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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
Regarding:**

14
15 **ADAM RICHARD SOULES**
4509 Riverscape Drive
16 Riverside, CA 92505

17 **Respondent.**

BGC Case No. GEKE-001368

CGCC No. _____

STATEMENT OF REASONS

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19
20 Complainant alleges as follows:

21 **PARTIES**

22 1. Wayne J. Quint, Jr., (Complainant) brings this Statement of Reasons solely in his
23 official capacity as the Chief of the California Department of Justice, Bureau of Gambling
24 Control (Bureau).

25 2. On or about January 9, 2008, the California Gambling Control Commission
26 (Commission) received an Application for Gambling Establishment Key Employee License
27 submitted by Adam Richard Soules (Respondent) to act as a supervisor at Ocean's Eleven Casino
28 in Oceanside, California.

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(1) 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.

(2) Assuring that there is no material involvement, directly or indirectly, with a licensed gambling operation, or the ownership or management thereof, 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.

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

11. Business and Professions Code section 19824 provides in part:

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

* * *

(b) For any cause deemed reasonable by the commission, deny any application for a license, permit, or approval provided for in this chapter or regulations adopted pursuant to this chapter, limit, condition, or restrict any license, permit, or approval, or impose any fine upon any person licensed or approved. . . .

* * *

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

12. Business and Professions Code section 19870 provides:

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

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

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

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

14 13. Business and Professions Code section 19871 provides:

15 (a) The commission meeting described in Section 19870 shall be
16 conducted in accordance with regulations of the commission and as
17 follows:

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

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

21 (A) To call and examine witnesses.

22 (B) To introduce exhibits relevant to the issues of the
23 case.

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

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

(E) To offer rebuttal evidence.

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

(4) The meeting need not be conducted according to
technical rules relating to evidence and witnesses. Any relevant
evidence may be considered, and is sufficient in itself to support a

1 finding, if it is the sort of evidence on which responsible persons
2 are accustomed to rely in the conduct of serious affairs, regardless
3 of the existence of any common law or statutory rule that might
4 make improper the admission of that evidence over objection in a
5 civil action.

6 (b) Nothing in this section confers upon an applicant a right to
7 discovery of the department's^[1] investigative reports or to require
8 disclosure of any document or information the disclosure of which is
9 otherwise prohibited by any other provision of this chapter.

10 SPECIFIC STATUTORY AND REGULATORY PROVISIONS

11 14. Business and Professions Code section 19856, subdivision (a) provides in part:

12 The burden of proving his or her qualifications to receive any
13 license is on the applicant.

14 15. Business and Professions Code section 19854 provides in part:

15 (a) Every key employee shall apply for and obtain a key
16 employee license.

17 (b) No person may be issued a key employee license unless the
18 person would be qualified for a state gambling license.

19 16. Business and Professions Code section 19857 provides:

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

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

24 (b) A person whose prior activities, criminal record, if any,
25 reputation, habits, and associations do not pose a threat to the public
26 interest of this state, or to the effective regulation and control of
27 controlled gambling, or create or enhance the dangers of unsuitable,
28 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.

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

1 17. 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
5 qualification in accordance with this chapter.

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

11 **FIRST CAUSE FOR DENIAL OF APPLICATION**

12 **(False and Misleading Representations to the Bureau)**

13 18. Respondent's application for a gambling establishment key employee license is
14 subject to denial pursuant to Business and Professions Code sections 19854, 19857, subdivision
15 (a), and 19859, subdivision (b), in that the Respondent made false and misleading representations
16 to the Bureau pertaining to his 2004 court martial and discharge from the United States Navy.

17 The Respondent's false and misleading statements include the following:

18 a. Respondent affirmatively declared under penalty of perjury on his application that he
19 had received a "general" discharge from the Navy. The Respondent's official Certificate of
20 Release or Discharge from Active Duty, United States Department of Defense form DD-214
21 (DD-214), however, revealed that the Respondent received an "other than honorable" discharge.
22 The Respondent's official DD-214 indicates that the Respondent received a copy of the DD-214
23 at the time of his separation from the Navy.

24 b. Respondent affirmatively declared under penalty of perjury on his application that he
25 was charged with "unauthorized absence" in his court martial. When asked by the Bureau to
26 further explain the circumstances surrounding his court martial and discharge from the Navy, the
27 Respondent stated that he had been absent without leave from his military duty in order to care
28 for his pregnant girlfriend. The Respondent's official military records, however, revealed that at
his court martial, Respondent plead guilty to charges of drug use and multiple unauthorized
absences while underway at sea.

1 c. Respondent declared under penalty of perjury on his application that his rank upon
2 separation from the military was E-5, a non-commissioned officer. The Respondent's official
3 military records, however, revealed that as part of the Respondent's court martial sentence, his
4 rank was reduced to the lowest enlisted rank, E-1.

5 **SECOND CAUSE FOR DENIAL OF APPLICATION**

6 **(Respondent's Lack of Requisite Good Character)**

7 19. Respondent's application for a gambling establishment key employee license is
8 subject to denial pursuant to Business and Professions Code sections 19854, 19857, and 19859,
9 subdivision (a) in that the Respondent has demonstrated a lack of honesty and integrity by lying
10 on his application, supplemental application, and in his statements to the Bureau as more fully
11 alleged in paragraph 18 above and incorporated herein by reference.

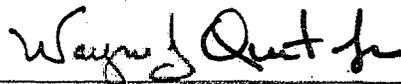
12 **PRAYER**

13 **WHEREFORE**, Complainant prays for relief as set forth herein below.

14 Complainant requests that a hearing be held on the matters herein alleged, and that
15 following the hearing, the Commission issue a decision:

- 16 1. Denying the application of Adam Richard Soules for a Gambling Establishment Key
17 Employee License; and
18 2. Taking such other and further action as the Commission may deem appropriate.

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20 Dated: December ^{16TH}, 2013



21 WAYNE J. QUINT, JR., Chief
22 Bureau of Gambling Control
23 Department of Justice
24 State of California
25 Complainant
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