XAVIER BECERRA 1 Attorney General of California SARA J. DRAKE 2 Senior Assistant Attorney General RONALD L. DIEDRICH 3 Deputy Attorney General, SBN 95146 1300 I Street, Suite 125 4 P.O. Box 944255 Sacramento, CA 94244-2550 5 Telephone: (916) 210-7834 Fax: (916) 327-2319 6 E-mail: Ronald.Diedrich@doj.ca.gov 7 Attorneys for Complainant 8 BEFORE THE 9 CALIFORNIA GAMBLING CONTROL COMMISSION 10 11 STATE OF CALIFORNIA 12 13 In the Matter of the Statement of Reasons for BGC Case No. BGC-HQ2018-00046SL Denial of Application for a Third-Party 14 Proposition Player Services License for: CGCC Case No: CGCC-2018-0726-10D 15 JA'MEIKA MYEISHA THOMPSON STATEMENT OF REASONS 16 17 and .18 19 Respondent. 20 21 Complainant alleges as follows: 22 **PARTIES** 23 Stephanie K. Shimazu (Complainant) brings this Statement of Reasons solely in her 24 official capacity as Director of the California Department of Justice, Bureau of Gambling Control 25 (Bureau). 26 On June 24, 2016, the Bureau received an Application for Third-Party Proposition 27 Player Services License for Supervisor, Player or Other Employee and a Level I Supplemental 28

Information, both dated June 10, 2016 (collectively, Application), from Ja'Meika Myeisha Thompson (Respondent), to allow for her continued employment as a third-party proposition player (prop-player) for Metis TPS, LLC (Metis), a registered third-party proposition player services provider, registration number TPPP-000086.

- 3. Respondent has been employed as a prop-player by Metis since December 2014. On or about December 10, 2014, the California Gambling Control Commission (Commission) issued Respondent a registration, number TPPL-014608, as a prop-player for this employment. Respondent's registration is currently scheduled to expire on February 28, 2019.
- 4. Respondent has been employed as a prop-player on two prior occasions. Her employment history includes:
- a. Employment at Team View Player Services, LLC, from February 2013 to July 2014, under registration number TPPL-011501.
- b. Employment at Certified Players, Inc. (Certified), from July 2014 to September 2014, under registration number TPPL-013946; and,
- 5. On or about June 4, 2018, the Bureau submitted a Third-Party Player Background Investigation Report to the Commission, in which it recommended that Respondent's Application be denied.
- 6. At its July 27, 2018, meeting, the Commission referred consideration of Respondent's Application to an evidentiary hearing, which is to be held pursuant to California Code of Regulations, title 4, section 12060.²
- 7. On or about August 20, 2018 Respondent submitted a Notice of Defense that was unsigned and undated. Subsequently, she submitted a signed Notice of Defense, which was signed and dated September 4, 2018.

¹ Respondent is required to convert her registration to a license and submit an application for such licensure pursuant to California Code of Regulations, title 4, sections 12205.1 and 12218, because Metis was summoned on May 5, 2016, to submit an application to convert its registration to a license.

² The statutes and regulations applicable to this Statement of Reasons are quoted in pertinent part in Appendix A.

BURDEN OF PROOF

8. Respondent has the burden of proving that she is qualified to receive a license. (Bus. & Prof. Code, § 19856, subd. (a).)

FIRST CAUSE FOR DENIAL

(Derogatory Gaming Employment History)

- 9. Respondent's Application is subject to denial and her registration subject to revocation or cancellation in that on or about September 6, 2014, Respondent was terminated from her employment as a prop-player with Certified. She was terminated because she violated Certified's gambling policy and because Hollywood Park Casino barred her from that gambling establishment as set forth in paragraph 10 below, which is where she worked for Certified as a prop-player.
- (Bus. & Prof. Code, §§ 19856, & 19857, subds. (a) & (b); Cal. Code. Regs., tit. 4, §§ 12200.18, subd. (a), 12205 & 12218.11, subds. (e) [mandatory denial] & (j) [mandatory denial].)

SECOND CAUSE FOR DENIAL

(Barred from Cardroom)

- 10. Respondent's Application is subject to denial and her registration subject to revocation or cancellation in that on or about September 5, 2014, Respondent was barred from the Hollywood Park Casino. Respondent was barred from that gambling establishment because she was harassing a player at the gambling establishment, as well as harassing a food and beverage employee of the gambling establishment.
- (Bus. & Prof. Code, §§ 19856, & 19857, subds. (a) & (b); Cal. Code. Regs., tit. 4, §§ 12200.18, subd. (a), 12205 & 12218.11, subds. (e) [mandatory denial] & (j) [mandatory denial].)

THIRD CAUSE FOR DENIAL

(Providing Untrue or Misleading Information)

11. Respondent's Application is subject to denial and her registration subject to revocation or cancellation in that Respondent failed to provide information and/or provided untrue or misleading information that was material to her qualifications for licensure, as follows:

- a. In Section 1. Personal History Information, (D) Employment History, of her Level I Supplemental Information, Respondent, under penalty of perjury, simply stated that the reason she left her employment as a prop-player with Certified was because of a "false accusation." However, as alleged in paragraph 9 above and incorporated herein by reference, Respondent was in fact terminated for cause from that employment.
- b. When asked by the Bureau to explain why she failed to disclose on her Application that her employment with Certified had been terminated, Respondent provided a non-responsive and misleading written reply, in which, among other things, she implied that she did not find out why her employment with Certified had been terminated until she went to the hearing on her appeal of the denial of her application for unemployment benefits. However, on or about September 6, 2014, Respondent signed Certified's Personnel Action Form, which clearly states that her employment was terminated and the reasons for that termination.
- c. In response to question (3) in Section 3. Licensing History Information, of her Level I Supplemental Information, Respondent, under penalty of perjury, falsely declared that she had never been prohibited from being present on the premises of any gambling establishment. However, as alleged in paragraph 10 above and incorporated herein by reference, Respondent was in fact prohibited from being present on the premises of Hollywood Park Casino, a licensed gambling establishment.
- d. When asked by the Bureau to explain why she stated on her Application that she had never been barred from a gambling establishment, she replied in writing that she "was honestly unaware of being barred from the (Hollywood Park) Casino." However, on or about September 6, 2014, Respondent signed Certified's Personnel Action Form, which clearly states that one of the reasons her employment was terminated was because she had been barred by Hollywood Park Casino.

 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subds. (a) [mandatory denial] &

(Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subds. (a) [mandatory denial] & (b) [mandatory denial] & 19866; Cal. Code. Regs., tit. 4, §§ 12200.18, subds. (a), (b) & (f), 12205 & 12218.11, subds. (e) [mandatory denial], (f) [mandatory denial] & (j) [mandatory denial].)

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 a third-party proposition player license;
- 2. Revoking or cancelling Respondent's registration, number TPPL-014608; and
- 3. Taking such other and further action as the Commission may deem appropriate.

Dated: September 25, 2018

Stephanie K. Shimazu, Director Bureau of Gambling Control California Department of Justice

Complainant

1 APPENDIX A 2 JURISDICTION 3 Business and Professions Code section 19811, subdivision (b), provides: 4 Jurisdiction, including jurisdiction over operation and concentration, and supervision over gambling establishments in this 5 state and over all persons or things having to do with the operation of gambling establishments is vested in the commission. 6 2. Business and Professions Code, section 19823 provides: 7 (a) The responsibilities of the commission include, without 8 limitation, all of the following: 9 (1) Assuring that licenses, approvals, and permits are not issued to, or held by, unqualified or disqualified persons, or by 10 persons are conducted in a manner that is inimical to the public health, safety, or welfare. 11 (2) Assuring that there is no material involvement, 12 directly or indirectly, with a licensed gambling operation, or the ownership or management thereof, by unqualified or 13 disqualified persons, or by persons whose operations are conducted in a manner that is inimical to the public health, 14 safety, or welfare. 15 (b) For the purposes of this section, "unqualified person" means a 16 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 17 19859. 18 Business and Professions Code, section 19824 provides, in part: 19 20 The commission shall have all powers necessary and proper to enable it fully and effectually to carry out the policies and purposes of 21 this chapter, [3] including, without limitation, the power to do all of the following: 22 23 (b) For any cause deemed reasonable by the commission, deny 24 any application for a license, permit, or approval provided for in this chapter or regulations adopted pursuant to this chapter, limit, 25 condition, or restrict any license, permit, or approval, or impose any fine upon any person licensed or approved. The commission may 26 27 ³ "Chapter" refers to Business and Professions Code, division 8, chapter 5, (commencing

with section 19800), also known as the Gambling Control Act.

28

1		condition, restrict, discipline, or take action against the license of an individual owner endorsed on the license certificate of the gambling
2		enterprise whether or not the commission takes action against the license of the gambling enterprise.
3		* * *
4		(d) Take actions deemed to be reasonable to ensure that no ineligible, unqualified, disqualified, or unsuitable persons are
5 6		associated with controlled gambling activities.
7	4.	Business and Professions Code, section 19853, subdivision (a), provides in part:
8		The commission, by regulation or order, may require that the
9		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:
0		* * *
1		* * *
2		(3) Any person who does business on the premises of a licensed gambling establishment.
3	5.	Business and Professions Code, section 19870 provides:
4		(a) The commission, after considering the recommendation of the chief ^[4] and any other testimony and written comments as may be
5 6		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.
7		
8		(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
9		described in this chapter.
0.		(c) When an application is denied, the commission shall prepare and file a detailed statement of its reasons for the denial.
.1		(d) All proceedings at a meeting of the commission relating to a
2		license application shall be recorded stenographically or by audio or video recording.
.3		(e) A decision of the commission denying a license or approval,
24		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
.5 .6		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	4 66	Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)
.8		_

STATEMENT OF REASONS

1	7.	Business and Professions Code section 19984, subdivision (b), provides, in part:
2		The commission shall establish reasonable criteria for, and require
3		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
4	4	commission may impose licensing requirements, disclosures, approvals, conditions, or limitations as it deems necessary to protect
5		the integrity of controlled gambling in this state
6	8.	California Code of Regulations, title 4, section 12056, subdivision (a) provides, in
7	part:	If the Commission elects to hold an evidentiany bearing the
8		If the Commission elects to hold an evidentiary hearing, the hearing will be conducted as a GCA hearing under Section 12060,
9		unless the Executive Director or the Commission determines the hearing should be conducted as an APA hearing under Section
10		12058
11	9.	California Code of Regulations, title 4, section 12060, provides:
12		(a) If the Executive Director determines it is appropriate, he or she may set an application for consideration at a GCA hearing in
13		advance of a meeting pursuant to Section 12054. The Executive
14		Director shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General,
15		and to the Bureau no later than 90 calendar days in advance of the GCA hearing. The Executive Director's determination will be based on information and in the Proposition and the Proposi
16		information contained in the Bureau's report or other appropriate sources including, without limitation, a request from the Bureau or
17		applicant as well as the Commission's operational considerations. The Commission retains the authority to refer the matter to an APA
18		hearing pursuant to subsection (a) of Section 12056 or hear the matter at a Section 12054 meeting if the Commission deems it appropriate.
19		(b) When the Commission has elected to hold a GCA hearing, the Executive Director shall give notice to the applicant, pursuant to
20		paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 60 calendar days in
21		advance of the GCA hearing.
22		(c) The presiding officer shall have no communication with the
23		Commission or Commission staff upon the merits, or upon information or documents related to the application prior to the
24		evidentiary hearing. The Executive Director shall designate a presiding officer which shall be:
25		(1) A member of the Commission's legal staff; or,
26		(2) An Administrative Law Judge.
27		(d) The applicant or the complainant, or the applicant and the
28		complainant, may request a continuance in writing to the Executive Director stating the reason for the continuance and any proposed

1	future hearing dates. The Executive Director or Commission may approve the request.
2	(e) The complainant shall provide to the applicant, at least 45
3	calendar days prior to the GCA hearing, and the applicant shall provide to the complainant, at least 30 calendar days prior to the GCA hearing, the following items:
_	(1) A list of notantial witnesses with the general subject of
5	(1) A list of potential witnesses with the general subject of the testimony of each witness;
7	(2) Copies of all documentary evidence intended to be introduced at the hearing and not previously provided;
8	(3) Reports or statements of parties and witnesses, if available; and
9	(4) All other symitten comments or symitings containing
10	(4) All other written comments or writings containing relevant evidence.
11	(f) A presiding officer shall rule on the admissibility of evidence
12	and on any objections raised except for objections raised under subsection (g). A ruling by the presiding officer shall be final.
13	(1) In advance of the GCA hearing, upon a motion of a party
14	or by order of the presiding officer, the presiding officer may conduct a pre-hearing conference, either in person, via
15	teleconference, or by email exchange, subject to the presiding officer's availability and shall issue a pre-hearing order if
16	appropriate or requested by either party. The pre-hearing conference and order may address the following:
17	(A) Evidentiary issues;
18	(B) Witness and exhibit lists;
19	(C) Alterations in the Bureau recommendation;
20	(D) Stipulation for undisputed facts including the admission of the Bureau's report; and
21	•
22	(E) Other issues that may be deemed appropriate to promote the orderly and prompt conduct of the hearing.
23	(2) The GCA hearing need not be conducted according to
24	technical rules of evidence. Any relevant evidence may be considered, and is sufficient in itself to support findings if it is the
25	sort of evidence on which reasonable persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of
26	any common law or statutory rule that might make improper the admission of that evidence over objection in a civil action.
27	(g) The Commission may, at any time upon a showing of prejudice by the objecting party:
28 l	

- (a) Any regular registration issued in accordance with this chapter^[6] shall be subject to cancellation pursuant to this section. A registration shall be cancelled if the Commission determines after a noticed hearing that the registrant is ineligible for registration, has failed in the application for registration to reveal any fact material to the holder's qualification for registration, or has supplied information 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.
 - (2) Notify the registrant, if an individual, that he or she is required to surrender the registrant's badge to the Commission not more than ten days following the date that the notice of the cancellation was mailed or such greater time as is authorized by the Executive Director.
- 12. California Code of Regulations, title 4, section 12205.1, provides:
 - (a) As expeditiously as possible in light of available program resources, the Bureau shall summon persons registered as primary owners, owners, supervisors, players, and other employees for the purpose of applying for licenses under this chapter. The registration of any registrant that fails or refuses to submit the applicable Application for Third Party Proposition Player Services License for Business Entities and Owners (BGC-433 (Rev. 10/17)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434 (Rev. 10/17)), which are hereby incorporated by reference, including any fees to the Bureau within 30 days of receiving a summons shall expire by operation of law on the following day. Prior to and during review of a request to convert a registration to a license, a registration shall remain valid and may be renewed by the registrant as necessary, upon application and approval of renewal of registration as provided in Section 12203A.
 - (b) Any person who became affiliated with a primary owner following receipt of a summons from the Bureau shall apply for

⁶ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

STATEMENT OF REASONS

1 2		(c) A person that is in all other respects qualified to be licensed as provided in this chapter.
3	16.	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 and qualification in accordance with this chapter.
7		(b) Failure of the applicant to provide information, documentation, and assurances required by this chapter or requested
8		by the chief, or failure of the applicant to reveal any fact material to qualification, or the supplying of information that is untrue or
9		misleading as to a material fact pertaining to the qualification criteria.
10		
11	17.	Business and Professions Code section 19866 provides:
12		An applicant for licensing or for any approval or consent required
13		by this chapter, shall make full and true disclosure of all information to the department and the commission as necessary to carry out the
14		policies of this state relating to licensing, registration, and control of gambling.
15		
16	18.	California Code of Regulations, title 4, section 12200.18, provides, in part:
17		The Commission may revoke a registration or license, upon any of the following grounds, after a hearing conducted pursuant to the same
18		procedures applicable to the revocation of a gambling establishment license:
19		(a) The registrant or licensee committed, attempted to commit,
20		or conspired to commit any acts prohibited by the Act ^[7] or this chapter.
21		(b) Any act or omission by the registrant that would disqualify
22		the registrant from obtaining registration under this chapter. Any act or omission by the licensee that would disqualify the licensee from
23		obtaining licensing under this chapter.
24		* * *
25		(f) The registrant or licensee concealed or refused to disclose any material fact in any inquiry by the Bureau or the Commission.
26		any material and in any inquiry of the zorada of the committee.
27	7	(A. (2) . C
28	, "	Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)
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1	19.	California Code of Regulations, title 4, section 12218.11, provides, in part:
2		A requester shall be ineligible for licensing for any of the following causes:
3		* * *
4		
5		(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.
6		(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions
7	·	Code section 19859, subdivisions (b), (e), or (f).
8	,	
9		* * *
10		(j) The applicant is ineligible based on any other provision of law.
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