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8
9 **BEFORE THE**
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**
11 **STATE OF CALIFORNIA**
12

13
14 **In the Matter of the Application for**
Renewal of Key Employee Portable
15 **Personal License Regarding:**
16
17 **LAWSON VERNON SMITH**
18 
19 **Key Employee License No. GEKE-000452**
20
21 **Applicant.**

CGGC Case No. 2013-0221-7

STATEMENT OF PARTICULARS

22
23 PARTIES

- 24 1. Wayne J. Quint, Jr., submits this Statement of Particulars solely in his official
25 capacity as the Chief of the California Department of Justice, Bureau of Gambling Control
26 (Bureau).
- 27 2. On or about October 21, 2004, the California Gambling Control Commission
28 (Commission) licensed Lawson Vernon Smith (Applicant) as a key employee at the California

1 Grand Casino. Applicant has been continuously licensed as a key employee at that gambling
2 establishment since that date.

3 3. On or about October 15, 2012, Applicant filed an Application for Gambling
4 Establishment Key Employee License, CGCC-031 (Rev. 05/1), with the Commission for renewal
5 of his key employee portable personal license.

6 4. At its February 21, 2013 meeting, the Commission referred the question of
7 Applicant's suitability for licensure to an evidentiary hearing.

8 5. On or about July 3, 2013, pursuant to California Code of Regulations, title 4, section
9 12050, subdivision (b), the Commission's Executive Director set the matter for a hearing to be
10 conducted pursuant to the provisions of Business and Professions Code sections 19870 and
11 19871, and California Code of Regulations, title 4, section 12050, subdivision (b)(2).

12 JURISDICTION

13 6. Business and Professions Code section 19811, subdivision (b), provides:

14 Jurisdiction, including jurisdiction over operation and concentration,
15 and supervision over gambling establishments in this state and over all
16 persons or things having to do with the operation of gambling
establishments is vested in the commission.

17 7. Business and Professions Code section 19823 provides:

18 (a) The responsibilities of the commission include, without
19 limitation, all of the following:

20 (1) Assuring that licenses, approvals, and permits are
21 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.

22 (2) Assuring that there is no material involvement,
23 directly or indirectly, with a licensed gambling operation, or
24 the ownership or management thereof, by unqualified or
25 disqualified persons, or by persons whose operations are
conducted in a manner that is inimical to the public health,
safety, or welfare.

26 (b) For the purposes of this section, "unqualified person" means a
27 person who is found to be unqualified pursuant to the criteria set forth in
28 Section 19857, and "disqualified person" means a person who is found to
be disqualified pursuant to the criteria set forth in Section 19859.

1 8. Business and Professions Code section 19824 provides in part:

2 The commission shall have all powers necessary and proper to enable
3 it fully and effectually to carry out the policies and purposes of this
4 chapter, including, without limitation, the power to do all of the
5 following:

6 * * *

7 (b) For any cause deemed reasonable by the commission, deny any
8 application for a license, permit, or approval provided for in this chapter
9 or regulations adopted pursuant to this chapter, limit, condition, or restrict
10 any license, permit, or approval, or impose any fine upon any person
11 licensed or approved. The commission may condition, restrict, discipline,
12 or take action against the license of an individual owner endorsed on the
13 license certificate of the gambling enterprise whether or not the
14 commission takes action against the license of the gambling enterprise.

15 * * *

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

19 9. Business and Professions Code section 19854, subdivision (a), provides:

20 Every key employee shall apply for and obtain a key employee
21 license.

22 10. Business and Professions Code section 19870 provides:

23 (a) The commission, after considering the recommendation of the
24 [Bureau] chief and any other testimony and written comments as may be
25 presented at the meeting, or as may have been submitted in writing to the
26 commission prior to the meeting, may either deny the application or grant
27 a license to an applicant who it determines to be qualified to hold the
28 license.

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

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

(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

1 apply to any judicial proceeding described in the foregoing sentence, and
2 the court may grant the petition only if the court finds that the action of
3 the commission was arbitrary and capricious, or that the action exceeded
4 the commission's jurisdiction.

5 11. Business and Professions Code section 19871 provides:

6 (a) The commission meeting described in Section 19870 shall be
7 conducted in accordance with regulations of the commission and as
8 follows:

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

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

12 (A) To call and examine witnesses.

13 (B) To introduce exhibits relevant to the
14 issues of the case.

15 (C) To cross-examine opposing
16 witnesses on any matters relevant to the issues,
17 even though the matter was not covered on direct
18 examination.

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

21 (E) To offer rebuttal evidence.

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

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

(b) Nothing in this section confers upon an applicant a right to
discovery of the department's¹ 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.

¹ "Department" refers to the Department of Justice, Bureau of Gambling Control. (Bus. & Prof. Code, § 19805, subd. (h).)

1 c. On or about September 19, 2011, Applicant was convicted, upon a plea of guilty, of
2 violating Vehicle Code section 14601.5, driving with a suspended license, a misdemeanor; and
3 Penal Code 148, subdivision (a)(1), obstructing/resisting a public officer, a misdemeanor; in the
4 case of *People of the State of California v. Lawson Vernon Smith* (Super. Ct. Solano County,
5 2011, No. FCR286301).

6 **BUREAU RECOMMENDATION**

7 16. On or about November 15, 2012 and again on or about January 4, 2013, the Bureau
8 submitted to the Commission a Cardroom Key Employee Renewal Background Investigation
9 Report, in which the Bureau made no recommendation regarding Applicant's suitability for
10 licensure. The Bureau noted only that it was of the opinion that the above-pled, misdemeanor,
11 criminal convictions did not, in and of themselves, have a causal relationship to Applicant's
12 suitability for the renewal of his key employee license. The Bureau's position took into account
13 the following factors in aggravation and mitigation:

14 a. Applicant has suffered three, recent, misdemeanor criminal convictions, all of which
15 are less than three years old. Such recent conduct reflects poorly upon Applicant's current
16 character, reputation, and habits, as well as his ability in general to comply with laws and
17 regulations.

18 b. Applicant has no history of any criminal convictions or behavior prior to January 31,
19 2011, and subsequent to September 19, 2011. All of Applicant's criminal convictions are
20 misdemeanors and none of them are for crimes of dishonesty or moral turpitude.

21 c. None of Applicant's criminal convictions were for conduct directly related to
22 controlled gambling or his employment as a key employee at the California Grand Casino.

23 d. Applicant has been employed at the California Grand Casino since 2003. It appears
24 that he has a spotless employment history with that licensed gambling establishment. During his
25 10 years of employment with the California Grand Casino there does not appear to be any
26 evidence that he posed a threat to the public's interest, or to the effective regulation and control of
27 controlled gambling, or created or enhanced the dangers of unsuitable, unfair, or illegal practices,
28

1 methods, and activities in the conduct of controlled gambling or in the carrying on of the business
2 and financial arrangements incidental thereto.

3 e. There is no evidence of Applicant having a history of violating any of the substantive
4 provisions of the Gambling Control Act (Bus. & Prof. Code, § 19800 et seq.) or the regulations
5 promulgated thereunder.

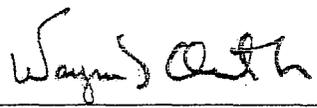
6 f. Applicant has been cooperative and honest during the Bureau's investigation of
7 Applicant's suitability for licensure.

8 g. Employing Applicant in the licensed gambling industry does not appear to pose a
9 current threat to the health, safety or welfare of the public.

10 CONCLUSION

11 WHEREFORE, Bureau Chief Wayne J. Quint, Jr., consistent with the Bureau's November
12 15, 2012 and January 4, 2013, reports, requests that that following the hearing to be held on the
13 matters herein alleged the Commission take such action as it may deem appropriate.

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15 Dated: December 17TH, 2013

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18 Wayne J. Quint, Jr., Chief
19 Bureau of Gambling Control
20 California Department of Justice
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