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8
9 **BEFORE THE**
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**
11 **STATE OF CALIFORNIA**

12
13 **In the Matter of the Application for**
14 **Approval of Initial State Gambling License**
15 **for Oasis Card Room (GEGE-001339) of:**

16 **TODD J. MATHER**
17 

18 **GEOW-003450,**

Applicant.

BGC Case No. BGC-HQ2015-00010SL

CGCC Case No. CGCC-2015-0326-4

STATEMENT OF REASONS

19
20 Complainant alleges as follows:

21 **PARTIES**

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

25 2. On January 17, 2013, Todd J. Mather (Respondent) submitted an initial
26 Application for State Gambling License (Application) to the California Gambling Control
27 Commission (Commission). Respondent is the sole proprietor of the Oasis Card Room (Oasis),
28 license number GEGE-001339. Respondent was issued a temporary license (GEOW-003450) to

1 operate Oasis, which is a three-table gambling establishment located at 117 East Ridgecrest
2 Boulevard, Ridgecrest, California.

3 3. On March 26, 2015, the Commission considered Respondent's Application, and
4 referred the matter to an evidentiary hearing pursuant to California Code of Regulations, title 4,
5 section 12054, subdivision (a)(2).

6 **JURISDICTION**

7 4. The Commission has jurisdiction over the operation and concentration of gambling
8 establishments and all persons and things having to do with the operation of gambling
9 establishments. (Bus. & Prof. Code, § 19811, subd. (b).)¹ The Commission's responsibilities
10 include assuring that licenses are not issued to unqualified or disqualified persons and that no
11 unqualified or disqualified person is materially involved with a licensed gambling operation.
12 (Bus. & Prof. Code, § 19823, subd. (a).) The Commission has all powers necessary and proper to
13 carry out the Gambling Control Act's policies and purposes, including the powers to deny any
14 application for a license and to take actions to ensure that no ineligible, unqualified, disqualified,
15 or unsuitable persons are associated with controlled gambling activities. (Bus. & Prof. Code, §
16 19824, subs. (b) & (d).)

17 **FIRST CAUSE FOR DENIAL OF APPLICATION**

18 **(Unqualified for Licensure)**

19 5. Respondent's Application is subject to denial pursuant to Business and Professions
20 Code section 19857, subdivisions (a) and (b), and California Code of Regulations, title 4, section
21 12346, subdivision (a)(1). He is not a person of good character, honesty, and integrity. His prior
22 activities and business methods demonstrate that he poses a threat to the public interest of this
23 state, or to the effective regulation and control of controlled gambling. His prior activities and
24 business methods demonstrate that he creates or enhances the dangers of unsuitable, unfair, or
25 illegal practices, methods, and activities in the conduct of controlled gambling. This includes,
26 without limitation, the following:

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

- 1 a. Respondent provided untrue and misleading information to the Bureau with
2 respect to purported loans.
- 3 b. Respondent provided unreliable financial information and documents to the
4 Bureau.
- 5 c. Respondent provided the Bureau with contradictory explanations regarding
6 financial information and documents.
- 7 d. Respondent failed to make full and true disclosure of all information as necessary
8 to carry out the state's policies relating to licensing and control of gambling.

9 **SECOND CAUSE FOR DENIAL OF APPLICATION**

10 **(Disqualified from Licensure)**

11 6. Respondent's Application is subject to denial pursuant to Business and Professions
12 section 19859, subdivisions (a) and (b), and California Code of Regulations, title 4, section
13 12346, subdivision (a)(1). He has failed to clearly establish his eligibility and qualification in
14 accordance with the Gambling Control Act. He supplied information that was untrue or
15 misleading as to a material fact pertaining to the qualification criteria. This includes, without
16 limitation, the following:

- 17 a. Respondent provided untrue and misleading information to the Bureau with
18 respect to purported loans.
- 19 b. Respondent provided unreliable financial information and documents to the
20 Bureau.
- 21 c. Respondent provided the Bureau with contradictory explanations regarding
22 financial information and documents.
- 23 d. Respondent failed to make full and true disclosure of all information as necessary
24 to carry out the state's policies relating to licensing and control of gambling.
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PRAYER

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

1. Denying Respondent's Application; and
2. Taking such other and further action as the Commission may deem appropriate.

Dated: November 23 2015



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

1 **APPENDIX A – STATUTORY AND REGULATORY PROVISIONS**

2 **Jurisdictional Provisions**

3 1. Business and Professions Code section 19811 provides, in part:

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

8 2. Business and Professions Code section 19823 provides:

9 (a) The responsibilities of the commission include, without limitation,
10 all of the following:

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

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

20 (b) For the purposes of this section, “unqualified person” means a
21 person who is found to be unqualified pursuant to the criteria set forth in
22 Section 19857, and “disqualified person” means a person who is found to be
23 disqualified pursuant to the criteria set forth in Section 19859.

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

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

28 [¶] . . . [¶]

(b) For any cause deemed reasonable by the commission, . . . limit,
condition, or restrict any license, permit, or approval, or impose any fine
upon any person licensed or 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.

[¶] . . . [¶]

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

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

5 The department^[2] . . . shall have all of the following responsibilities:

6 (a) To receive and process applications for any license, permit, or other
7 approval, and to collect all related fees. The department shall investigate the
8 qualifications of applicants before any license, permit, or other approval is
9 issued, and investigate any request to the commission for any approval that
10 may be required pursuant to this chapter. The department may recommend
11 the denial or limitation, conditioning, or restriction on any license, permit, or
12 other approval.

13 **Specific Statutory and Regulatory Provisions**

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

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

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

25 [¶] . . . [¶]

26 (k) In order to effectuate state policy as declared herein, it is
27 necessary that gambling establishments, activities, and equipment be
28 licensed, that persons participating in those activities be licensed or
registered, that certain transactions, events, and processes involving
gambling establishments and owners of gambling establishments be subject
to prior approval or permission, that unsuitable persons not be permitted to
associate with gambling activities or gambling establishments Any
license or permit 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.

29 ² “Department” refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.
30 (h).)

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6. Business and Professions Code section 19850 provides, in part:

Every person . . . who receives, directly or indirectly, any compensation or reward, or any percentage or share of the money or property played, for keeping, running, or carrying on any 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 In any criminal prosecution for violation of this section, the punishment shall be as provided in Section 337j of the Penal Code.

7. Business and Profession Code section 19851 provides:

(a) The owner of a gambling enterprise shall apply for and obtain a state gambling license. The owner of a gambling enterprise shall be known as the owner-licensee.

8. Business and Professions Code section 19856 provides:

(a) Any person who the commission determines is qualified to receive a state license, having due consideration for the proper protection of the health, safety, and general welfare of the residents of the State of California and the declared policy of this state, may be issued a license. The burden of proving his or her qualifications to receive any license is on the applicant.

(b) An application to receive a license constitutes a request for a determination of the applicant's general character, integrity, and ability to participate in, engage in, or be associated with, controlled gambling.

(c) In reviewing an application for any license, the commission shall consider whether issuance of the license is inimical to public health, safety, and welfare, and whether issuance of the license will undermine public trust that the gambling operations with respect to which the license would be issued are free from criminal and dishonest elements and would be conducted honestly.

9. Business and Professions Code section 19857 provides:

No gambling license shall be issued unless, based on all 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

1 interest of this state, or to the effective regulation and control of controlled
2 gambling, or create or enhance the dangers of unsuitable, unfair, or illegal
3 practices, methods, and activities in the conduct of controlled gambling or
4 in the carrying on of the business and financial arrangements incidental
5 thereto.

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

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

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

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

13 (b) Failure of the applicant to provide information, documentation,
14 and assurances required by the Chief, or failure of the applicant to reveal
15 any fact material to qualification, or the supplying of information that is
16 untrue or misleading as to a material fact pertaining to the qualification
17 criteria.

18 11. Business and Professions Code section 19866 provides:

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

23 12. California Code of Regulations, title 4, section 12346, provides, in part:

24 (a) An application for a gambling license shall be denied by the
25 Commission if any of the following apply:

26 (1) The Commission finds that the applicant is ineligible,
27 unqualified, disqualified, or unsuitable pursuant to the criteria set
28 forth in the Act³ or other applicable law or that granting the
license would be inimical to public health, safety, welfare, or
would undermine the public trust that gambling operations are
free from criminal and dishonest elements.

³ "Act" refers to the Gambling Control Act, Business and Professions Code, section 19800, et seq.).