the industry. DeLaney described Wrona as a man of good character, honesty, and integrity.

42. The fact that Wrona interrupted a chip transaction between a patron and a gambling enterprise employee does not create any concern regarding his good character, honesty, or integrity. However, the Commission finds it reasonable and appropriate to condition the approval of Outlaws' initial state gambling license to protect the public and ensure the effective regulation and control of controlled gambling through required compliance with the following condition related to instruction and training of OCP's gambling enterprise employees regarding from whom they may accept direction:

> **Condition 2:** Within 90 days of assuming ownership, John Wrona must ensure that all cardroom staff are trained on Sections 19850, 19855, and 19912 of the Business and Professions Code and Sections 12381 and 12386 of Title 4 of the California Code of Regulations. Training shall include, but is not limited to, instructions that only licensed cardroom employees may provide direction regarding gambling operations and that unlicensed persons are not allowed in the cage except in compliance with Title 4, California Code of Regulations section 12386. Training must be conducted by Mr. Wrona, another owner, a knowledgeable key employee, or a consultant, and must include written materials. The written training materials, an agenda, and a sign-in sheet demonstrating completion of the training must be sent to the Bureau and Commission within 90 days after training is conducted. Each new cardroom employee must receive, at a

minimum, the written training materials within 30 days of their start date.

43. Based on the foregoing, Wrona has met his burden of demonstrating that he is a person of good character, honesty, and integrity.

44. Wrona has also met his burden of demonstrating that he is a person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling on in the carrying on of the business and financial arrangements incidental thereto.

**Assessment of Suitability for Outlaws 101, LLC**

45. Outlaws is a limited liability company with two members, Bartlett and Wrona, and is the prospective owner licensee of OCP. Outlaws submitted a complete and accurate Application and Supplemental Information Form to the Bureau. Outlaws' Application and Supplemental Information Form did not reveal any derogatory information that would negatively impact its suitability for licensure.

46. Both Bartlett and Wrona have met their respective burdens of demonstrating that they are qualified to receive state gambling licenses and be endorsed on the state gambling license of Outlaws. The only issues of concern relate to a single occasions where Wrona improperly entered the cage at OCP and interrupted a transaction for the purchase of cardroom chips between a patron and a gambling enterprise employee. These concerns are appropriately and reasonably addressed through the Commission's conditioning of the state gambling license of Outlaws as provided above and in the Order below.

47. Based on the foregoing, Outlaws has met its burden of demonstrating that it is a person of good character, honesty, and integrity.

48. Outlaws has also met its burden of demonstrating that it is a person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or

enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling on in the carrying on of the business and financial arrangements incidental thereto.

49. All documentary and testimonial evidence submitted by the parties that is not specifically addressed in this Decision and Order was considered but not used by the Commission in making its determination on the Applications for state gambling licenses for Bartlett, Wrona, and Outlaws.

50. The matter was submitted for Commission consideration on March 23, 2021.

LEGAL CONCLUSIONS

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

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

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

68. The Commission has the power to limit, condition, or restrict any license, permit, or approval for any cause deemed reasonable by the Commission. Business and Professions Code section 19824(b).

69. Every person who, either as owner, lessee, or employee, whether for hire or not, either solely or in conjunction with others, deals, operates, carries on, conducts, maintains, or exposes for play any controlled game in this state, or who receives, directly or indirectly, any compensation, reward, or any percentage or share of the money or property played, for keeping,

running, or carrying on any controlled game in this state, shall apply for and obtain from the commission, and shall thereafter maintain, a valid state gambling license, key employee license, or work permit, as specified in this chapter. Business and Professions Code section 19850.

70. If the owner of a gambling enterprise is a limited liability company, then the limited liability company shall not be eligible for a state gambling license unless every officer, manager, member, or owner individually applies for and obtains a state gambling license. Business and Professions Code section 19852(f).

71. The burden of proving his or her qualifications to receive any license from the Commission is on the applicant. Business and Professions Code section 19856(a). An application to receive a license constitutes a request for a determination of the applicant's general character, integrity, and ability to participate in, engage in, or be associated with, controlled gambling. Business and Professions Code section 19856(b).

72. The burden of proof is always on the applicant to prove his, her, or its qualifications to receive any license or other approval under the Gambling Control Act. CCR section 12060(i).

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

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

75. No gambling license shall be issued unless, based on all of the information and documents submitted, the commission is satisfied that the applicant is a person that is in all other respects qualified to be licensed as provided in this chapter. Business and Professions Code

section 19857(c).

76. The Gambling Control Act is an exercise of the police power of the state for the protection of health, safety, and welfare of the people of the State of California, and shall be liberally construed to effectuate those purposes. Business and Professions Code section 19971.

77. An applicant demonstrates good character, honesty, and integrity through providing accurate, complete, and truthful information on applications for licensure, in response to Bureau inquiries, and while testifying at an evidentiary hearing. An absence of derogatory information on an applicant's applications for licensure, in response to Bureau inquiries, while testifying at an evidentiary hearing, and/or as a result of the Bureau's background investigation, reflect positively on an applicant's suitability for licensure.

78. Bartlett submitted a complete and accurate Application and Supplemental Information Form and there was no derogatory information that would negatively impact Bartlett's suitability for licensure on his Application, Supplemental Information Form, or as a result of the Bureau's background investigation. As a result, Bartlett has met his burden of demonstrating the following:

(1) That he is a person of good character, honesty and integrity pursuant to Business and Professions Code section 19857(a);

(2) That he is a person whose prior activities, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling or in the carrying on of the business and financial arrangements incidental thereto pursuant to Business and Professions Code section 19857(b);

(3) That he is a person that is in all other respects qualified to be licensed as provided in the Gambling Control Act pursuant to Business and Professions Code section 19857(c); and

(4) That he is not disqualified from licensure pursuant to Business and Professions Code section 19859.

Based on the foregoing, Bartlett is qualified to receive a state gambling license.

79. Wrona submitted a complete and accurate Application and Supplemental Information Form. Wrona provided candid and credible testimony during the evidentiary hearing. DeLaney testified that Wrona is a person of good character, honesty, and integrity. The only derogatory information presented at the hearing regarding Wrona's suitability for licensure involved a single occasion where Wrona improperly entered the cage in violation of OCP's policies and procedures, and a separate occasion where Wrona interrupted a chip purchase transaction between another patron and a gambling enterprise employee. These causes of concern do not negatively impact Wrona's suitability for licensure, but for the protection of the public and to ensure the effective regulation and control of controlled gambling, the Commission finds it reasonable and appropriate to condition the approval of Outlaws' state gambling license as provided herein. As a result, Wrona has met his burden of demonstrating the following:

(1) That he is a person of good character, honesty and integrity pursuant to Business and Professions Code section 19857(a);

(2) That he is a person whose prior activities, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling or in the carrying on of the business and financial arrangements incidental thereto pursuant to Business and Professions Code section 19857(b);

(3) That he is a person that is in all other respects qualified to be licensed as provided in the Gambling Control Act pursuant to Business and Professions Code section 19857(c); and

(4) That he is not disqualified from licensure pursuant to Business and Professions

Code section 19859.

Based on the foregoing, Wrona is qualified to receive a state gambling license.

80. Outlaws is owned by its two members, Bartlett and Wrona, both of whom are qualified to receive a state gambling license. The only issues of concern regarding Outlaws' suitability for licensure involve a single occasion where its member, Wrona, improperly entered the cage in violation of OCP's policies and procedures, and a separate occasion where Wrona interrupted a chip purchase transaction between another patron and a gambling enterprise employee. These issues of concern do not negatively impact Outlaws' suitability for licensure, but for the protection of the public and to ensure the effective regulation and control of controlled gambling, the Commission finds it reasonable and appropriate to condition the approval of Outlaws' state gambling license as provided herein. As a result, Outlaws has met its burden of demonstrating the following:

(1) That it is a person of good character, honesty and integrity pursuant to Business and Professions Code section 19857(a);

(2) That it is a person whose prior activities, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling or in the carrying on of the business and financial arrangements incidental thereto pursuant to Business and Professions Code section 19857(b);

(3) That it is a person that is in all other respects qualified to be licensed as provided in the Gambling Control Act pursuant to Business and Professions Code section 19857(c); and

(4) That it is not disqualified from licensure pursuant to Business and Professions Code section 19859.

Based on the foregoing, Outlaws is qualified to receive a state gambling license.

## NOTICE OF APPLICANT'S APPEAL RIGHTS

Outlaws has the following appeal rights available under state law:

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

> (a) After the Commission issues a decision following a GCA hearing conducted pursuant to Section 12060, an applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had conditions, restrictions, or limitations imposed upon it, may request reconsideration by the Commission. A request for reconsideration must be:
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> (1) Made in writing to the Commission, copied to the Complainant. The Bureau may provide a written response to the Commission within 10 calendar days of receipt of the request; and
>
> (2) Received by the Commission and Complainant within 30 calendar days of service of the decision, or before the effective date specified in the decision, whichever is earlier.
>
> (b) A request for reconsideration must state the reasons for the request, which must be based upon either:
>
> (1) 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,
>
> (2) Other good cause which the Commission may decide, in its sole discretion, merits reconsideration.

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

> A decision of the commission denying a license or approval, or imposing any condition or restriction on the grant of a license or approval may be 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.

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## ORDER

1. Outlaws 101, LLC's Application for State Gambling License is APPROVED WITH CONDITIONS as follows:

**Condition 1:** Licensed cardroom staff may not allow unlicensed persons access to the cage unless they have a legitimate business purposes, they are accompanied at all times by an owner or key employee, and they have signed in on the cage log.

**Condition 2:** Within 90 days of assuming ownership, John Wrona must ensure that all cardroom staff are trained on Sections 19850, 19855, and 19912 of the Business and Professions Code and Sections 12381 and 12386 of Title 4 of the California Code of Regulations. Training shall include, but is not limited to, instructions that only licensed cardroom employees may provide direction regarding gambling operations and that unlicensed persons are not allowed in the cage except in compliance with Title 4, California Code of Regulations section 12386. Training must be conducted by Mr. Wrona, another owner, a knowledgeable key employee, or a consultant, and must include written materials. The written training materials, an agenda, and a sign-in sheet demonstrating completion of the training must be sent to the Bureau and Commission within 90 days after training is conducted. Each new cardroom employee must receive, at a minimum, the written training materials within 30 days of their start date.

2. Thomas Bartlett's Application for State Gambling License as Member and Endorsed Licensee on the State Gambling License of Outlaws 101, LLC is APPROVED.

3. John Wrona's Application for State Gambling License as Member and Endorsed Licensee on the State Gambling License of Outlaws 101, LLC is APPROVED.

4. No costs are awarded.

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

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This Order is effective on June 21, 2021.

Dated: 5/20/21 Signature: _____

Paula LaBrie, Chair

Dated: May 20, 2021 Signature: _____

Eric Heins, Commissioner

Dated: 5/20/2021 Signature: _____

Edward Yee, Commissioner