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8  
9 **BEFORE THE**  
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**  
11 **STATE OF CALIFORNIA**

12  
13 In the Matter of the Statement of Reasons for  
14 Denial of Application for a Third-Party  
Proposition Player Services License for:

BGC Case No. BGC-HQ2018-00002SL

CGCC Case No: CGCC-2017-1218-17A

15  
16 **DIANNE NGA TRAN**  
a.k.a.: Mai Nga Tran  
17 10031 Brookside Drive  
Garden Grove, California 92840

**STATEMENT OF REASONS**

18 Respondent.

19  
20 Complainant alleges as follows:

21 **PARTIES**

22 1. Nathan DaValle (Complainant) brings this Statement of Reasons solely in his official  
23 capacity as the Acting Director of the California Department of Justice, Bureau of Gambling  
24 Control (Bureau).

25 2. On January 25, 2016, the Bureau received an Application for Third-Party Proposition  
26 Player Services License for Supervisor, Player or Other Employee, and a Level I Supplemental  
27 Information, both dated October 28, 2015 (collectively, Application), from Dianne Nga Tran, also  
28 know as Mai Nga Tran (Respondent), to allow her employment as a third-party proposition player

1 (prop-player) for Acme Players Services, Inc. (Acme), a registered third-party proposition player  
2 services provider, registration number TPPP-000089.<sup>1</sup>

3 3. Respondent has been employed as a prop-player by Acme since October 2015. On or  
4 about December 8, 2015, the California Gambling Control Commission (Commission) issued  
5 Respondent a registration, number TPPL-016256, as a prop-player for this employment. The  
6 Respondent's registration currently expires on December 31, 2019.

7 4. On or about November 2, 2017, the Bureau submitted a Third-Party Player  
8 Background Investigation Report to the Commission recommending Respondent's Application be  
9 denied.

10 5. On or about December 18, 2017, the Commission referred the determination of  
11 Respondent's suitability to be issued a prop-player's license to an evidentiary hearing, which is to  
12 be held pursuant to California Code of Regulations, title 4, section 12060.<sup>2</sup>

13 6. Respondent submitted a Notice of Defense, which is dated December 26, 2017.

14 **BURDEN OF PROOF**

15 7. Respondent has the burden of proving her qualifications to receive a license.  
16 (Bus. & Prof. Code, § 19856, subd. (a).)

17 **FIRST CAUSE FOR DENIAL**

18 **(Misdemeanor Criminal Convictions)**

19 8. Respondent's Application is subject to denial in that Respondent has suffered four  
20 misdemeanor criminal convictions, all of which involve crimes of moral turpitude or dishonesty.

21 a. On or about July 2, 1999, Respondent was convicted of violating Penal Code section  
22 484, subdivision (a), theft of personal property/petty theft, a misdemeanor and a crime of  
23

24 \_\_\_\_\_  
25 <sup>1</sup> Respondent is required to convert her registration to a license and submit an application  
26 for such licensure pursuant to California Code of Regulations, title 4, sections 12205.1 and  
12218, because Acme was summoned on November 2, 2010, to submit an application to convert  
its registration to a license.

27 <sup>2</sup> The statutes and regulations applicable to this Statement of Reasons are quoted in  
28 pertinent part in Appendix A.

1 dishonesty or moral turpitude, in the case of *People v. Dianne Nga Tran* (Super. Ct. Orange  
2 County, 1999, Case 99WM07218).

3 b. On or about July 7, 1997, Respondent was convicted of violating Penal Code sections  
4 148.9, providing false identification to a police officer, and 529.3, false impersonation, both  
5 misdemeanors and crimes of dishonesty or moral turpitude, in the case of *People v. Dianne Nga*  
6 *Tran* (Super. Ct. Orange County, 1997, Case 97HM04795).

7 c. On or about March 14 1997, Respondent was convicted of violating Penal Code  
8 section 487, subdivision (a), grand theft, a misdemeanor and a crime of dishonesty or moral  
9 turpitude, in the case of *People v. Dianne Nga Tran* (Super. Ct. Orange County, 1997, Case  
10 97HM01822).

11 9. All four of the convictions occurred more than 10 years prior to Respondent  
12 submitting her Application. Also, on or about September 27, 2007, Respondent obtained relief  
13 from all four convictions pursuant to Penal Code section 2103.4  
14 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), & 19866; Cal. Code. Regs., tit. 4, §§  
15 12200.18, subds. (a), (b) & (f), & 12218.11, subds. (e) [mandatory denial] & (j) [mandatory  
16 denial].)

## 17 **SECOND CAUSE FOR DENIAL OF APPLICATION**

### 18 **(Providing False or Misleading Information to the Bureau - Application)**

19 10. Respondent's Application is subject to denial in that Respondent, under penalty of  
20 perjury, affirmatively and falsely stated in her Application the following:

21 a. Respondent affirmatively and falsely responded "No" to question number 4 on page  
22 seven of the Level I Supplemental Information, which asked "Have you **ever** engaged in any act  
23 involving dishonesty or moral turpitude charged or chargeable as a criminal offense?" (Emphasis  
24 added.) In fact, as alleged in paragraph 8 above, Respondent has engaged in multiple acts of  
25 dishonesty or moral turpitude that were charged as criminal offenses. That conduct included  
26 multiple incidents of theft and lying to the police.



1 for her convictions. Respondent also blamed an unidentified Acme staff person for the reasons  
2 she provided false answers to the questions on her Application, as alleged in paragraph 10 above,  
3 and failed to disclose those convictions to the Bureau as alleged in paragraph 11.a above.  
4 (Bus. & Prof. Code, §§ 19856, 19857, subs. (a) & (b), & 19866; Cal. Code. Regs., tit. 4, §§  
5 12200.18, subs. (a), (b) & (f), & 12218.11, subs. (e) [mandatory denial] & (j) [mandatory  
6 denial].)

7 **PRAYER**

8 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,  
9 and that following the hearing, the Commission issue a decision:

- 10 1. Denying Respondent's Application for a Third-Party Proposition Player License;  
11 2. Cancelling Respondent's registration, number TPPL-016256; and,  
12 3. Taking such other and further action as the Commission may deem appropriate.

13  
14  
15 Dated: February 12, 2018



16 NATHAN DAVALLE, Acting Director  
17 Bureau of Gambling Control  
18 California Department of Justice  
19 Complainant  
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1 enterprise whether or not the commission takes action against the  
2 license of the gambling enterprise.

3 \* \* \*

4 (d) Take actions deemed to be reasonable to ensure that no  
5 ineligible, unqualified, disqualified, or unsuitable persons are  
6 associated with controlled gambling activities.

7 4. Business and Professions Code, section 19853, subdivision (a), provides:

8 The commission, by regulation or order, may require that the  
9 following persons register with the commission, apply for a finding of  
10 suitability as defined in subdivision (i) of 19805, or apply for a  
11 gambling license:

12 \* \* \*

13 (3) Any person who does business on the premises of a  
14 licensed gambling establishment.

15 5. Business and Professions Code, section 19870 provides:

16 (a) The commission, after considering the recommendation of  
17 the chief<sup>4</sup> and any other testimony and written comments as may be  
18 presented at the meeting, or as may have been submitted in writing to  
19 the commission prior to the meeting, may either deny the application  
20 or grant a license to an applicant who it determines to be qualified to  
21 hold the license.

22 (b) When the commission grants an application for a license or  
23 approval, the commission may limit or place restrictions thereon as it  
24 may deem necessary in the public interest, consistent with the policies  
25 described in this chapter.

26 (c) When an application is denied, the commission shall  
27 prepare and file a detailed statement of its reasons for the denial.

28 (d) All proceedings at a meeting of the commission relating to  
a license application shall be recorded stenographically or by audio or  
video recording.

(e) 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.

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<sup>4</sup> "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1 6. Business and Professions Code, section 19871 provides:

2 (a) The commission meeting described in Section 19870 shall  
3 be conducted in accordance with regulations of the commission and as  
4 follows:

5 (1) Oral evidence shall be taken only upon oath or affirmation.

6 (2) Each party shall have all of the following rights:

7 (A) To call and examine witnesses.

8 (B) To introduce exhibits relevant to the issues of  
9 the case.

10 (C) To cross-examine opposing witnesses on any  
11 matters relevant to the issues, even though the matter was  
12 not covered on direct examination.

13 (D) To impeach any witness, regardless of which  
14 party first called the witness to testify.

15 (E) To offer rebuttal evidence.

16 (3) If the applicant does not testify in his or her own  
17 behalf, he or she may be called and examined as if under cross-  
18 examination.

19 (4) The meeting need not be conducted according to  
20 technical rules relating to evidence and witnesses. Any relevant  
21 evidence may be considered, and is sufficient in itself to support  
22 a finding, if it is the sort of evidence on which responsible  
23 persons are accustomed to rely in the conduct of serious affairs,  
24 regardless of the existence of any common law or statutory rule  
25 that might make improper the admission of that evidence over  
26 objection in a civil action.

27 (b) Nothing in this section confers upon an applicant a right to  
28 discovery of the department's<sup>5</sup> investigative reports or to require  
disclosure of any document or information the disclosure of which is  
otherwise prohibited by any other provision of this chapter.

7. Business and Professions Code section 19984, subdivision (b), provides, in part:

The commission shall establish reasonable criteria for, and  
require the licensure and registration of, any person or entity that  
provides proposition player services to gambling establishments  
pursuant to this section, including owners, supervisors, and players . . .  
The commission may impose licensing requirements, disclosures,

<sup>5</sup> "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.  
(h).)

1 approvals, conditions, or limitations as it deems necessary to protect  
2 the integrity of controlled gambling in this state . . . .

3 8. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in  
4 part:

5 If the Commission elects to hold an evidentiary hearing, the  
6 hearing will be conducted as a GCA hearing under Section 12060,  
7 unless the Executive Director or the Commission determines the  
8 hearing should be conducted as an APA hearing under Section  
9 12058 . . . .

10 9. California Code of Regulations, title 4, section 12060, subdivision (b) provides:

11 When the Commission has elected to hold a GCA hearing, the  
12 Executive Director shall give notice to the applicant, pursuant to  
13 paragraph (2) subsection (c) of Section 12052, to the Office of the  
14 Attorney General, and to the Bureau no later than 60 calendar days in  
15 advance of the GCA hearing.

16 10. California Code of Regulations, title 4, section 12200.3, subdivision (g), provides:

17 Registrations, licenses, and badges are specific to the primary  
18 owner. Third party proposition player services cannot be provided  
19 without first applying for and obtaining a registration, license, or  
20 badge.

21 11. California Code of Regulations, title 4, section 12205 provides:

22 (a) Any regular registration issued in accordance with this  
23 chapter<sup>6</sup> shall be subject to cancellation pursuant to this section. A  
24 registration shall be cancelled if the Commission determines after a  
25 noticed hearing that the registrant is ineligible for registration, has  
26 failed in the application for registration to reveal any fact material to  
27 the holder's qualification for registration, or has supplied information  
28 in the registration application that is untrue or misleading as to a  
material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set  
forth in subsection (a) apply, then the Executive Director shall  
immediately do all of the following:

(1) Provide written notice to the registrant and the  
Bureau of the cancellation of the registration and the grounds  
thereof, and provide written notice of the cancellation to the  
owner, if the registrant is a supervisor, player, or other employee  
and to any gambling establishment in which the registrant  
provides proposition player services.

<sup>6</sup> "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

1 (2) Notify the registrant, if an individual, that he or she  
2 is required to surrender the registrant's badge to the Commission  
3 not more than ten days following the date that the notice of the  
4 cancellation was mailed or such greater time as is authorized by  
5 the Executive Director.

### 6 SPECIFIC STATUTORY PROVISIONS

7 12. Business and Professions Code section 19856 provides, in part:

8 (a) Any person who the commission determines is qualified to  
9 receive a state license, having due consideration for the proper protection  
10 of the health, safety, and general welfare of the residents of the State of  
11 California and the declared policy of this state, may be issued a license.  
12 The burden of proving his or her qualifications to receive any license is  
13 on the applicant.

14 (b) An application to receive a license constitutes a request for a  
15 determination of the applicant's general character, integrity, and ability to  
16 participate in, engage in, or be associated with, controlled gambling.

17 (c) In reviewing an application for any license, the commission  
18 shall consider whether issuance of the license is inimical to public health,  
19 safety, or welfare, and whether issuance of the license will undermine  
20 public trust that the gambling operations with respect to which the license  
21 would be issued are free from criminal and dishonest elements and would  
22 be conducted honestly. (a) The burden of proving his or her  
23 qualifications to receive any license is on the applicant.

24 13. Business and Professions Code, section 19857 provides:

25 No gambling license shall be issued unless, based on all of the  
26 information and documents submitted, the commission is satisfied that  
27 the applicant is all of the following:

28 (a) A person of good character, honesty, and integrity.

(b) 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.

(c) A person that is in all other respects qualified to be  
licensed as provided in this chapter.

1 14. Business and Professions Code section 19859 provides, in part:

2 The commission shall deny a license to any applicant who is  
3 disqualified for any of the following reasons:

4 (a) Failure of the applicant to clearly establish  
eligibility and qualification in accordance with this chapter.

5 (b) Failure of the applicant to provide information,  
6 documentation, and assurances required by this chapter or  
7 requested by the chief, or failure of the applicant to reveal  
8 any fact material to qualification, or the supplying of  
information that is untrue or misleading as to a material fact  
pertaining to the qualification criteria.

9 15. Business and Professions Code section 19866 provides:

10 An applicant for licensing or for any approval or consent  
11 required by this chapter, shall make full and true disclosure of all  
12 information to the department and the commission as necessary to  
13 carry out the policies of this state relating to licensing, registration,  
and control of gambling.

14 16. California Code of Regulations, title 4, section 12200.18, provides, in part:

15 The Commission may revoke a registration or license, upon any  
16 of the following grounds, after a hearing conducted pursuant to the  
17 same procedures applicable to the revocation of a gambling  
establishment license:

18 (a) The registrant or licensee committed, attempted to  
19 commit, or conspired to commit any acts prohibited by the  
Act<sup>7</sup>] or this chapter.

20 (b) Any act or omission by the registrant that would  
21 disqualify the registrant from obtaining registration under this  
chapter. Any act or omission by the licensee that would  
22 disqualify the licensee from obtaining licensing under this  
chapter.

23 \* \* \*

24 (f) The registrant or licensee concealed or refused to  
25 disclose any material fact in any inquiry by the Bureau or the  
26 Commission.

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28 <sup>7</sup> "Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)

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17. California Code of Regulations, title 4, section 12218.11, provides, in part:

A requester shall be ineligible for licensing for any of the following causes:

\* \* \*

(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.

(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

\* \* \*

(j) The applicant is ineligible based on any other provision of law.