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9 **BEFORE THE**  
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**  
11 **STATE OF CALIFORNIA**

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13  
14 **In the Matter of the Statement of Reasons  
for Denial of Work Permit Regarding:**

BGC Case No. HQ2016-00004SL

CGGC Case No. 2016-0225-12A

15  
16 **SHAWN KALANI KAHANU**

17 

**STATEMENT OF REASONS**

18 **Work Permit No. GEWP-001289**

19  
20 **Respondent.**

21  
22 Complainant alleges as follows:

23 **PARTIES**

24 1. Wayne J. Quint, Jr. (Complainant) brings this Statement of Reasons for Denial of  
25 Work Permit Application solely in his official capacity as Chief of the California Department of  
26 Justice, Bureau of Gambling Control (Bureau).

27 2. On or about August 10, 2007, Shawn Kalani Kahanu (Respondent) filed an  
28 Application for Initial Regular Work Permit/Temporary Work Permit, CGCC-021 (Rev. 12/06),

1 (2007 Application) with the California Gambling Control Commission (Commission) for a Work  
2 Permit.

3 3. On or about August 13, 2007, the Commission issued Respondent a Temporary  
4 Work Permit number, GEWP-001289.

5 4. On or about October 26, 2007, the Respondent's Temporary Work Permit was  
6 cancelled pursuant to California Code of Regulations, title 4, section 12128, subdivision (b)(1),  
7 and section 12122, subdivision (c)(2)(E), as a result of the Bureau's discovery of Respondent's  
8 misdemeanor conviction on June 28, 2007, of Penal Code section 273.5, subdivision (a),  
9 infliction of corporal injury to a cohabitant, a misdemeanor crime of moral turpitude, in the case  
10 of *People of the State of California v. Shawn Kalani Kahanu* (Super. Ct. San Luis Obispo County,  
11 2007, No. M401706).<sup>1</sup>

12 5. On or about January 18, 2008, the Bureau informed Respondent that it  
13 recommended denial of his 2007 Application.

14 6. On or about April 4, 2008, the Commission advised Respondent that on March 27,  
15 2008 the Commission voted to deny his Application for Initial Regular Work Permit/Temporary  
16 Work Permit. The Respondent did not request an evidentiary hearing.

17 7. On or about June 19, 2015, Respondent filed an Application for Initial Regular  
18 Work Permit/Temporary Work Permit, BGC-021 (Rev. 04/13) (Application), with the Bureau.

19 8. On or about July 13, 2015, the Commission notified Respondent he is ineligible to  
20 hold a temporary work permit pursuant to California Code of Regulations, title 4, section 12122,  
21 subdivisions (c)(2)(E)(3) and (4) as a result of his June 28, 2007 misdemeanor conviction of  
22 Penal Code section 273.5, subdivision (a), infliction of corporal injury to a cohabitant, the denial  
23 of his 2007 Application, and the revocation of two work permits from local jurisdictions, Grover  
24 Beach Police Department and Paso Robles Police Department.

25 9. At its February 25, 2016 meeting, the Commission referred the question of  
26 Respondent's suitability for a work permit to an evidentiary hearing.

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



PRAYER

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

1. Denying Respondent's application for a regular work permit; and,
2. Taking such other and further action as the Commission may deem appropriate.

Dated: September 19, 2016

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





1           7. Business and Professions Code section 19857 provides:

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

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

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

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

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

16   \* \* \*

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

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

24           9. Business and Professions Code section 19866, provides:

25                   An applicant for licensure or for any approval or consent required by  
26 this chapter, shall make full and true disclosure of all information to the  
27 department and the commission as necessary to carry out the policies of  
28 this state relating to licensing, registration, and control of gambling.

1           10. Business and Professions Code section 19870 provides:

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

1 may deem necessary in the public interest, consistent with the policies  
2 described in this chapter.

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

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

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

16 11. Business and Professions Code section 19871 provides:

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

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

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

23 (A) To call and examine witnesses.

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

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

(D) To impeach any witness, regardless of  
which party 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 finding, if it is the sort of evidence on  
which responsible persons are accustomed to rely in the  
conduct of serious affairs, regardless of the existence of any

1 common law or statutory rule that might make improper the  
2 admission of that evidence over objection in a civil action.

3 (b) Nothing in this section confers upon an applicant a right to  
4 discovery of the department's<sup>2</sup> investigative reports or to require  
5 disclosure of any document or information the disclosure of which is  
6 otherwise prohibited by any other provision of this chapter.

7 12. Business and Professions Code section 19912 provides, in part:

8 (a) (1) A person shall not be employed as a gambling enterprise  
9 employee, or serve as an independent agent, except as provided in  
10 paragraph (2), unless he or she is the holder of one of the following:

11 (A) A valid work permit issued in accordance with  
12 the applicable ordinance or regulations of the county, city,  
13 or city and county in which his or her duties are performed.

14 (B) A work permit issued by the commission  
15 pursuant to regulations adopted by the commission for the  
16 issuance and renewal of work permits. A work permit  
17 issued by the commission shall be valid for two years.

18 \* \* \*

19 (d) Application for a work permit for use in any jurisdiction where a  
20 locally issued work permit is not required by the licensing authority of a  
21 city, county, or city and county shall be made to the department, and may  
22 be granted or denied for any cause deemed reasonable by the commission.  
23 If the commission denies the application, it shall include in its notice of  
24 denial a statement of facts upon which it relied in denying the application.  
25 Upon receipt of an application for a work permit, the commission may  
26 issue a temporary work permit for a period not to exceed 120 days, pending  
27 completion of the background investigation by the department and official  
28 action by the commission with respect to the work permit application.

(e) An order of the commission denying an application for, or placing  
restrictions or conditions on, a work permit, including an order declining to  
issue a work permit following review pursuant to paragraph (3) of  
subdivision (c), may be reviewed in accordance with subdivision (e) of  
Section 19870.

13 California Code of Regulations, title 4, section 12054, provides, in part:

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

16 \* \* \*

17 <sup>2</sup> "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.  
18 (h).)

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

5 14. California Code of Regulations, title 4, section 12060, provides, in part:

6 (a) If the Executive Director determines it is appropriate, he or she  
7 may set an application for consideration at a GCA hearing in advance of a  
meeting pursuant to Section 12054. . . .

8 \* \* \*

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

11 15. California Code of Regulations, title 4, section 12105 provides, in part:

12 (a) An application for a work permit shall be denied by the  
13 Commission if either of the following applies:

14 \* \* \*

15 (2) The applicant is found unqualified pursuant to the  
16 criteria set forth in subdivisions (a) or (b) of Business and  
Professions Code section 19857.

17 \* \* \*

18 (c) The grounds for denial set forth in this section apply in  
19 addition to any grounds prescribed by statute.

20 (d) The criteria set forth in this section shall constitute grounds  
21 for objection to the issuance of a work permit by a city, county, or city  
and county pursuant to Business and Professions Code section 19912.

22 16. California Code of Regulations, title 4, section 12122 provides, in part:

23 The Executive Director shall issue a temporary work permit if all of the  
24 following requirements are met:

25 \* \* \*

26 (c) Neither the application in its entirety nor the results of the  
27 investigation of the applicant reported by the Bureau to the  
28 Commission up until the date of issuance of the temporary work  
permit discloses any of the following:

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(1) The applicant has been convicted of any felony.

(2) The applicant has, within the 10-year period immediately preceding the submission of the application, been convicted of any of the following offenses, not including convictions which have been expunged or dismissed as provided by law:

\* \* \*

(E) A misdemeanor involving dishonesty or moral turpitude.

(3) The applicant has had an application or a gambling license to work permit denied.

(4) The applicant has had a gambling license or work permit revoked.

17. California Code of Regulations, title 4, section 12128 provides, in part:

(b) A temporary work permit shall be cancelled by the Executive Director at any time if any of the following applies:

(1) The Commission determines that it has received reliable information that the holder of the temporary work permit is ineligible under subsection (c) of Section 12122, has failed to reveal any fact material to the holder's qualification for a temporary work permit, or has supplied information to the Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of temporary work permits.