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

12
13 In the Matter of the Statement of Reasons for
Denial of Application for a Third-Party
14 Proposition Player Services License for:

15 **ALICE MEJIA CATAPIA**
a.k.a.: Jojo Catapia



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17
18 **Respondent.**

BGC Case No. BGC-HQ2017-00001

CGCC Case No: CGCC-2017-1116-13A

19 **STATEMENT OF REASONS**

20 Complainant alleges as follows:

21 **PARTIES**

22 1. Nathan DaValle (Complainant) brings this Statement of Reasons solely in his official
23 capacity as the Acting Director of the California Department of Justice, Bureau of Gambling
24 Control (Bureau).

25 2. On March 3, 2015, the Bureau received an Application For Third-Party Proposition
26 Player Services License For Supervisor, Player Or Other Employee, and a Level I Supplemental
27 Information, both dated February 15, 2015 (collectively, Application), from Alice Mejia Catapia,
28 also known as Jojo Catapia (Respondent), to allow her employment as a third-party proposition

1 player (prop-player) for L. E. Gaming, Inc. (L. E. Gaming), a registered third-party proposition
2 player services provider, registration number TPPP-000118.¹

3 3. Respondent has been employed as a prop-player by L. E. Gaming since September
4 2013. On or about October 28, 2013, the California Gambling Control Commission
5 (Commission) issued Respondent a registration, number TPPL-012761, as a prop-player for this
6 employment.² The Respondent's registration currently expires on March 31, 2018.

7 4. On or about September 28, 2017, the Bureau submitted a Third-Party Player
8 Background Investigation Report to the Commission recommending Respondent's Application be
9 denied.

10 5. On or about November 16, 2017, the Commission referred the determination of
11 Respondent's suitability to be issued a prop-player's license to an evidentiary hearing, which is to
12 be held pursuant to California Code of Regulations, title 4, section 12060.³

13 6. On December 11, 2017, Respondent submitted a Notice of Defense, dated December
14 2, 2017.

15 **BURDEN OF PROOF**

16 7. Respondent has the burden of proving her qualifications to receive a license.
17 (Bus. & Prof. Code, § 19856, subd. (a).)

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21 ¹ Respondent was required to convert her registration to a license and submit an
22 application for such licensure pursuant to California Code of Regulations, title 4, sections
23 12205.1 and 12218, when L. E. Gaming was summoned on January 28, 2015, to submit an
application to convert its registration to a license.

24 ² Prior to her employment with L. E. Gaming, from March 2012 to September 2013,
25 Respondent was employed as a prop-player by Global Player Services, Inc. (Global). On or about
26 March 28, 2012, the Commission issued Respondent a registration, number TPPL-010285, for
this employment. On or about October 28, 2013, shortly after Respondent left Global to work for
L. E. Gaming, the Commission approved the transfer of her registration and changed her
registration number to TPPL-012761.

27 ³ The statutes and regulations applicable to this Statement of Reasons are quoted in
28 pertinent part in Appendix A.

1 **FIRST CAUSE FOR DENIAL**

2 **(Character, Honesty, Integrity and Providing False or Misleading Information)**

3 8. Respondent's Application is subject to denial in that Respondent, under penalty of
4 perjury, affirmatively and falsely stated in her Application the following:

5 a. Respondent stated that she was laid off in February 2009 from her employment at
6 Sycuan Casino.⁴ In fact, she was terminated from her employment on February 28, 2009, for
7 excessive absences.

8 b. Respondent stated she had never been questioned about her participation in any
9 gambling offenses either inside or outside of California. In fact, Respondent was questioned by
10 the Sycuan Gaming Commission regarding her conduct on or about April 12, 2000, in allowing
11 and/or in aiding someone other than the actual winner to claim a jackpot at the Sycuan Casino.
12 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), & 19859, subds. (a) & (b) [mandatory
13 denial] & 19866; Cal. Code. Regs., tit. 4, §§ 12200.18, subds. (a), (b) & (f), & 12218.11, subds.
14 (e) [mandatory denial], (f) [mandatory denial] & (j) [mandatory denial].)

15 **SECOND CAUSE FOR DENIAL OF APPLICATION**

16 **(Failing to Disclose Information and Providing False or Misleading Information to the
17 Bureau)**

18 9. Respondent's Application is subject to denial in that Respondent failed to disclose
19 and/or provided the following false or misleading, material information:

20 a. Respondent failed to disclose in her Application that on or about April 19, 2000, she
21 was terminated from her employment at the Sycuan Casino and her tribal gaming license was
22 revoked by the Sycuan Gaming Commission for cause.⁵ Respondent allowed or aided someone
23 other than the actual winner to claim a jackpot.

24 ⁴ The Sycuan Casino, which is located in San Diego County, California, is owned and
25 operate by the Sycuan Band of the Kumeyaay Nation, pursuant to a tribal-state class III gaming
26 compact with the State of California. While Respondent was issued a license by the Sycuan
27 Gaming Commission for her employment at the Sycuan Casino, she neither sought nor obtained a
28 finding of suitability from the Commission because she was not employed in a key employee
position.

⁵ Respondent has been employed at the Sycuan Casino on multiple occasions. She was
(continued...)

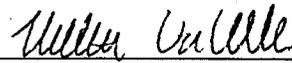
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PRAYER

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

1. Denying Respondent's Application for third-party proposition player license;
2. Cancelling Respondent's registration, number TPPL-012761; and
3. Taking such other and further action as the Commission may deem appropriate.

Dated: January 12, 2018



NATHAN D'VALLE, Acting Director
Bureau of Gambling Control
California Department of Justice
Complainant

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

3 * * *

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

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

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

10 * * *

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

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

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

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

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

21 (d) All proceedings at a meeting of the commission relating to
22 a license application shall be recorded stenographically or by audio or
video recording.

23 (e) A decision of the commission denying a license or
24 approval, or imposing any condition or restriction on the grant of a
25 license or approval may be reviewed by petition pursuant to Section
26 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

27
28 ⁷ "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

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

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

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

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

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

10 (A) To call and examine witnesses.

11 (B) To introduce exhibits relevant to the issues
12 of the case.

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

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

18 (E) To offer rebuttal evidence.

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

22 (4) The meeting need not be conducted according to
23 technical rules relating to evidence and witnesses. Any relevant
24 evidence may be considered, and is sufficient in itself to support
25 a finding, if it is the sort of evidence on which responsible
26 persons are accustomed to rely in the conduct of serious affairs,
27 regardless of the existence of any common law or statutory rule
28 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's⁸ 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.

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

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

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

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

9 If the Commission elects to hold an evidentiary hearing, the
10 hearing will be conducted as a GCA hearing under Section 12060,
11 unless the Executive Director or the Commission determines the
12 hearing should be conducted as an APA hearing under Section 12058 .

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

13 When the Commission has elected to hold a GCA hearing, the
14 Executive Director shall give notice to the applicant, pursuant to
15 paragraph (2) subsection (c) of Section 12052, to the Office of the
16 Attorney General, and to the Bureau no later than 60 calendar days in
17 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.

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

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

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

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

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

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

12 SPECIFIC STATUTORY PROVISIONS

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

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

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

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

13. Business and Professions Code, section 19857 provides:

No gambling license shall be issued unless, based on all of 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 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.

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

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

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

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

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

14 15. Business and Professions Code section 19866 provides:

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

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

21 The Commission may revoke a registration or license, upon any
22 of the following grounds, after a hearing conducted pursuant to the
23 same procedures applicable to the revocation of a gambling
24 establishment license:

25 (a) The registrant or licensee committed, attempted to
26 commit, or conspired to commit any acts prohibited by the
27 Act¹⁰ or this chapter.

28 (b) Any act or omission by the registrant that would
disqualify 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.

* * *

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

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.