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

13
14 In the Matter of the Application for a Third-
Party Proposition Players Services License for
15 a Player Regarding:
16
17 **HILARY ANN BRUMMETT**
[Redacted]
18
19 **Applicant.**

CGCC Case No. CGCC-2018-0208-5A
BGC Case No. BGC-HQ2018-00012SL

STATEMENT OF PARTICULARS

20
21
22 **PARTIES**

- 23 1. Stephanie Shimazu submits this Statement of Particulars solely in her official
24 capacity as the Director of the California Department of Justice, Bureau of Gambling Control
25 (Bureau).
- 26 2. On September 1, 2017, the Bureau received an Application for Third-Party
27 Proposition Player Services License for Supervisor, Player or Other Employee, dated August 15,
28 2017, and a Level I Supplemental Information, dated August 11, 2017 (collectively, Application),

1 from Hilary Ann Burmmett (Applicant), to allow her employment as a third-party proposition
2 player (prop-player) for Gold Gaming Consultants (Gold), a registered third-party proposition
3 player services provider, registration number TPPP-000117.¹

4 3. Applicant has been employed as a prop-player by Gold since September 2013. On or
5 about August 8, 2013, the California Gambling Control Commission (Commission) issued
6 Applicant a registration, number TPPL-012366, as a prop-player for this employment. The
7 Applicant's registration is currently set to expire on June 30, 2019.

8 4. Prior to her employment with Gold, from December 2009 to August 2013, Applicant
9 was employed as prop-player for California Gaming Consultants, a formerly licensed third-party
10 proposition player services provider, license number TPPP-000013.^{2 3}

11 5. Prior to her employment with California Gaming Consultants, from November 2008
12 to December 2009, Applicant was employed as a prop-player for Network Management Group,
13 Inc., a licensed third-party proposition player services provider, license number TPPP-000002.⁴

14 6. On or about December 22, 2017, the Bureau submitted a Third-Party Player
15 Background Investigation Report to the Commission recommending approval of Applicant's
16 Application.

17 ¹ Applicant is required to convert her registration to a license and submit an application
18 for such licensure pursuant to California Code of Regulations, title 4, sections 12205.1 and
19 12218, because Gold was summoned on August 7, 2017, to submit an application to convert its
20 registration to a license.

21 ² On January 7, 2010, the Commission issued Applicant a license, number TPPL-007140,
22 as a prop-player for this employment. The license was issued to her as a transfer when she began
23 her employment at California Gaming Consultants. The license was cancelled on August 31,
24 2013, when her employment with California Gaming Consultants ended.

25 ³ California Gaming Consultants' application to renew its license was denied effective on
26 November 2, 2017. *In the Matter of the Statement of Reasons for Denial of Renewal License*
27 *Application Regarding: Dog Named Blue, Inc., DBA California Gaming Consultants; the Rick*
28 *Baldaramos Trust; and Richard Baldaramos*, CGCC Case No. CGCC-2013-0627-7B, BGC Case
No. GBC-HQ2014-00005SL.

⁴ On December 9, 2008, the Commission issued Applicant a registration, number TPPL-
006182, as a prop-player for this employment. She submitted an application to convert her
registration to a license on December 30, 2008, because Network Management Group, Inc. had
been called forward to submit an application to convert its registration to a license on June 2,
2007. On June 11, 2009, when Network Management Group, Inc. was issued its license,
Applicant was issued license number TPPL-006182.

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APPENDIX A
JURISDICTION

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

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

2. Business and Professions Code, section 19823 provides:

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

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

(2) Assuring that there is no material involvement, directly or indirectly, with a licensed gambling operation, or the ownership or management 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.

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

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

The commission shall have all powers necessary and proper to enable it fully and effectually to carry out the policies and purposes of this chapter,⁽⁶⁾ including, without limitation, the power to do all of the following:

* * *

(b) For any cause deemed reasonable by the commission, deny any application for a license, permit, or approval provided for in this chapter or regulations adopted pursuant to this chapter, 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

⁶ Hereinafter, "chapter" refers to Business and Professions Code, division 8, chapter 5, (commencing with section 19800), also known as the Gambling Control Act.

1 enterprise whether or not the commission takes action against the
2 license of the gambling enterprise.

3 * * *

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

7 4. Business and Professions Code, section 19853, subdivision (a), provides:

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

12 * * *

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

15 5. Business and Professions Code, section 19870 provides:

16 (a) The commission, after considering the recommendation of
17 the chief⁷ and any other testimony and written comments as may be
18 presented at the meeting, or as may have been submitted in writing to
19 the commission prior to the meeting, may either deny the application
20 or grant a license to an applicant who it determines to be qualified to
21 hold the license.

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

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

28 (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
court finds that the action of the commission was arbitrary and
capricious, or that the action exceeded the commission's jurisdiction.

⁷ "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1 6. Business and Professions Code, section 19871 provides:

2 (a) The commission meeting described in Section 19870 shall
3 be conducted in accordance with regulations of the commission and as
4 follows:

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

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

7 (A) To call and examine witnesses.

8 (B) To introduce exhibits relevant to the issues of
9 the case.

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

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

15 (E) To offer rebuttal evidence.

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

19 (4) The meeting need not be conducted according to
20 technical rules relating to evidence and witnesses. Any relevant
21 evidence may be considered, and is sufficient in itself to support
22 a finding, if it is the sort of evidence on which responsible
23 persons are accustomed to rely in the conduct of serious affairs,
24 regardless of the existence of any common law or statutory rule
25 that might make improper the admission of that evidence over
26 objection in a civil action.

27 (b) Nothing in this section confers upon an applicant a right to
28 discovery of the department's⁸ investigative reports or to require
29 disclosure of any document or information the disclosure of which is
30 otherwise prohibited by any other provision of this chapter.

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

32 The commission shall establish reasonable criteria for, and
33 require the licensure and registration of, any person or entity that
34 provides proposition player services to gambling establishments
35 pursuant to this section, including owners, supervisors, and players . . .
36 The commission may impose licensing requirements, disclosures,

37 ⁸ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.
38 (h).)

1 approvals, conditions, or limitations as it deems necessary to protect
2 the integrity of controlled gambling in this state

3 8. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in
4 part:

5 If the Commission elects to hold an evidentiary hearing, the
6 hearing will be conducted as a GCA hearing under Section 12060,
7 unless the Executive Director or the Commission determines the
8 hearing should be conducted as an APA hearing under Section
9 12058

10 9. California Code of Regulations, title 4, section 12060, subdivision (b) provides:

11 When the Commission has elected to hold a GCA hearing, the
12 Executive Director shall give notice to the applicant, pursuant to
13 paragraph (2) subsection (c) of Section 12052, to the Office of the
14 Attorney General, and to the Bureau no later than 60 calendar days in
15 advance of the GCA hearing.

16 10. California Code of Regulations, title 4, section 12200.3, subdivision (g), provides:

17 Registrations, licenses, and badges are specific to the primary
18 owner. Third party proposition player services cannot be provided
19 without first applying for and obtaining a registration, license, or
20 badge.

21 11. California Code of Regulations, title 4, section 12205 provides:

22 (a) Any regular registration issued in accordance with this
23 chapter⁹ shall be subject to cancellation pursuant to this section. A
24 registration shall be cancelled if the Commission determines after a
25 noticed hearing that the registrant is ineligible for registration, has
26 failed in the application for registration to reveal any fact material to
27 the holder's qualification for registration, or has supplied information
28 in the registration application that is untrue or misleading as to a
material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set
forth in subsection (a) apply, then the Executive Director shall
immediately do all of the following:

(1) Provide written notice to the registrant and the
Bureau of the cancellation of the registration and the grounds
thereof, and provide written notice of the cancellation to the
owner, if the registrant is a supervisor, player, or other employee
and to any gambling establishment in which the registrant
provides proposition player services.

⁹ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

1 (2) Notify the registrant, if an individual, that he or she
2 is required to surrender the registrant's badge to the Commission
3 not more than ten days following the date that the notice of the
4 cancellation was mailed or such greater time as is authorized by
5 the Executive Director.

6 **SPECIFIC STATUTORY PROVISIONS**

7 12. Business and Professions Code section 19856 provides, in part:

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

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

18 (c) In reviewing an application for any license, the commission
19 shall consider whether issuance of the license is inimical to public
20 health, safety, or welfare, and whether issuance of the license will
21 undermine public trust that the gambling operations with respect to
22 which the license would be issued are free from criminal and dishonest
23 elements and would be conducted honestly. (a) The burden of proving
24 his or her qualifications to receive any license is on the applicant.

25 13. Business and Professions Code, section 19857 provides:

26 No gambling license shall be issued unless, based on all of the
27 information and documents submitted, the commission is satisfied that
28 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 gambling, or create or enhance the dangers of unsuitable,
unfair, or illegal practices, methods, and activities in the conduct of
controlled gambling, or in the carrying on of the business and financial
arrangements incidental thereto.

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

1 14. Business and Professions Code section 19859 provides, in part:

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

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

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

9 15. Business and Professions Code section 19866 provides:

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

14 16. California Code of Regulations, title 4, section 12200.18, provides, in part:

15 The Commission may revoke a registration or license, upon any
16 of the following grounds, after a hearing conducted pursuant to the
17 same procedures applicable to the revocation of a gambling
establishment license:

18 (a) The registrant or licensee committed, attempted to commit,
19 or conspired to commit any acts prohibited by the Act^[10] or this
chapter.

20 (b) Any act or omission by the registrant that would disqualify
21 the registrant from obtaining registration under this chapter. Any act
or omission by the licensee that would disqualify the licensee from
obtaining licensing under this chapter.

22 * * *

23 (f) The registrant or licensee concealed or refused to disclose
24 any material fact in any inquiry by the Bureau or the Commission.

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28 ¹⁰ "Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)

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

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

* * *

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

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

* * *

(j) The applicant is ineligible based on any other provision of law.