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CALIFORNIA GAMBLING
CONTROL COMMISSION

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

13 In the Matter of the Statement of Reasons
14 for Denial of License Application:

BGC Case No. BGC-HQ2013-00007AL

CGCC Case No: 2013-0321-2

15 JOHN PATRICK BUYS

16 [REDACTED]
17 [REDACTED]

STATEMENT OF REASONS

18 Respondent.
19

20 Complainant alleges as follows:

21 PARTIES

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

25 2. On or about September 29, 2011, the California Gambling Control Commission
26 (Commission) received a Key Employee Supplemental Background Investigation Information
27 form (BGC-APP. 016A (Rev. 08/09)), and on October 17, 2011, the Commission received an
28

1 Application for Gambling Establishment Key Employee License (CGCC-031 (Rev. 08/08)) both
2 submitted by John Patrick Buys (Respondent).

3 3. On October 25, 2011, the Commission granted Respondent an Interim Personal
4 Portable Key Employee License (GEKE-001708).

5 4. The Bureau completed its Cardroom Key Employee Background Investigation Report
6 (Report) on November 29, 2012. As part of the investigation, the Bureau confirmed that the
7 Respondent had a criminal history. Respondent was convicted of a misdemeanor offense in
8 November of 2004, and two misdemeanor offenses in July of 2007. The Bureau originally
9 recommended that the Respondent be found suitable to hold a license as a key employee; however,
10 after further internal review, the Bureau now recommends that Respondent be denied a key
11 employee license.

12 5. At its March 21, 2013 meeting, the Commission unanimously voted to refer the matter
13 to an evidentiary hearing.

14 6. On or about March 25, 2013, pursuant to California Code of Regulations, title 4,
15 section 12050, subdivision (b), the Commission's Executive Director set the matter for a hearing
16 to be conducted pursuant to the provisions of Business and Professions Code sections 19870 and
17 19871, and California Code of Regulations, title 4, section 12050, subdivision (b)(2).

18 JURISDICTION

19 7. Business and Professions Code section 19811, subdivision (b), provides:

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

23 8. Business and Professions Code section 19823 provides:

24 (a) The responsibilities of the commission include, without
25 limitation, all of the following:

26 (1) Assuring that licenses, approvals, and permits are
27 not issued to, or held by, unqualified or disqualified
28 persons, or by persons whose operations are conducted in a

1 manner that is inimical to the public health, safety, or
2 welfare.

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

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

14 9. Business and Professions Code section 19824 provides, in part:

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

19 * * *

20 (b) For any cause deemed reasonable by the commission, deny
21 any application for a license, permit, or approval provided for in this
22 chapter or regulations adopted pursuant to this chapter, limit, condition,
23 or restrict any license, permit, or approval, or impose any fine upon any
24 person licensed or approved. The commission may condition, restrict,
25 discipline, or take action against the license of an individual owner
26 endorsed on the license certificate of the gambling enterprise whether
27 or not the commission takes action against the license of the gambling
28 enterprise.

* * *

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

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

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

1 11. Business and Professions Code section 19870 provides:

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

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

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

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

17 (e) A decision of the commission denying a license or approval,
18 or imposing any condition or restriction on the grant of a license or
19 approval may be reviewed by petition pursuant to Section 1085 of the
20 Code of Civil Procedure. Section 1094.5 of the Code of Civil Procedure
21 shall not apply to any judicial proceeding described in the foregoing
22 sentence, and the court may grant the petition only if the court finds that
23 the action of the commission was arbitrary and capricious, or that the
24 action exceeded the commission's jurisdiction.

25 12. Business and Professions Code section 19871 provides:

26 (a) The commission meeting described in Section 19870 shall be
27 conducted in accordance with regulations of the commission and as
28 follows:

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

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

(A) To call and examine witnesses.

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

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

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

6 (E) To offer rebuttal evidence.

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

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

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

21 SPECIFIC STATUTORY AND REGULATORY PROVISIONS

22 13. Business and Professions Code section 19854, subdivision (b) provides:

23 No person may be issued a key employee license unless the person
24 would qualify for a state gambling license.

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

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

28 15. Business and Professions Code section 19857 provides:

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

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

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

1 (b) A person whose prior activities, criminal record, if any,
2 reputation, habits, and associations do not pose a threat to the public
3 interest of this state, or to the effective regulation and control of
4 controlled gambling, or create or enhance the dangers of unsuitable,
5 unfair, or illegal practices, methods, and activities in the conduct of
6 controlled gambling or in the carrying on of the business and financial
7 arrangements incidental thereto.

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

10 CAUSE FOR DENIAL OF LICENSE APPLICATION
11 (Criminal Convictions)

12 16. Respondent's license application is subject to denial pursuant to Business and
13 Professions Code, section 19857, the circumstances are as follows:

14 a. On or about November 23, 2004, Respondent was convicted of violating Vehicle
15 Code section 23152, subdivision (b), driving under the influence with 0.08 percent or more blood
16 alcohol, a misdemeanor, in the case of *People v. John Patrick Buys* (Super. Ct. San Joaquin
17 County, 2004, No. 20041123). ~~LM031433A~~ LM031433A

18 b. On or about July 25, 2007, Respondent was convicted of violating Penal Code
19 section 647, subdivision (f), disorderly conduct in a public place under the influence of
20 intoxicating liquor; and, Penal Code section 148, resisting, delaying or obstructing an officer, both
21 misdemeanors, in the case of *People v. John Patrick Buys* (Super. Ct. San Joaquin County, 2007,
22 No. 20070725), while on probation following his November 23, 2004, conviction.

23 SM258043A

24 PRAYER

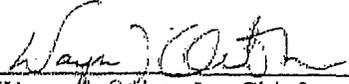
25 WHEREFORE, Complainant requests that following the hearing to be held on the matters
26 herein alleged, that the Commission issue a decision:

27 1. Denying Respondent's Application for Gambling Establishment Key Employee
28 License;

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2. Taking such other and further action as the Commission may deem appropriate.

Dated: July 7TH, 2014


Wayne J. Quint, Jr., Chief
Bureau of Gambling Control
California Department of Justice
Complainant