

1 KAMALA D. HARRIS
Attorney General of California
2 SARA J. DRAKE
Senior Assistant Attorney General
3 RONALD L. DIEDRICH
Deputy Attorney General, SBN 95146
4 1300 I Street, Suite 125
P.O. Box 944255
5 Sacramento, CA 94244-2550
Telephone: (916) 322-1043
6 Fax: (916) 327-2319
E-mail: Ronald.Diedrich@doj.ca.gov
7 *Attorneys for Complainant*

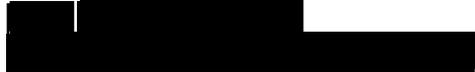
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CALIFORNIA GAMBLING CONTROL COMMISSION

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 License Application and
Cancellation of Registration Regarding:

BGC Case No. BGC-HQ2013-00008SL
CGCC Case No: CGCC-2013-1121-10C-2

15 **RENE VIDALES**
16 

STATEMENT OF REASONS

17
18 Registration Nos. TPPL-009803

19 Respondent.
20

21 Complainant alleges as follows:

22 PARTIES

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

26 2. Rene Vidales (Respondent) holds a registration as a third-party proposition player,
27 registration number TPPL-009803. Respondent is employed in that capacity by PT Gaming, LLC,
28

1 a licensed provider of third-party proposition player services. Respondent's registration as a third-
2 party proposition player will expire on October 15, 2015.

3 3. On or about October 28, 2011, the Commission received an Application for a Third-
4 Party Proposition Player Services License (application), submitted by Respondent to convert his
5 registration as a third-party proposition player to a license.¹ The application was deemed complete
6 by the Bureau on or about September 27, 2013.

7 4. At its November 21, 2013 meeting, the California Gambling Control Commission
8 (Commission) referred the determination of Respondent's suitability for licensure to an
9 evidentiary hearing.

10 5. On or about November 27, 2013, pursuant to California Code of Regulations, title 4,
11 section 12050, subdivision (b), the Executive Director of the Commission sent the matter for a
12 hearing to be conducted pursuant to the provisions of Business and Professions Code sections
13 19870 and 19871.

14 JURISDICTION

15 6. Business and Professions Code section 19811, subdivision (b), provides:

16 Jurisdiction, including jurisdiction over operation and
17 concentration, and supervision over gambling establishments in this
18 state and over all persons or things having to do with the operation of
19 gambling establishments is vested in the commission.

20 7. Business and Professions Code section 19823 provides:

21 (a) The responsibilities of the commission include, without
22 limitation, all of the following:

23 (1) Assuring that licenses, approvals, and permits
24 are not issued to, or held by, unqualified or disqualified
25 persons, or by persons whose operations are conducted in
26 a manner that is inimical to the public health, safety, or
27 welfare.

28 ¹ Respondent was required to submit a request to convert his registration as a third-party proposition player to a license pursuant to Business and Professions Code section 19984, and California Code of Regulations, title 4, sections 12205.1 and 12218.

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

5 (b) For the purposes of this section, "unqualified person"
6 means a person who is found to be unqualified pursuant to the
7 criteria set forth in Section 19857, and "disqualified person" means
8 a person who is found to be disqualified pursuant to the criteria set
9 forth in Section 19859.

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

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

15 * * *

16 (b) For any cause deemed reasonable by the commission, deny
17 any application for a license, permit, or approval provided for in this
18 chapter or regulations adopted pursuant to this chapter, limit, condition,
19 or restrict any license, permit, or approval, or impose any fine upon any
20 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.

21 * * *

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

23 9. Business and Professions Code section 19870 provides:

24 (a) The commission, after considering the recommendation of
25 the chief and any other testimony and written comments as may be
26 presented at the meeting, or as may have been submitted in writing to
27 the commission prior to the meeting, may either deny the application or
28 grant a license to an applicant who it determines to be qualified to hold
the license.

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

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

6 (d) All proceedings at a meeting of the commission relating to a
7 license application shall be recorded stenographically or by audio or
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 Procedure
12 shall not apply to any judicial proceeding described in the foregoing
sentence, and the court may grant the petition only if the court finds that
the action of the commission was arbitrary and capricious, or that the
action exceeded the commission's jurisdiction.

13 10. Business and Professions Code section 19871 provides:

14 (a) The commission meeting described in Section 19870 shall be
15 conducted in accordance with regulations of the commission and as
16 follows:

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

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

19 (A) To call and examine witnesses.

20 (B) To introduce exhibits relevant to the issues of the
21 case.

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

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

26 (E) To offer rebuttal evidence.
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(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 common law or statutory rule that might 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^[2] 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.

11. Business and Professions Code section 19984, subdivision (b), provides in part:

The commission shall establish reasonable criteria for, and require the licensure and registration of, any person or entity that provides proposition player services to gambling establishments pursuant to this section, including owners, supervisors, and players. . . . The commission may impose licensing requirements, disclosures, approvals, conditions, or limitations as it deems necessary to protect the integrity of controlled gambling in this state

12. Business and Professions Code section 19853, subdivision (a)(3), provides:

The commission, by regulation or order, may require that the following persons register with the commission, apply for a finding of suitability as defined in subdivision (i) of 19805, or apply for a gambling license:

* * *

(3) Any person who does business on the premises of a licensed gambling establishment.

² "Department" refers to the Department of Justice, Bureau of Gambling Control. (Bus. & Prof. Code, § 19805, subd. (h).)

1 13. California Code of Regulations, title 4, section 12205, subdivision (a), provides:

2 Any regular registration [as a third-party proposition player] issued
3 in accordance with this chapter³ shall be subject to cancellation pursuant
4 to this section. A registration shall be cancelled if the Commission
5 determines after a noticed hearing that the registrant is ineligible for
6 registration, has failed in an application for registration to reveal a fact
7 material to the holder's qualification for registration, or has supplied
8 information in the registration application that is untrue or misleading as
9 to a material fact pertaining to the criteria for issuance of registration.

8 SPECIFIC STATUTORY AND REGULATORY PROVISIONS

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

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

12 15. Business and Professions Code section 19857 provides:

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

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

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

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

26 16. Business and Professions Code section 19859 provides in part:

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

* * *

3 "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

1 (d) Conviction of the applicant for any misdemeanor involving
2 dishonesty or moral turpitude within the 10-year period proceeding the
3 submission of the application, unless the applicant has been granted
4 relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal
5 Code; provided, however, that granting of relief pursuant to Section
6 1203.4, 1203.4a, or 1203.45 of the Penal Code shall not constitute a
7 limitation on the discretion of the commission under Section 19856 or
8 affect the applicant's burden under Section 19857.

9 17. California Code of Regulations, title 4, section 12204 provides in part:

10 An applicant shall be ineligible for registration for any of the
11 following causes:

12 * * *

13 (d) The applicant has, within the ten (10) year period
14 immediately preceding the submission of the application, been convicted
15 of a misdemeanor involving . . . moral turpitude, not including
16 convictions which have been expunged or dismissed as provided by law.

17 * * *

18 (i) The applicant is ineligible based on any other provision of
19 law.

20 **FIRST CAUSE FOR DENIAL OF LICENSE APPLICATION**
21 **AND CANCELLATION OF CURRENT REGISTRATION**

22 **(Criminal Conviction – Crime of Moral Turpitude)**

23 18. Respondent's license application is subject to mandatory denial and his registration is
24 subject to cancellation pursuant to Business and Professions Code, section 19859, subdivision (d),
25 and California Code of Regulations, title 4, sections 12205, subdivision (a), and 12204,
26 subdivisions (c) and (i), in that on or about October 25, 2007, Respondent was convicted of
27 violating Vehicle Code section 20002, subdivision (a), hit and run driving, a misdemeanor and
28 crime of moral turpitude in the case of *People v. Rene Vidales* (Super. Ct. Los Angeles County,
2007, No. 7JB08072). Respondent has not been granted relief from this conviction pursuant to
Penal Code, sections 1203.4, 1203.4a, or 1203.45; or any other provision of law.

1 subject to cancellation pursuant to Business and Professions Code, section 19857, and California
2 Code of Regulations, title 4, sections 12205, subdivision (a), and 12204, subdivisions (c) and (i),
3 in that Respondent lacks the requisite good character, honesty and integrity, and/or that licensing
4 Respondent poses a threat to the public interests of this state. Since 2003 Respondent has shown a
5 disregard for the law. During that period of time, Respondent has suffered the four following
6 criminal convictions.

7 a. On or about January 12, 2012, Respondent was convicted of violating Vehicle Code
8 section 23152, subdivision (a), driving under the influence of alcohol/drugs, a misdemeanor, and
9 was convicted of violating Vehicle Code section 23152, subdivision (b), driving under the
10 influence of alcohol/0.08 percent or higher, a misdemeanor, in the case of *People v. Rene Vidales*
11 (Super. Ct. Orange County, 2012, No. 12NM00277).

12 b. On or about October 25, 2007, Respondent was convicted of violating Vehicle Code
13 section 20002, subdivision (a), hit and run driving, a misdemeanor, in the case of *People v. Rene*
14 *Vidales* (Super. Ct. Los Angeles County, 2007, No. 7JB08072).

15 c. On or about February 13, 2003, Respondent was convicted of violating Vehicle Code
16 section 23152, subdivision (b), driving under the influence of alcohol/0.08 percent or greater, a
17 misdemeanor in the case of *People v. Rene Vidales* (Super. Ct. Los Angeles County, 2003, No.
18 3EL00870).
19

20 **FOURTH CAUSE FOR DENIAL OF LICENSE APPLICATION**
21 **AND CANCELLATION OF CURRENT REGISTRATION**

22 **(Unqualified for Licensure – Dishonesty)**

23 21. Respondent's license application is subject to denial and his registration is subject to
24 cancellation pursuant to Business and Professions Code, section 19857, and California Code of
25 Regulations, title 4, sections 12205, subdivision (a), and 12204, subdivisions (c) and (i), in that
26 Respondent has demonstrated a ready willingness to provide false, misleading and/or dishonest
27 information to officials, who are requiring information from Respondent in the performance of
28 their official duties.

1 a. Respondent, under penalty of perjury, failed to disclose on his supplemental
2 application for licensure his 2003 criminal conviction in the case of *People v. Rene Vidales* (Super.
3 Ct. Los Angeles County, 2003, No. 3EL00870).

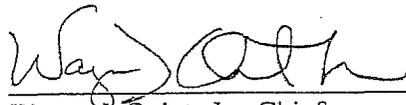
4 b. On or about June 16, 2007, Respondent falsely reported to the El Monte Police
5 Department that his vehicle had been stolen.⁵ On or about June 17, 2007, he repeated the false
6 claim that his vehicle had been stolen to the investigating Baldwin Park Police officer.

7 PRAYER

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

- 10 1. Denying Respondent's Application for a Third-Party Proposition Player Services
11 License to convert his registration as a third-party proposition to a license;
12 2. Cancelling Respondent's registration as a third-party proposition player, registration
13 number TPPL-009803; and
14 3. Taking such other and further action as the Commission may deem appropriate.

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16 Dated: July 17TH, 2014


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

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27 ⁵ Respondent's vehicle had been impounded following the hit and run that occurred on or
28 about June 16, 2007. This is the hit and run that gave rise to his 2007 conviction in the case of
People v. Rene Vidales (Super. Ct. Los Angeles County, 2007, No. 7JB08072).