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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**
Against:

14 **VICENTE LOPEZ**
15 

16 **Key Employee License No.: GEKE-001938**

17 **Respondent.**
18

CGCC No.: CGCC-2015-0730-6E

BGC No.: BGC-HQ2015-00001AC

STATEMENT OF REASONS

19 Complainant alleges as follows:

20 **PARTIES**

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

24 2. On February 4, 2014, Vicente Lopez (Respondent) submitted an Initial Portable Key
25 Employee License Application (Application) to the Bureau.
26
27
28

1 addition to the conduct alleged above in paragraphs 4 and 5 and incorporated herein by reference,
2 Respondent has demonstrated his non-compliance as follows:

- 3 a. failure to timely file an interim key employee license
4 application.
5 b. failure to timely file an initial key employee license application.

6 (Bus. & Prof. Code, § 19854; Cal. Code. Regs., tit. 4, §§ 12350, subs. (a) & (c) & 12354, subd.
7 (a).)

8 **FOURTH CAUSE OF ACTION FOR DENIAL**

9 **(Failure to Meet Burden of Proving Qualification for Key Employee Licensure)**

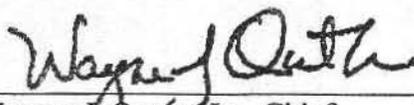
10 7. Respondent's license is subject to denial in that, allegations contained in paragraphs
11 4, 5 and 6 and incorporated herein by reference, demonstrate that Respondent is unqualified for
12 licensure and did not meet the burden of proving his qualifications to receive a key employee
13 license. (Bus. & Prof. Code, §§ 19823, subd. (b), 19856 & 19857; Cal. Code. Regs., tit. 4, §§
14 12355, subs. (a)(1), (b)(2) & 12060, subd. (i).)

15 **PRAYER**

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

- 18 1. Deny a key employee license to Vicente Lopez; and,
19 2. Take such other and further action as the Commission may deem appropriate.

20
21 Dated: February 17, 2015


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

1 fine upon any person licensed or approved. The commission may
2 condition, restrict, discipline, or take action against the license of an
3 individual owner endorsed on the license certificate of the gambling
4 enterprise whether or not the commission takes action against the
5 license of the gambling enterprise.

6 * * *

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

10 4. Business and Professions Code section 19854, provides, in part:

11 (a) Every key employee shall apply for and obtain a key
12 employee license.

13 (b) No person may be issued a key employee license unless the
14 person would qualify for a state gambling license. [3]

15 **Specific Statutory and Regulatory Provisions**

16 5. Business and Professions Code, section 19801 provides, in part:

17 (h) Public trust and confidence can only be maintained by strict
18 comprehensive regulation of all persons, locations, practices,
19 associations, and activities related to the operation of lawful
20 gambling establishments and the manufacture and distribution of
21 permissible gambling equipment.

22 (i) All gambling operations, all persons having a significant
23 involvement in gambling operations, all establishments where
24 gambling is conducted, and all manufacturers, sellers, and
25 distributors of gambling equipment must be licensed and regulated
26 to protect the public health, safety, and general welfare of the
27 residents of this state as an exercise of the police powers of the
28 state.

* * *

(k) In order to effectuate state policy as declared herein, it is
necessary that gambling establishments, activities, and equipment
be licensed, that persons participating in those activities be licensed
or registered, that certain transactions, events, and processes
involving gambling establishments and owners of gambling

³ "State gambling license" is defined as any license issued by the state that authorizes the person named therein to conduct a gambling operation. (Bus. & Prof. Code, § 19805, subd. (p).)

1 establishments be subject to prior approval or permission, that
2 unsuitable persons not be permitted to associate with gambling
3 activities or gambling establishments Any license or permit
4 issued, or other approval granted pursuant to this chapter, is
declared to be a revocable privilege, and no holder acquires any
vested right therein or thereunder.

5 6. Business and Professions Code section 19850 provides:

6 Every person who, either as owner, lessee, or employee, whether
7 for hire or not, either solely or in conjunction with others, deals,
8 operates, carries on, conducts, maintains, or exposes for play any
9 controlled game in this state, or who receives, directly or indirectly,
10 any compensation or reward, or any percentage or share of the
11 money or property played, for keeping, running, or carrying on any
12 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. In any criminal prosecution for violation of this section,
the punishment shall be as provided in Section 337j of the Penal
Code.

13 7. Business and Professions Code section 19857 provides:

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

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

17 (b) A person whose prior activities, criminal record, if any,
18 reputation, habits, and associations do not pose a threat to the public
19 interest of this state, or to the effective regulation and control of
20 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.

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

23 8. Business and Professions Code section 19856 provides:

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

26 9. Business and Professions Code section 19870 provides:

27 (a) The commission, after considering the recommendation of
28 the chief and any other testimony and written comments as may be
presented at the meeting, or as may have been submitted in writing

1 to the commission prior to the meeting, may either deny the
2 application or grant a license to an applicant who it determines to
be qualified to hold the license.

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

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

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

10 (e) A decision of the commission denying a license or approval,
11 or imposing any condition or restriction on the grant of a license or
12 approval may be reviewed by petition pursuant to Section 1085 of
13 the Code of Civil Procedure. Section 1094.5 of the Code of Civil
14 Procedure shall not apply to any judicial proceeding described in
15 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.

16 10. California Code of Regulations, title 4, section 12054, subdivision (a)(2), provides:

17 (a) At a non-evidentiary hearing meeting, the Commission may
18 take, but is not limited to taking, one of the following actions:

19 * * *

20 (2) Elect to hold an evidentiary hearing in accordance
21 with Section 12056 and, when for a renewal application, issue an
22 interim renewal license pursuant to Section 12035. The
23 Commission shall identify those issues for which it requires
additional information or consideration related to the applicant's
suitability.

24 11. California Code of Regulations, title 4, section 12355 provides, in part:

25 (a) An application for a portable personal key employee license
26 shall be denied by the Commission if any of the following applies:

27 (1) The Commission finds that the applicant is ineligible,
28 unqualified, disqualified, or unsuitable pursuant to the criteria set
forth in the Act or other applicable law or that granting the license
would be inimical to public health, safety, welfare, or would

1 undermine the public trust that gambling operations are free from
2 criminal or dishonest elements.

3 (b) An application for a key employee license may be denied if:

4 * * *

5 (2) Commission finds that the applicant's past behavior
6 calls into question the applicant's qualification requirements and
7 considerations outlined in Business and Professions Code section
8 19856.

9 12. California Code of Regulations, title 4, section 12350 provides, in part:

10 (a) Except as provided in Business and Professions Code
11 section 19883 and Section 12354, no person may be associated with
12 a gambling enterprise as a key employee without a valid key
13 employee license issued by the Commission.

14 * * *

15 (c) Any person applying for a key employee license shall
16 submit the following:

17 (1) A completed "Application for Gambling
18 Establishment Key Employee License BGC-031 (Rev. 04/13)," which is attached in Appendix A to this chapter.
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