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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.<sup>1</sup>

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.<sup>2 3</sup>

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.<sup>4</sup>

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 <sup>1</sup> 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 <sup>2</sup> 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 <sup>3</sup> 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.

<sup>4</sup> 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.

1 7. On or about February 12, 2018, the Commission referred the determination of  
2 Applicant's suitability to be issued a prop-player's license to an evidentiary hearing, which is to  
3 be held pursuant to California Code of Regulations, title 4, section 12060.<sup>5</sup>

4 8. Applicant submitted a Notice of Defense, which is dated February 19, 2018.

5 **BURDEN OF PROOF**

6 9. Applicant has the burden of proving her qualifications to receive a license.  
7 (Bus. & Prof. Code, § 19856, subd. (a).)

8 **LICENSURE CONSIDERATIONS**

9 **(Factors in Aggravation and Mitigation)**

10 10. On or about February 6, 2011, Applicant was convicted of violating Vehicle Code  
11 section 23103, reckless driving, a misdemeanor, in the case of *People of the State of California v.*  
12 *Hilary Ann Brummett* (Super. Ct. San Joaquin County, 2011, No. MM121082A). On or about  
13 July 30, 2014, the San Joaquin Superior Court granted Applicant relief from this conviction  
14 pursuant to Penal Code, section 1203.4.

15 11. Applicant disclosed her 2011 misdemeanor conviction on her Application and  
16 provided a thorough, accurate, written description of the events and circumstances that led to this  
17 conviction.

18 12. Applicant's 2011 misdemeanor conviction was unrelated to her employment as a  
19 prop-player. There was no actual or potential harm to any patron in a gambling establishment.

20 13. Applicant neither attempted to, nor did, realize any advantage, economic or  
21 otherwise, from the conduct that led to her 2011 misdemeanor conviction.

22 14. Applicant has been cooperative throughout the application process.

23 15. Applicant has been registered/licensed as a prop-player from December 2008 to the  
24 present. She no history of her prior licenses/registrations being disciplined or her prior  
25 applications being denied.

26  
27 <sup>5</sup> The statutes and regulations applicable to this Statement of Particulars are quoted in  
28 pertinent part in Appendix A.

1 16. Applicant failed to disclose her 2011 conviction on both her March 9, 2011, and  
2 January 11, 2013, renewal applications. Her failures to disclose and her explanations for those  
3 failures raised concerns regarding her suitability for licensure when the Commission considered  
4 her 2013 renewal application. The Commission addressed those concerns at that time. After  
5 admonishing Applicant for her failures to disclose, the Commission approved her 2013 renewal  
6 application.

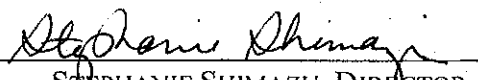
7 17. Applicant has been employed as a prop-player since November 2008 for three,  
8 separate, registered/licensed third-party proposition player services providers. There have been  
9 no employment-related problems reported to the Bureau for that employment.

10 18. The Bureau is unaware of any facts or circumstances that would indicate that  
11 Applicant currently poses a threat to either the safety of the gambling public or the integrity of the  
12 controlled gambling industry.

13 **CONCLUSION**

14 WHEREFORE, Director Shimazu requests that following the hearing to be held on the  
15 matters herein alleged, the Commission take such action as it may deem appropriate.

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18 Dated: March 29, 2018

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21 STEPHANIE SHIMAZU, DIRECTOR  
22 Bureau of Gambling Control  
23 California Department of Justice  
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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,<sup>(6)</sup> 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

<sup>6</sup> 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 chief<sup>7</sup> 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.

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<sup>7</sup> "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's<sup>8</sup> 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                   <sup>8</sup> "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 chapter<sup>9</sup> 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.

<sup>9</sup> "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<sup>[10]</sup> 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 <sup>10</sup> "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.