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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 Application for**
14 **Approval of Third-Party Proposition Player**
15 **Services License for:**

16 **RONALD MORRIS HELLEN, III**
17 

18 **TPPL-010352**

Respondent.

BGC Case No. BGC-HQ2015-00009SL
CGCC Case No. GCADS-TPPL-101325

19 **STATEMENT OF REASONS**

Hearing Date: March 16, 2016
Hearing Time: 10:00 a.m.

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21 Complainant alleges as follows:

22 **PARTIES**

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

25 2. On or about May 16, 2012, Ronald Morris Hellen, III (Respondent) submitted to the
26 California Gambling Control Commission (Commission) an Application for Third-Party
27 Proposition Player Services License (Application).
28

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,
10 condition, or restrict any license, permit, or approval, or impose any
11 fine upon any person licensed or approved. The commission may
12 condition, restrict, discipline, or take action against the license of an
13 individual owner endorsed on the license certificate of the gambling
14 enterprise whether or not the commission takes action against the
15 license of the gambling enterprise.

16 * * *

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

20 **THE GAMBLING CONTROL ACT HEARING PROCESS**

21 9. Business and Professions Code section 19870 provides:

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

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

(c) When an application is denied, the commission shall prepare
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.

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

9 10. Business and Professions Code section 19871 provides:

11 (a) The commission meeting described in Section 19870 shall be
12 conducted in accordance with regulations of the commission and as
13 follows:

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

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

16 (A) To call and examine witnesses.

17 (B) To introduce exhibits relevant to the issues of the
18 case.

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

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

24 (E) To offer rebuttal evidence.

25 (3) If the applicant does not testify in his or her own behalf, he
26 or she may be called and examined as if under cross-examination.

27 (4) The meeting need not be conducted according to technical
28 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.

1 (b) Nothing in this section confers upon an applicant a right to
2 discovery of the department's² investigative reports or to require
3 disclosure of any document or information the disclosure of which is
4 otherwise prohibited by any other provision of this chapter.

5 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

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

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

9 12. Business and Professions Code section 19857 provides, in part:

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

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

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

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

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

24 * * * *

25 (b) Failure of the applicant to provide information, documentation,
26 and assurances required by the Chief, or failure of the applicant to
27 reveal any fact material to qualification, or the supplying of
28 information that is untrue or misleading as to a material fact pertaining
to the qualification criteria.

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

1 14. California Code of Regulations, title 4, section 12218.11 provides in part:

2 A requester shall be ineligible for licensing for any of the
3 following causes:

4 * * * *

5 (e) The requester has failed to meet the requirements of Business
6 and Professions Code sections 19856 or 19857.

7 (f) The requester would be ineligible for a state gambling license
8 under any of the criteria set forth in Business and Professions Code
9 section 19859, subdivisions (b), (e), or (f).

9 **FIRST CAUSE FOR DENIAL OF APPLICATION**

10 **(Failure To Meet Requirements Business and Professions Code Section 19857)**

11 15. Respondent's application for licensure is subject to denial pursuant to Business and
12 Professions Code section 19857, subdivisions (a) and (b), and California Code of Regulations,
13 title 4, section 12218.11, subdivision (e). Respondent is not a person of good character, honesty,
14 and integrity. His prior activities, criminal record, and habits pose a threat to the public interest
15 of this state. Respondent's conduct demonstrates that he is unqualified for licensure. That
16 conduct includes, but is not limited to, the following acts and omissions:

- 17 a. Respondent was discharged from the United States Navy under other than honorable
18 conditions. When the Bureau asked for an explanation, Respondent provided
19 inconsistent, or conflicting, statements.
- 20 b. Respondent has multiple criminal convictions and has failed to pay fines. When the
21 Bureau asked for information about those matters, Respondent provided inaccurate,
22 and incomplete information. Respondent also provided information that was
23 inconsistent with the police reports concerning some of the criminal matters.
- 24 c. Respondent's criminal history demonstrates a general disregard for the law.
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