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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**
14 **for Denial of Work Permit Application**
Regarding:

15 **Stephen Alf Sottero**
16 

17 **Work Permit number GEWP-001349**

18 **Respondent.**

BGC Case No. SOT GEWP-001349

CGCC No. _____

19 **STATEMENT OF REASONS**

20 **Complainant alleges as follows:**

21 **PARTIES**

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

25 2. On or about April 9, 2008, the California Gambling Control Commission
26 (Commission) received an Application for Initial Regular Work Permit/Temporary Work Permit
27 from Respondent Stephen Alf Sottero (Respondent).

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

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

6 * * *

7 (b) For any cause deemed reasonable by the commission, deny
8 any application for a license, permit, or approval provided for in this
9 chapter or regulations adopted pursuant to this chapter, limit, condition,
10 or restrict any license, permit, or approval, or impose any fine upon any
11 person licensed or approved. . . .

12 * * *

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

16 9. Business and Professions Code section 19870 provides:

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

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

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

(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 10. Business and Professions Code section 19871 provides:

4 (a) The commission meeting described in Section 19870 shall be
5 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 the
12 case.

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

16 (D) To impeach any witness, regardless of which party
17 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 behalf,
20 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's¹ investigative reports or to require

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

1 disclosure of any document or information the disclosure of which is
2 otherwise prohibited by any other provision of this chapter.

3 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

4 11. California Code of Regulations, title 4, section 12105:

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

7 (1) The applicant meets any of the criteria for mandatory
8 disqualification under Business and Professions Code section 19859.

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

12 (b) An application for a work permit may be denied by the
13 Commission if it finds any of the following:

14 (1) Cause set forth in Business and Professions Code section
15 19914, subdivision (a), paragraphs (1) through (9), inclusive.

16 * * *

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

19 * * *

20 (e) The provisions of Business and Professions Code sections 19857,
21 19859, and 19914, subdivision (a) shall be deemed incorporated by reference
22 into this regulation for the purposes set forth in this section. For the purposes
23 of this section, the criteria incorporated by reference in these regulations from
24 Business and Professions Code section 19914, subdivision (a), apply to
25 conduct or events occurring prior to the filing of an application for a work
26 permit.

27 12. Business and Professions Code section 19857 provides:

28 No gambling license shall be issued unless, based on all of 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.

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

1 gambling, or create or enhance the dangers of unsuitable, unfair, or illegal
2 practices, methods, and activities in the conduct of controlled gambling or
3 in the carrying on of the business and financial arrangements incidental
4 thereto.

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

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

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

10 (b) Failure of the applicant to provide information,
11 documentation, and assurances required by this chapter or requested by
12 the chief, or failure of the applicant to reveal any fact material to
13 qualification, or the supplying of information that is untrue or misleading
14 as to a material fact pertaining to the qualification criteria.

15 14. Business and Professions Code section 19914 provides in part:

16 (a) The commission may revoke a work permit . . . if the commission
17 finds that the employee or independent agent, subsequent to being issued a
18 work permit, has done any of the following:

19 * * *

20 (7) Been refused the issuance of any license, permit, or approval
21 to engage in or be involved with gambling or parimutuel wagering in
22 any jurisdiction, or had the license, permit, or approval revoked or
23 suspended.

24 **FIRST CAUSE FOR DENIAL OF APPLICATION**

25 **(State of Washington: License Suspension and Order Prohibiting Gambling Activities)**

26 15. Respondent's work permit application is subject to denial pursuant to Business and
27 Professions Code section 19914, subdivision (a)(7), made applicable to work permit applications
28 by California Code of Regulations, title 4, section 12105, subdivisions (a), (b), (c) and (e), in that:

a. On or about October 28, 2005, Respondent's Washington State Gambling
Commission public card room employee license was summarily suspended in connection with
certain embezzlement allegations in *In the Matter of the Summary Suspension of the License to
Operate Gambling Activities of: Steven A. Sottero, Licensee, State of Washington Gambling
Commission* proceeding No. CR 2005-01849; and

1 b. On or about January 10, 2006, Respondent was ordered, *In the Matter of the*
2 *Revocation of the License to conduct Gambling Activities of: Stephen A. Sottero, Licensee, State*
3 *of Washington Gambling Commission* proceeding No. CR 2005-01849, to have no involvement,
4 directly or indirectly, whether paid or unpaid, in the operation, ownership, or financing of any
5 business in Washington State which is applying for, or holds, a gambling license, or is involved
6 with any gambling activity, including punchboard/pull-tab activity.

7 **SECOND CAUSE FOR DENIAL OF APPLICATION**

8 **(State of Nevada: Refusal of Gambling License)**

9 16. Respondent's work permit application is subject to denial pursuant to Business and
10 Professions Code section 19914, subdivision (a)(7), made applicable to work permit applications
11 by California Code of Regulations, title 4, section 12105, subdivisions (b) and (e), in that on or
12 about September 8, 2006, in Nevada Gaming Control Board Case No. 2006-7573L, following a
13 hearing, the Nevada Gaming Control Commission sustained an objection by the Nevada Gaming
14 Control Board to Respondent's registration as a gaming employee in connection with his
15 application seeking the issuance of a gaming work permit to work as a poker supervisor at the
16 Venetian Hotel in Las Vegas and denied Respondent's application for registration.

17 **THIRD CAUSE FOR DENIAL OF APPLICATION**

18 **(Respondent's Lack of Requisite Good Character, Honesty, and Integrity)**

19 17. Complainant incorporates by this reference each and every allegation contained in
20 paragraphs 15 and 16, above, as though set forth here in full.

21 18. Respondent's work permit application is subject to denial pursuant to Business and
22 Professions Code sections 19857 and 19859, made applicable to work permit applications by
23 California Code of Regulations, title 4, section 12105, in that Respondent failed to meet his
24 burden of establishing that he is a person of good character, honesty, and integrity, that he is a
25 person whose prior activities, reputation and habits do not pose a threat to the public interest of
26 this state, and that he is in all other respects qualified to be licensed as provided in the Gambling
27 Control Act.

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1. Denying the application of Stephen Alf Sottero for a work permit; and
2. Taking such other and further action as the Commission may deem appropriate.

Dated: December TH16, 2013



WAYNE J. QUINT, JR., Chief
Bureau of Gambling Control
California Department of Justice

Complainant