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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION
STATE OF CALIFORNIA

**In the Matter of the Statement of Issues
Against:**
KEITH MILLER
5090 Brookdale Circle
Fairfield, CA 94534
LICENSE NUMBER GEOW-003097

BGC Case No. HQ2012-00020AL
OAH No.
STATEMENT OF ISSUES

Complainant alleges as follows:

PARTIES

- Wayne J. Quint, Jr. (Complainant) brings this Statement of Issues solely in his official capacity as the Chief of the California Department of Justice, Bureau of Gambling Control (Bureau).
- On or about February 1, 2012, the California Gambling Control Commission (Commission) received an Application for a State Gambling License (application) submitted by

1 Keith Miller (Respondent), license number GEOW-003097, to renew his endorsement on the
2 license for Napa Valley Casino, license number GECE-001279, which is located in American
3 Canyon, California.

4 3. At its December 13, 2012 meeting, the Commission voted to deny Respondent's
5 application.

6 4. At the December 13, 2012 Commission meeting, Respondent verbally requested a
7 hearing regarding the Commission's denial of his renewal application.

8 5. Respondent's license expired on December 31, 2012.

9 **JURISDICTION**

10 6. Business and Professions Code section 19811 provides, in part:

11 (b) Jurisdiction, including jurisdiction over operation and
12 concentration, and supervision over gambling establishments in this state
13 and over all persons or things having to do with the operations of gambling
14 establishments is vested in the commission.

15 7. Business and Professions Code section 19823 provides:

16 (a) The responsibilities of the commission include, without limitation,
17 all of the following:

18 (1) Assuring that licenses, approvals, and permits are not issued to,
19 or held by, unqualified or disqualified persons, or by persons whose
20 operations are conducted in a manner that is inimical to the public
21 health, safety, or welfare.

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

27 (b) For the purposes of this section, "unqualified person" means a
28 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.

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

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

3 * * *

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

9 * * *

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

12 9. Business and Professions Code section 19826 provides, in part:

13 The department¹ . . . shall have all of the following responsibilities:

14 * * *

15 (c) To investigate suspected violations of this chapter or laws of this
16 state relating to gambling

17 * * *

18 (e) To initiate, where appropriate, disciplinary actions as provided in
19 this chapter. In connection with any disciplinary action, the department may
20 seek restriction, limitation, suspension, or revocation of any license or
approval, or the imposition of any fine upon any person licensed or
approved.

21 COST RECOVERY

22 10. Business and Professions Code section 19930 provides, in part:

23 * * *

24 (d) In any case in which the administrative law judge recommends that
25 the commission revoke, suspend, or deny a license, the administrative law
26 judge may, upon presentation of suitable proof, order the licensee or
applicant for a license to pay the department the reasonable costs of the
investigation and prosecution of the case.

27 * * *

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

1 (f) For purposes of this section, "costs" include costs incurred for any
2 of the following:

3 (1) The investigation of the case by the department.

4 (2) The preparation and prosecution of the case by the Office of
5 the Attorney General.

6 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

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

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

10 12. Business and Professions Code section 19857 provides:

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

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

15 (b) A person whose prior activities, criminal record, if any,
16 reputation, habits, and associations do not pose a threat to the public
17 interest of this state, or to the effective regulation and control of
18 controlled gambling, or create or enhance the dangers of unsuitable,
19 unfair, or illegal practices, methods, and activities in the conduct of
20 controlled gambling or in the carrying on of the business and financial
21 arrangements incidental thereto.

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

24 13. Business and Professions Code section 19859 provides, in part:

25 The commission shall deny a license to any applicant who is
26 disqualified for any of the following reasons:

27 (a) Failure of the applicant to clearly establish eligibility and
28 qualification in accordance with this chapter.

(b) Failure of the applicant to provide information,
documentation, and assurance required by this chapter or requested by
the Chief, or failure of the applicant to reveal any fact material to
qualification, or the supplying of information that is untrue or
misleading as to a material fact pertaining to the qualification criteria.

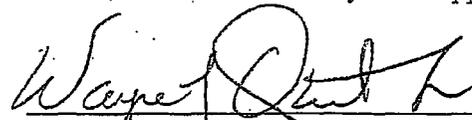
1 and control of controlled gambling. Respondent has failed to demonstrate that his prior activities,
2 reputation, habits and/or associations do not create or enhance the dangers of unsuitable, unfair,
3 or illegal practices, methods, and activities in the conduct of controlled gambling or in the
4 carrying on of the business and financial arrangements incidental thereto. Among other things,
5 Respondent's application disclosed federal tax liens exceeding \$433,000 and a state tax lien
6 exceeding \$95,000. An investigation revealed that those liens arose as result of Respondent's
7 failure to pay taxes. Respondent's application materially overstated his net worth by valuing his
8 interest in Napa Valley Casino at \$5 million when, in fact, the market value of that interest was
9 substantially less. When directed by the commission to provide information, Respondent failed to
10 so. When requested by the department and the Chief to provide information, Respondent failed to
11 do so. Prior to submitting his application for renewal, Respondent failed to comply with
12 conditions previously placed on his license by the commission.

13 PRAYER

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

- 16 1. Denying the Application for a State Gambling License submitted by Keith Miller,
17 license number GEOW-003097, to renew his endorsement on the license for Napa Valley Casino,
18 license number GEGE-001279;
- 19 2. Awarding Complainant the costs of investigation and costs of bringing this Statement
20 of Issues before the Commission, pursuant to Business and Professions Code section 19930,
21 subdivisions (d) and (f), in a sum according to proof; and
- 22 3. Taking such other and further action as the Commission may deem appropriate.

23
24 Dated: May 17, 2013

25 
26 WAYNE J. QUINT, JR., Chief
27 Bureau of Gambling Control
28 California Department of Justice