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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 an Initial Key  
Employee License:

**CGCC Case No: CGCC-2017-1207-5D**

**BGC Case No. BGC-HQ2017-00003**

15  
16 **ROBERT HENRY EZZELL**  
17 [REDACTED]

**STATEMENT OF REASONS**

18  
19 **Respondent.**

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21 Complainant alleges as follows:

22 **PARTIES**

23 1. Stephanie Shimazu (Complainant) brings this Statement of Reasons solely in her  
24 official capacity as the Director of the California Department of Justice, Bureau of Gambling  
25 Control (Bureau).

26 2. On June 17, 2014, the Bureau received an initial Application for Gambling  
27 Establishment Key Employee License and a Key Employee Supplemental Background  
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1 Investigation Information, with attached schedules, both dated June 10, 2014 (collectively,  
2 Application), from Robert Henry Ezzell (Respondent).

3 3. Respondent has been employed from November of 2011 to the present as a floor  
4 manager, a key employee position, at Paso Robles Central Coast, a licensed gambling  
5 establishment in Paso Robles, California, while his application for an initial key employee license  
6 was being processed.

7 4. On or about October 12, 2017, Respondent requested withdrawal of his Application  
8 pursuant to California Code of Regulations, title 4, section 12015.<sup>1</sup> On October 19, 2017, the  
9 California Gambling Control (Commission) denied Respondent's request to withdraw his  
10 Application.

11 5. On or about October 24, 2017, the Bureau submitted a Cardroom Key Employee  
12 Background Investigation Report to the Commission recommending Respondent's Application be  
13 denied.

14 6. On December 7, 2017, pursuant to California Code of Regulations, title 4, section  
15 12054, subdivision (a)(2), the Commission referred consideration of Respondent's Application to  
16 an evidentiary hearing to be held under the provisions of California Code of Regulations, title 4,  
17 section 12060.

18 7. On or about December 16, 2017, Respondent submitted a Notice of Defense, dated  
19 December 16, 2017.

20 **BURDEN OF PROOF**

21 8. Respondent has the burden of proving he is qualified to receive a key employee  
22 license. (Bus. & Prof. Code, § 19856, subd. (a).)

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<sup>1</sup> The statutes and regulations applicable to this Statement of Reasons are quoted in  
28 pertinent part in Appendix A.

1 **FIRST CAUSE FOR DENIAL OF APPLICATION**

2 **(Misdemeanor Criminal Convictions)**

3 9. Respondent's Application is subject to denial<sup>2</sup> because Respondent was convicted of  
4 the following:

5 a. On or about June 27, 2006, Respondent was convicted of violating Vehicle Code  
6 section 12500, subdivision (a), driving without a driver's license, a misdemeanor, in the case of  
7 *People v. Robert Ezzell Liv* (Super. Ct. Sonoma County, 2006, No. SCR490768).

8 b. On or about January 17, 1992, Respondent was convicted of violating Vehicle  
9 Code section 23152, subdivision (b), driving with 0.08 percent or more, by weight, of alcohol, a  
10 misdemeanor, in the case of *People v. Robert Ezzell* (Super. Ct. Santa Clara County, 1992, No.  
11 C9276325).

12 c. On or about August 13, 1988, Respondent was convicted of violating Vehicle  
13 Code section 23152, subdivision (b), driving with 0.08 percent or more, by weight, of alcohol, a  
14 misdemeanor, in the case of *People v. Robert Ezzell* (Super. Ct. Santa Clara County, 1988, No.  
15 A8844014).

16 d. On or about September 28, 1977, Respondent was convicted of violating Penal  
17 Code section 484, theft of personal property, a misdemeanor and a crime of moral turpitude, in the  
18 case of *People v. Robert Ezzell* (Mun. Ct., Bellflower Judicial Dist., L.A. County, 1977, No.  
19 M73440).

20 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b); Cal. Code. Regs., tit. 4, §§ 12355, subds.  
21 (a)(1), (b)(2)(A), & (c), & 12568, subds. (c)(3) & (c)(4).)

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26 <sup>2</sup> Respondent's application is subject to mandatory denial if Respondent is found to be  
27 unqualified or disqualified for licensure under any of the criteria found in Business and  
28 Professions Code sections 19857, subdivisions (a) or (b), or 19859. (Cal. Code. Regs., tit. 4, §  
12355, subd. (a)(1); see also, Bus. & Prof. Code, § 19823, Cal. Code. Regs., tit. 4, § 12568, subds.  
(c)(3) & (c)(4).)



1 (Bus. & Prof. Code, §§ 19856, 19857, 19872, subds. (b) & (d) and 19859, subds. (a), (b); Cal.  
2 Code. Regs., tit. 4, §§ 12012, 12355, subds. (b)(1), (2), (3)(A), and/or (c), & 12568, subds. (c)(3),  
3 (c)(4).)

4 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

5 **(Failure to Disclose, Delay in Disclosing, and/or Failure to Provide**  
6 **Requested Information to the Bureau)**

7 12. Respondent's Application is subject to denial<sup>5</sup> in that Respondent failed to provide  
8 complete information repeatedly requested by the Bureau, and failed to disclose and/or delayed  
9 disclosing information material to his qualification for licensure as follows:

10 a. Respondent failed to disclose and/or provide information related to state tax  
11 liens from Santa Clara County and San Mateo County;

12 b. Respondent failed to provide information related to payment or satisfaction of  
13 outstanding debt owed to the California Board of Equalization;

14 c. Respondent failed to provide information related to payment or satisfaction of  
15 the following outstanding debts in collections for health care services: (1) to Action Pro in the  
16 amounts of \$3,453.08, and \$1,108.49; and (2) to Central Financial Control – Twin Cities Hospital  
17 in the amount of \$10,800;

18 d. Respondent delayed providing information related to his September 28, 1977,  
19 conviction for violating Penal Code section 484, theft of personal property, a misdemeanor, in the  
20 case of *People v. Robert Ezzell* (Mun. Ct., Bellflower Judicial Dist., L.A. County, 1977, No.  
21 M73440);

22 e. Respondent failed to provide information related to payment of fines for his June  
23 27, 2006, conviction for violating Vehicle Code section 12500, subdivision (a), driving without a  
24 driver's license, a misdemeanor, in the case of *People v. Robert Ezzell Liv* (Super. Ct. Sonoma  
25 County, 2006, No. SCR490768); and

26 f. Respondent failed to disclose a lien filed by San Mateo County in the amount of  
27 \$1,226.

28 <sup>5</sup> See footnote 2, *supra*.

1 (Bus. & Prof. Code, §§ 19859, subds. (a) & (b), 19856, subds. (a) & (b) & 19857, subds. (a) & (b),  
2 19866; Cal. Code. Regs., tit. 4, §§ 12355, subds. (a)(1), (b)(2), & (c), & 12568, subds. (c)(3) &  
3 (c)(4).)

4 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

5 **(Negative Financial History – Outstanding Debts)**

6 13. Respondent’s Application is subject to denial<sup>6</sup> in that Respondent failed to satisfy the  
7 following outstanding debts:

8 a. Respondent failed to satisfy a Judgment in the amount of \$5,167.83 in the case  
9 of *Roma of Northern California v. Robert H. Ezzell*, (Super. Ct. Alameda County, 2010, No.  
10 VG10534680);

11 b. Respondent failed to satisfy an outstanding debt owed to the California Board of  
12 Equalization in the amount of \$409.21;

13 c. Respondent failed to satisfy an outstanding debt owed to Action Pro in the  
14 amounts of \$3,453.08 and \$1,108.49; and

15 d. Respondent failed to satisfy an outstanding debt owed to Central Financial  
16 Control – Twin Cities Hospital in the amount of \$10,800.

17 (Bus. & Prof. Code, §§ 19856, subd. (c) & 19857, subds. (a) & (b); Cal. Code. Regs., tit. 4, §§  
18 12355, subds. (a)(1), (b)(2), & (c), & 12568, subds. (c)(3) & (c)(4).)

19 **PRAYER**

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

22 1. Denying Respondent’s Application for Gambling Establishment Key Employee  
23 License; and

24 ///

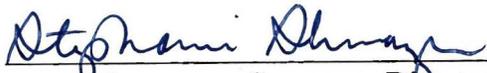
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28 <sup>6</sup> See footnote 2, *supra*.

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

Dated: August 3, 2018

  
STEPHANIE SHIMAZU, Director  
Bureau of Gambling Control  
California Department of Justice  
Complainant



1 person licensed or approved. The commission may condition, restrict,  
2 discipline, or take action against the license of an individual owner  
3 endorsed on the license certificate of the gambling enterprise whether  
4 or not the commission takes action against the license of the gambling  
5 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, subdivisions (a) and (b) provide:

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.

15 5. Business and Professions Code section 19870 provides:

16 (a) The commission, after considering the recommendation of  
17 the chief 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 or  
20 grant a license to an applicant who it determines to be qualified to hold  
21 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 prepare  
27 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

1 court finds that the action of the commission was arbitrary and  
2 capricious, or that the action exceeded the commission's jurisdiction.

3 6. Business and Professions Code section 19871 provides:

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

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

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

10 (A) To call and examine witnesses.

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

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

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

18 (E) To offer rebuttal evidence.

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

22 (4) The meeting need not be conducted according to  
23 technical rules relating to evidence and witnesses. Any relevant  
24 evidence may be considered, and is sufficient in itself to support a  
25 finding, if it is the sort of evidence on which responsible persons  
26 are accustomed to rely in the conduct of serious affairs, regardless  
27 of the existence of any common law or statutory rule that might  
28 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's<sup>[7]</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.

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<sup>7</sup> Hereinafter, "department" refers to the Department of Justice, Bureau of Gambling Control. (Bus. & Prof. Code, § 19805, subd. (h).)



1 (a) No member of the commission may communicate ex parte,  
2 directly or indirectly, with any applicant, or any agent, representative,  
3 or person acting on behalf of an applicant, upon the merits of an  
4 application for a license, permit, registration, or approval while the  
application is being investigated by the department or pending  
disposition before the department or the commission.

5 (b) No applicant, or any agent, representative, or person acting  
6 on behalf of an applicant, and no person who has a direct or indirect  
7 interest in the outcome of a proceeding to consider an application for a  
8 license, permit, registration, or approval may communicate ex parte,  
9 directly or indirectly, with any member of the commission, upon the  
merits of the application while the application is being investigated by  
the department or pending disposition before the department.

10 (c) No employee or agent of the department, applicant, or any  
11 agent, representative, or person acting on behalf of an applicant, and no  
12 person who has a direct or indirect interest in the outcome of a  
13 proceeding to consider an application for a license, permit, registration,  
or approval may communicate ex parte, directly or indirectly, with any  
member of the commission, upon the merits of the application, while  
the application is pending disposition before the commission.

14 (d) The receipt by a member of the commission of an ex parte  
15 communication prohibited by this section may provide the basis for  
16 disqualification of that member or the denial of the application. The  
commission shall adopt regulations to implement this subdivision.

17 (e) For the purposes of this subdivision, “ex parte” means a  
18 communication without notice and opportunity for all parties to  
participate in the communication.

19 (f) Nothing in this section precludes a communication made  
20 on the record at a public hearing on a properly agendized matter.

21 12. California Code of Regulations, title 4, section 12012 provides:

22 (a) For purposes of this section, “ex parte communication” or  
23 “ex parte” means a communication upon the merits of an application  
24 without notice and opportunity for all parties to participate in the  
communication.

25 (b) The limitations on ex parte communication imposed by  
26 Business and Professions Code section 19872, subdivisions (a) and (b)  
27 shall apply when an application is submitted to the Bureau for  
investigation until the Bureau report is issued to the Commission and  
the communication is upon the merits of the application.

28 (c) The limitations on ex parte communication imposed by

1 Business and Professions Code sections 19872, subdivisions (a) and (c)  
2 shall apply when the Bureau report is issued to the Commission until a  
3 decision is final pursuant to Section 12066 and the communication is  
upon the merits of the application.

4 (d) When the ex parte provisions of subsections (b) or (c) apply,  
the following communications shall not be considered ex parte:

5 (1) Communications related to undisputed issues of  
6 practice and procedure that are not upon the merits of an application.

7 (2) Communications made at a public hearing or meeting  
8 and which concern a properly noticed matter.

9 (3) Information or documents provided by the applicant  
10 upon the merits of an application pending disposition before the Bureau  
11 or Commission to an advisor or member of the Commission which is  
simultaneously provided to the Bureau or advocate of the Commission,  
if one has been designated.

12 (4) Information or documents provided by the Bureau or  
13 an advocate of the Commission, upon the merits of an application  
14 pending disposition before the Commission to an advisor or member of  
the Commission which is simultaneously provided to the applicant.

15 (5) Information or documents provided by any other  
16 interested person upon the merits of an application pending disposition  
17 before the Bureau or Commission to an advisor or member of the  
18 Commission which is simultaneously provided to both the Bureau and  
an advocate of the Commission, if one has been designated, and the  
applicant.

19 (6) Information or documents provided by the Bureau  
20 upon the merits of an application pending disposition before the  
21 Commission to an advisor or member of the Commission pursuant to  
22 Business and Professions Code section 19822, subdivision (b), but that  
cannot be provided to the applicant pursuant to Business and  
Professions Code section 19821, subdivision (d), and section 19868  
subdivisions (b)(3) and (c)(2), and which is provided as follows:

23 (A) The Bureau first provides redacted information  
24 or documents to both an advisor or member of the  
25 Commission and the applicant;

26 (B) If an advisor or member of the Commission  
27 requests an unredacted copy of the information or  
28 documents, the Commission shall provide a notice to the  
applicant, pursuant to Section 12006, allowing at least 14  
calendar days for the applicant to object and pursue any

1 appropriate judicial remedies to challenge the request and  
2 seek a judicial in camera review of the confidentiality and  
3 relevancy of the information;

4 (C) The Bureau shall provide the unredacted  
5 information or documents only to an advisor or member of  
6 the Commission and only after the time period specified to  
7 seek judicial review has elapsed, or the appropriate  
8 judicial remedies have been exhausted, whichever is later.

9 (e) The limitations on ex parte communication imposed by  
10 Government Code sections 11430.10 through 11430.80 shall apply  
11 from when:

12 (1) The Executive Director has elected to hold an  
13 evidentiary hearing under subsection (a) of Section 12060 until any  
14 decision is final pursuant to Section 12066;

15 (2) The Commission has elected to hold an evidentiary  
16 hearing under paragraph (2) of subsection (a) of Section 12054 until  
17 any decision is final pursuant to Section 12066; or,

18 (3) The Bureau has filed an accusatory pleading under  
19 Section 12554 or Business and Professions Code section 19930 until  
20 any decision is final pursuant to Government Code section 11519.

21 (f) If an applicant, the Bureau or other interested person or an  
22 advocate of the Commission, if one has been designated, communicates  
23 directly or indirectly on an ex parte basis with a member of the  
24 Commission, including indirectly through submission of information or  
25 documentation to an advisor of the Commission, then:

26 (1) All information, documentation and responses shall  
27 immediately be provided to the Bureau, or an advocate of the  
28 Commission, if one has been designated, and the applicant.

(2) That communication, if by the applicant, may be used  
as a basis for denial of the application pursuant to Business and  
Professions Code sections 19856, 19857 and subdivision (d) of section  
19872.

(3) Any meeting or hearing following the provision of  
this communication may be delayed as necessary to allow for the full  
participation of all parties.

(g) A member of the Commission who is involved in a  
communication on an ex parte basis with an applicant, the Bureau,  
other interested persons or an advocate of the Commission, if one has

1 been designated, must publicly disclose the communication, and  
2 provide notices to both the applicant and Bureau pursuant to Section  
3 12006. The notice shall contain any information or document(s)  
4 conveyed and shall be provided to the applicant and the Bureau as soon  
5 as possible so that they may participate in the communication. Any  
6 meeting or hearing following the provision of this communication may  
7 be delayed as necessary to allow for the full participation of all parties.  
8 The member of the Commission may voluntarily withdraw from  
9 consideration of an application as long as the withdrawal would not  
10 prevent the existence of a quorum qualified to act on the particular  
11 application.

12 (h) An advisor of the Commission may communicate and  
13 convey information or documents upon the merits of an application as  
14 long as it is simultaneously conveyed to the applicant, the Bureau, and  
15 the advocate of the Commission, if one has been designated, so that  
16 they may participate in the communication.

17 13. California Code of Regulations, title 4, section 12054, subdivision (a), provides:

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

20 (1) Issue a license, temporary license, interim license,  
21 registration, permit, finding of suitability, renewal or other  
22 approval.

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

(3) Table or continue an item for consideration at a  
subsequent meeting, for any purpose, including obtaining new or  
additional information from the applicant, Bureau or Commission  
staff, provided however in the case of renewals, the Commission  
must act on the application before the license expires.

(4) Extend a license for up to 180 calendar days as  
necessary, as provided in Business and Professions Code section  
19876, subdivision (c).

(5) Approve or deny a request for withdrawal pursuant to  
Section 12015.

1 (6) Make a finding of abandonment pursuant to subsection  
2 (c) of Section 12017.

3 (7) If the Bureau has filed an accusatory pleading with the  
4 Commission pursuant to Business and Professions Code section  
5 19930 prior to Commission action on a renewal application, the  
6 Commission shall issue an interim renewal license pursuant to  
7 Section 12035.

8 14. California Code of Regulations, title 4, section 12060, provides:

9 (a) If the Executive Director determines it is appropriate, he or  
10 she may set an application for consideration at a GCA hearing in  
11 advance of a meeting pursuant to Section 12054. The Executive  
12 Director shall give notice to the applicant, pursuant to paragraph (2)  
13 subsection (c) of Section 12052, to the Office of the Attorney General,  
14 and to the Bureau no later than 90 calendar days in advance of the GCA  
15 hearing. The Executive Director's determination will be based on  
16 information contained in the Bureau's report or other appropriate  
17 sources including, without limitation, a request from the Bureau or  
18 applicant as well as the Commission's operational considerations. The  
19 Commission retains the authority to refer the matter to an APA hearing  
20 pursuant to subsection (a) of Section 12056 or hear the matter at a  
21 Section 12054 meeting if the Commission deems it appropriate.

22 (b) When the Commission has elected to hold a GCA hearing,  
23 the Executive Director shall give notice to the applicant, pursuant to  
24 paragraph (2) subsection (c) of Section 12052, to the Office of the  
25 Attorney General, and to the Bureau no later than 60 calendar days in  
26 advance of the GCA hearing.

27 (c) The presiding officer shall have no communication with the  
28 Commission or Commission staff upon the merits, or upon information  
or documents related to the application prior to the evidentiary hearing.  
The Executive Director shall designate a presiding officer which shall  
be:

(1) A member of the Commission's legal staff; or,

(2) An Administrative Law Judge.

(d) The applicant or the complainant, or the applicant and the  
complainant, may request a continuance in writing to the Executive  
Director stating the reason for the continuance and any proposed future  
hearing dates. The Executive Director or Commission may approve the  
request.

(e) The complainant shall provide to the applicant, at least 45  
calendar days prior to the GCA hearing, and the applicant shall provide  
to the complainant, at least 30 calendar days prior to the GCA hearing,  
the following items:

1 (1) A list of potential witnesses with the general subject  
2 of the testimony of each witness;

3 (2) Copies of all documentary evidence intended to be  
4 introduced at the hearing and not previously provided;

5 (3) Reports or statements of parties and witnesses, if  
6 available; and

7 (4) All other written comments or writings containing  
8 relevant evidence.

9 (f) A presiding officer shall rule on the admissibility of  
10 evidence and on any objections raised except for objections raised  
11 under subsection (g). A ruling by the presiding officer shall be final.

12 (1) In advance of the GCA hearing, upon a motion of a  
13 party or by order of the presiding officer, the presiding officer  
14 may conduct a pre-hearing conference, either in person, via  
15 teleconference, or by email exchange, subject to the presiding  
16 officer's availability and shall issue a prehearing order if  
17 appropriate or requested by either party. The prehearing  
18 conference and order may address the following:

19 (A) Evidentiary issues;

20 (B) Witness and exhibit lists;

21 (C) Alterations in the Bureau recommendation;

22 (D) Stipulation for undisputed facts including the  
23 admission of the Bureau's report; and

24 (E) Other issues that may be deemed appropriate to  
25 promote the orderly and prompt conduct of the hearing.

26 (2) The GCA hearing need not be conducted according to  
27 technical rules of evidence. Any relevant evidence may be  
28 considered, and is sufficient in itself to support findings if it is the  
sort of evidence on which reasonable 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.

(g) The Commission may, at any time upon a showing of  
prejudice by the objecting party:

1 (1) Prohibit the testimony of any witness or the  
2 introduction of any documentary evidence that has not been  
disclosed pursuant to subsection (e); or

3 (2) Continue any meeting or hearing as necessary to  
4 mitigate any prejudice.

5 (h) The complainant shall present all facts and information in  
6 the Bureau report, if any, and the results of the Bureau's background  
7 investigation, and the basis for any recommendation, if the Bureau filed  
8 one with the Commission according to Business and Professions Code  
9 section 19868, to enable the Commission to make an informed decision  
on whether the applicant has met his, her, or its burden of proof. The  
complainant may but is not required to recommend or seek any  
particular outcome during the evidentiary hearing, unless it so chooses.

10 (i) The burden of proof is on the applicant at all times to prove  
11 his, her, or its qualifications to receive any license or other approval  
under the Act.

12 (j) The applicant may choose to represent himself, herself, or  
13 itself, or may retain an attorney or lay representative.

14 (k) Except as otherwise provided in subsection (g), the  
15 complainant and applicant shall have the right to call and examine  
16 witnesses under oath; to introduce relevant exhibits and documentary  
17 evidence; to cross-examine opposing witnesses on any relevant matter,  
18 even if the matter was not covered in direct examination; to impeach  
any witness, regardless of which party first called the witness to testify;  
and to offer rebuttal evidence. If the applicant does not testify on his,  
her or its own behalf, the applicant may be called and examined, under  
oath, as if under cross-examination.

19 (l) Oral evidence shall be taken upon oath or affirmation,  
20 which may be administered by the Executive Director, a member of the  
21 Commission, or the presiding officer, if an Administrative Law Judge.

22 (m) At the conclusion of the evidentiary hearing, the members  
23 of the Commission shall take the matter under submission, may discuss  
24 the matter in a closed session meeting, and may schedule future closed  
session meetings for deliberation.

25 15. California Code of Regulations, title 4, section 12354, subdivision (e)(5), provides:

26 (e) With ten day's advance written notice to the interim key  
27 employee and to the gambling enterprise, the Executive Director shall  
cancel the interim key employee license based upon the following.

28 \* \* \*

1 (5) A Bureau recommendation of denial of the  
2 applicant's key employee application.

3 16. California Code of Regulations, title 4, section 12355 provides:

4 (a) An application for a portable personal key employee license  
5 shall be denied by the Commission if any of the following applies.

6 (1) The Commission finds that the applicant is ineligible,  
7 unqualified, disqualified, or unsuitable pursuant to the criteria set  
8 forth in the Act or other applicable law or that granting the license  
9 would be inimical to public health, safety, welfare, or would  
10 undermine the public trust that gambling operations are free from  
11 criminal or dishonest elements.

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

13 (1) The Commission finds that an applicant has  
14 attempted to communicate or has communicated ex parte, as that  
15 term is defined in Business and Professions Code section 19872,  
16 subdivision (e), with one or more Commissioners, through direct  
17 or indirect means, regarding the merits of the application while  
18 the application is pending disposition at the Bureau or the  
19 Commission.

20 (2) The Commission finds that the applicant's past  
21 behavior calls into question the applicant's qualification  
22 requirements and considerations outlined in Business and  
23 Professions Code section 19856. Examples of past behavior that  
24 may be considered include, but are not limited to:

25 (A) Convictions which demonstrate a pattern of  
26 disregard for the law.

27 (B) A conviction involving gambling or gambling-  
28 related activities,

(C) A final administrative decision concluding that  
there was a violation of law involving gambling or  
gambling-related activities, or

(D) A conviction regarding or final administrative  
decision concluding that there was a violation of campaign  
finance disclosure or contribution limitations applicable to  
an election conducted pursuant to Business and Professions  
Code section 19960.

(3) The Commission finds that the applicant has, within ten years  
immediately preceding the submission of the application, willfully or  
persistently violated any of the following:

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(A) Any regulation adopted by the Commission or Bureau.

(B) Any condition, limitation, or directive imposed on a previously held gambling or key employee license.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute or any grounds that would support revocation under chapter 10 of these regulations.

17. California Code of Regulations, title 4, section 12568, subs. (c)(3) and (c)(4), provide:

(c) A state gambling license, finding of suitability, or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to revocation by the Commission on any of the following grounds:

\* \* \*

(3) If the Commission finds the holder no longer meets any criterion for eligibility, qualification, suitability or continued operation, including those set forth in Business and Professions Code sections 19857, 19858, or 19880, as applicable, or

(4) If the Commission finds the holder currently meets any of the criteria for mandatory denial of an application set forth in Business and Professions Code sections 19859 or 19860.