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

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

**BGC Case No.: BGC-HQ2019-00028SL**

**CGCC Case No.: CGCC- 2019-0725-14Fi**

15 **TERESA DIEHL-GOVEA**  
 16 

**STATEMENT OF REASONS**

17 **Respondent.**

18  
 19 Complainant alleges as follows:

20 **PARTIES**

21 1. Stephanie K. Shimazu (Complainant) brings this Statement of Reasons solely in her  
 22 official capacity as Director of the California Department of Justice, Bureau of Gambling Control  
 23 (Bureau).

24 2. On October 27, 2016, the Bureau received an Application for a Third-Party  
 25 Proposition Player Services License for Supervisor, Player or Other Employee, dated October 19,  
 26 2016 from Teresa Diehl-Govea (Respondent). On October 5, 2016, the Bureau received a Level I  
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1 Supplemental Information form, dated September 9, 2016.<sup>1</sup> The Application was submitted for  
2 the purpose of allowing for Respondent's employment as a third-party proposition player  
3 (proposition player) for Pacific United Service, Inc. (Pacific). Pacific is a registered proposition  
4 player services provider, registration number TPPP-000126.<sup>2</sup>

5 3. On or about June 20, 2019, the Bureau submitted a Third-Party Player Background  
6 Investigation Report to the California Gambling Control Commission (Commission), in which the  
7 Bureau recommended that the Commission deny Respondent's Application.

8 4. Respondent has been employed by Pacific as a proposition player from July 2015 to  
9 the present. On or about July 16, 2015, the Commission issued Respondent registration number  
10 TPPL-015467 for her employment with Pacific as a proposition player. Respondent's registration  
11 expires on February 28, 2021.

12 5. At its July 25, 2019 meeting, the Commission referred consideration of Respondent's  
13 Application to an evidentiary hearing, which is to be held pursuant to California Code of  
14 Regulations, title 4, section 12060.<sup>3</sup>

15 6. On or about August 5, 2019, the Commission's Deputy Director, Licensing Division,  
16 advised Respondent in writing that the evidentiary hearing would be conducted pursuant to  
17 California Code of Regulations, title 4, section 12060. At the same time, a Notice of Defense  
18 form was provided to Respondent.

19 7. Respondent submitted a completed Notice of Defense dated August 11, 2019 to the  
20 Commission.

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23 <sup>1</sup> The Application for a Third-Party Proposition Player Services License for Supervisor,  
24 Player or Other Employee and the Level I Supplemental Information form are herein referred to  
collectively as the Application.

25 <sup>2</sup> Respondent is required to convert her registration to a license and submit an application  
26 for such licensure pursuant to California Code of Regulations, title 4, sections 12205.1 and 12218  
because Pacific was summoned, on August 26, 2016, to submit an application to convert its  
registration into a license.

27 <sup>3</sup> The statutes and regulations applicable to this Statement of Reasons are quoted in  
28 pertinent part in the Appendix.

1 **BURDEN OF PROOF**

2 8. Respondent has the burden of proving her qualifications to receive a license. (Bus. &  
3 Prof. Code, § 19856, subd. (a).)

4 **FIRST CAUSE FOR DENIAL**

5 **(Failure to Disclose – Criminal Offense Involving Dishonesty or Moral Turpitude)**

6 9. Respondent's Application is subject to denial and her registration is subject to  
7 revocation or cancellation because she failed to disclose material information to the Bureau in  
8 connection with its investigation. Respondent, under penalty of perjury, falsely stated on her  
9 application that she had not been convicted of any offense involving dishonesty or moral  
10 turpitude when, in fact, Respondent had been convicted of a misdemeanor crime of dishonesty  
11 and moral turpitude. Specifically, Respondent failed to disclose that on or about January 29,  
12 1992, she was convicted, upon a plea of nolo contendere, of violating Penal Code section 487h,  
13 grand theft of the cargo of another, a misdemeanor crime of dishonesty and moral turpitude, in  
14 the case of *People v. Teresa Diehl* (Super. Ct. Los Angeles County, 1992, No. 92M00160).<sup>4</sup> As a  
15 result of this conviction, Respondent was sentenced to four days in jail, three years of probation,  
16 and ordered to complete 20 days of community service.

17 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), & 19859, subds. (a) & (b); Cal. Code.  
18 Regs., tit. 4, § 12218.11, subd. (e), (f) & (j).)

19 **SECOND CAUSE FOR DENIAL**

20 **(Inconsistent Statements)**

21 10. Complainant re-alleges each of the allegations set forth in Paragraphs 1 through 9  
22 above and by this reference incorporates each allegation as if set forth herein in full.

23 \_\_\_\_\_  
24 <sup>4</sup> Respondent's conviction, which is for a crime of dishonesty and moral turpitude, is not  
25 subject to a mandatory denial under Business and Professions Code section 19859, subdivision  
26 (d), because it occurred outside the 10-year period immediately preceding the submission of  
27 Respondent's Application. Nonetheless, Respondent's Application remains subject to several  
28 other statutory grounds for denial, including a discretionary denial under Business and  
Professions Code section 19857, subdivisions (a) and (b), on the basis that Respondent lacks good  
character, honesty and integrity, and under Business and Professions Code section 19859,  
subdivisions (a) and (b), on the basis that Respondent has failed to clearly establish her eligibility  
and qualifications and has supplied information that is untrue or misleading as to a material  
fact.

1           11. Respondent's Application is subject to denial and her registration is subject to  
2 revocation or cancellation because Respondent provided inconsistent information about her arrest  
3 for grand theft to the Bureau in response to its investigation as follows:

4           a. On January 5, 1992, upon her arrest, Respondent was interviewed by a law  
5 enforcement officer from the City of Long Beach Police Department regarding her use of a stolen  
6 vehicle. According to the arrest report, Respondent told law enforcement that she had just  
7 awakened and her friend said that there was a stolen car outside. The officer's arrest report states  
8 that Respondent told law enforcement that she decided to drive the vehicle to the store for some  
9 milk and then to a friend's house. She told law enforcement that she did not think she would get  
10 caught. She also admitted that she learned how to start the vehicle from a friend named Carlos.  
11 The arrest report also states that Respondent told law enforcement that she almost got out of the  
12 vehicle and ran when she was pulled over, but she did not want to get into any more trouble.

13           b. On December 4, 2018, the Bureau sent a letter to Respondent that included a  
14 request for Respondent to provide a detailed statement explaining the circumstances that led to  
15 her conviction for grand theft. Respondent provided the Bureau with a written statement dated  
16 December 11, 2018. In her statement, Respondent claimed that her roommate told her that the  
17 roommate had borrowed the vehicle from a friend. Specifically, Respondent told the Bureau that  
18 "My roommate at the time had woke me up from my sleep and asked if I could drive her to the  
19 store to get some milk for her kids. She told me a friend of hers had let her borrow his vehicle.  
20 When I met her outside the vehicle was on (running) and she was in the passenger seat. In less  
21 than ten minutes we were surrounded by the Long Beach Police Department. I was unaware the  
22 vehicle was stolen. She (my friend) walked away scott free while I was arrested."

23           c. Respondent's explanation provided to the Bureau was inconsistent from her  
24 statements to law enforcement at the time of her arrest.

25           12. In addition, Respondent provided inconsistent responses regarding her conviction on  
26 completed Supplemental Application forms she submitted to the Bureau as follows:  
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1 a. On three occasions, Respondent submitted a completed Supplemental  
2 Application form to the Bureau for licensure as a proposition player, including on or around  
3 February 27, 2013, August 18, 2014, and September 6, 2016.

4 i. On her February 27, 2013 and August 18, 2014 Supplemental Application  
5 forms, Respondent answered Section 4, question (5), "Have you ever been convicted of an  
6 offence involving dishonesty or moral turpitude?" in the affirmative, disclosing she had been  
7 convicted of an offense involving dishonesty or moral turpitude.

8 ii. On her September 6, 2016 Supplemental Application form, Respondent  
9 answered Section 4, question (5) in the negative, denying she had been convicted of an offense  
10 involving dishonesty or moral turpitude.

11 b. The Bureau's December 4, 2018 letter to Respondent included a request for  
12 Respondent to explain why she answered "no" on her September 6, 2016 Supplemental  
13 Application form to Section 4, question (5).

14 c. In Respondent's written statement to the Bureau dated December 11, 2018,  
15 Respondent stated "I thought that question pertained to question number 2, last ten years, from  
16 section 4. So yes I was convicted for the charge on January 29, 1992."

17 13. Respondent's inconsistent statements reflect she lacks requisite good character,  
18 honesty and integrity. In addition, Respondent's inconsistent statements demonstrate a disregard  
19 for the truth and a failure to take responsibility for her actions.

20 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), & 19859, subds. (a) & (b); Cal. Code.  
21 Regs., tit. 4, § 12218.11, subd. (e), (f) & (j).)

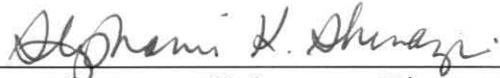
22 **PRAYER**

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

- 25 1. Denying Respondent's Application for a proposition player license;
- 26 2. Revoking or cancelling Respondent's registration, number TPPL-015467; and
- 27 3. Taking such other and further action as the Commission may deem appropriate.

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1 Dated: October 22, 2019



STEPHANIE K. SHIMAZU, Director  
California Department of Justice,  
Bureau of Gambling Control  
Complainant

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**APPENDIX**

**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>[3]</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

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<sup>5</sup> “Chapter” refers to Business and Professions Code, division 8, chapter 5, (commencing with section 19800), also known as the Gambling Control Act.

1 against the license of an individual owner endorsed on the license  
2 certificate of the gambling enterprise whether or not the  
3 commission takes action against the license of the gambling  
4 enterprise.

5 \* \* \*

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

9 4. Business and Professions Code, section 19853, subdivision (a), provides, in part:

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

14 \* \* \*

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

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

18 (a) The commission, after considering the recommendation of the  
19 chief<sup>6</sup> and any other testimony and written comments as may be  
20 presented at the meeting, or as may have been submitted in writing to  
21 the commission prior to the meeting, may either deny the application or  
22 grant a license to an applicant who it determines to be qualified to hold  
23 the license.

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

28 (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.

(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>6</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 be  
3 conducted in accordance with regulations of the commission and as  
4 follows:

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

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

8                                   (A) To call and examine witnesses.

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

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

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

16                                  (E) To offer rebuttal evidence.

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

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

28                   (b) Nothing in this section confers upon an applicant a right to  
discovery of the department's<sup>7</sup> 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.

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

The commission shall establish reasonable criteria for, and require  
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  
commission may impose licensing requirements, disclosures,

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<sup>7</sup> "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (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, provides:

11 (a) If the Executive Director determines it is appropriate, he or she  
12 may set an application for consideration at a GCA hearing in advance  
13 of a meeting pursuant to Section 12054. The Executive Director shall  
14 give notice to the applicant, pursuant to paragraph (2) subsection (c) of  
15 Section 12052, to the Office of the Attorney General, and to the Bureau  
16 no later than 90 calendar days in advance of the GCA hearing. The  
17 Executive Director's determination will be based on information  
18 contained in the Bureau's report or other appropriate sources including,  
19 without limitation, a request from the Bureau or applicant as well as the  
20 Commission's operational considerations. The Commission retains the  
21 authority to refer the matter to an APA hearing pursuant to subsection  
22 (a) of Section 12056 or hear the matter at a Section 12054 meeting if  
23 the Commission deems it appropriate.

24 (b) When the Commission has elected to hold a GCA hearing, the  
25 Executive Director shall give notice to the applicant, pursuant to  
26 paragraph (2) subsection (c) of Section 12052, to the Office of the  
27 Attorney General, and to the Bureau no later than 60 calendar days in  
28 advance of the GCA hearing.

(c) The presiding officer shall have no communication with the  
Commission or Commission staff upon the merits, or upon information  
or documents related to the application prior to the evidentiary hearing.  
The Executive Director shall designate a presiding officer which shall  
be:

- (1) A member of the Commission's legal staff; or,
- (2) An Administrative Law Judge.

(d) The applicant or the complainant, or the applicant and the  
complainant, may request a continuance in writing to the Executive  
Director stating the reason for the continuance and any proposed future

1 hearing dates. The Executive Director or Commission may approve the  
2 request.

3 (e) The complainant shall provide to the applicant, at least 45  
4 calendar days prior to the GCA hearing, and the applicant shall provide to  
5 the complainant, at least 30 calendar days prior to the GCA hearing, the  
6 following items:

7 (1) A list of potential witnesses with the general subject of  
8 the testimony of each witness;

9 (2) Copies of all documentary evidence intended to be  
10 introduced at the hearing and not previously provided;

11 (3) Reports or statements of parties and witnesses, if  
12 available; and

13 (4) All other written comments or writings containing  
14 relevant evidence.

15 (f) A presiding officer shall rule on the admissibility of evidence  
16 and on any objections raised except for objections raised under  
17 subsection (g). A ruling by the presiding officer shall be final.

18 (1) In advance of the GCA hearing, upon a motion of a  
19 party or by order of the presiding officer, the presiding officer  
20 may conduct a pre-hearing conference, either in person, via  
21 teleconference, or by email exchange, subject to the presiding  
22 officer's availability and shall issue a pre-hearing order if  
23 appropriate or requested by either party. The pre-hearing  
24 conference and order may address the following:

25 (A) Evidentiary issues;

26 (B) Witness and exhibit lists;

27 (C) Alterations in the Bureau recommendation;

28 (D) Stipulation for undisputed facts including the  
admission of the Bureau's report; and

(E) Other issues that may be deemed appropriate to  
promote the orderly and prompt conduct of the hearing.

(2) The GCA hearing need not be conducted according to  
technical rules of evidence. Any relevant evidence may be  
considered, and is sufficient in itself to support findings if it is the

1 sort of evidence on which reasonable persons are accustomed to  
2 rely in the conduct of serious affairs, regardless of the existence of  
3 any common law or statutory rule that might make improper the  
admission of that evidence over objection in a civil action.

4 (g) The Commission may, at any time upon a showing of  
5 prejudice by the objecting party:

6 (1) Prohibit the testimony of any witness or the  
7 introduction of any documentary evidence that has not been  
disclosed pursuant to subsection (e); or

8 (2) Continue any meeting or hearing as necessary to  
9 mitigate any prejudice.

10 (h) The complainant shall present all facts and information in the  
11 Bureau report, if any, and the results of the Bureau's background  
12 investigation, and the basis for any recommendation, if the Bureau filed  
13 one with the Commission according to Business and Professions Code  
14 section 19868, to enable the Commission to make an informed decision  
15 on whether the applicant has met his, his, or its burden of proof. The  
16 complainant may but is not required to recommend or seek any  
17 particular outcome during the evidentiary hearing, unless it so chooses.

18 (i) The burden of proof is on the applicant at all times to prove his,  
19 his, or its qualifications to receive any license or other approval under  
the Act.

20 (j) The applicant may choose to represent himself, herself, or  
21 itself, or may retain an attorney or lay representative.

22 (k) Except as otherwise provided in subsection (g), the  
23 complainant and applicant shall have the right to call and examine  
24 witnesses under oath; to introduce relevant exhibits and documentary  
25 evidence; to cross-examine opposing witnesses on any relevant matter,  
26 even if the matter was not covered in direct examination; to impeach  
27 any witness, regardless of which party first called the witness to testify;  
28 and to offer rebuttal evidence. If the applicant does not testify on his,  
his or its own behalf, the applicant may be called and examined, under  
oath, as if under cross-examination.

(l) Oral evidence shall be taken upon oath or affirmation, which  
may be administered by the Executive Director, a member of the  
Commission, or the presiding officer, if an Administrative Law Judge.

1 (m) At the conclusion of the evidentiary hearing, the members of  
2 the Commission shall take the matter under submission, may discuss  
3 the matter in a closed session meeting, and may schedule future closed  
4 session meetings for deliberation.

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

6 Registrations, licenses, and badges are specific to the primary  
7 owner. Third party proposition player services cannot be provided  
8 without first applying for and obtaining a registration, license, or  
9 badge.

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

11 (a) Any regular registration issued in accordance with this  
12 chapter<sup>[8]</sup> shall be subject to cancellation pursuant to this section. A  
13 registration shall be cancelled if the Commission determines after a  
14 noticed hearing that the registrant is ineligible for registration, has  
15 failed in the application for registration to reveal any fact material to  
16 the holder's qualification for registration, or has supplied information  
17 in the registration application that is untrue or misleading as to a  
18 material fact pertaining to the criteria for issuance of registration.

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

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

28 (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

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<sup>8</sup> "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

1 for Third Party Proposition Player Services License for Business  
2 Entities and Owners (BGC-433 (Rev. 10/17)) or Application for Third-  
3 Party Proposition Player Services License for Supervisors, Players or  
4 Other Employees (BGC-434 (Rev. 10/17)), which are hereby  
5 incorporated by reference, including any fees to the Bureau within 30  
6 days of receiving a summons shall expire by operation of law on the  
7 following day. Prior to and during review of a request to convert a  
8 registration to a license, a registration shall remain valid and may be  
9 renewed by the registrant as necessary, upon application and approval  
10 of renewal of registration as provided in Section 12203A.

11 (b) Any person who became affiliated with a primary owner  
12 following receipt of a summons from the Bureau shall apply for  
13 registration pursuant to this chapter and shall be called forward by the  
14 Bureau expeditiously.

15 (c) If the registration expires by operation of law, the former  
16 registrant shall submit a new Application for Third Party Proposition  
17 Player Services License for Business Entities and Owners (BGC-433)  
18 or Application for Third-Party Proposition Player Services License for  
19 Supervisors, Players or Other Employees (BGC-434), which are  
20 referenced in subsection (a), and a new nonrefundable application fee  
21 as specified in paragraph (1), and the applicable additional fee specified  
22 in paragraph (3), (4), or (5) of subsection (d) of Section 12008.

23 13. California Code of Regulations, title 4, section 12218 provides:

24 (a) A request to convert a registration to a license shall be  
25 submitted to the Bureau only in response to a written summons to a  
26 primary owner pursuant to Section 12205.1. Each primary owner's  
27 request shall be accompanied by the requests of all affiliated owners,  
28 supervisors, players, and other employees.

(b) The request to convert a registration to a license shall designate  
whether the license is requested as a primary owner, owner, supervisor,  
player, or other employee. The request shall be signed by the  
individual requester or, if the requester is a business entity, by the chief  
executive officer or other designated officer of the business entity.

(c) The request to convert a registration to a license shall include  
all of the following:

(1) A completed Application for Third Party Proposition  
Player Services License for Business Entities and Owners (BGC-  
433) or Application for Third-Party Proposition Player Services

1 License for Supervisors, Players or Other Employees (BGC-  
2 434), referenced in Section 12205.1.

3 (2) If applicable, the Trust Supplemental Background  
4 Investigation Information, BGC-APP-143 (Rev. 05/08),  
5 referenced in Section 12342 of this division.

6 (3) The applicable nonrefundable application fee in the  
7 amount specified in subsection (d) of Section 12008.

8 (4) Two 2x2 inch color passport-style photographs of a  
9 requester that is an individual taken no more than one year  
10 before submission of the request to the Bureau.

11 (5) The supplemental information package as defined in  
12 Section 12200(b).

13 (6) A sum of money that, in the judgment of the Chief of  
14 the Bureau, will be adequate to pay the anticipated investigation  
15 and processing costs, in accordance with Business and  
16 Professions Code sections 19867 and 19984(c).

17 (7) A copy of the summons issued by the Bureau.

18 (d) Nothing in this chapter shall require the Commission or  
19 Bureau to divulge to the requester any confidential information  
20 received from any law enforcement agency or any information  
21 received from any person with assurances that the information would  
22 be maintained as confidential. Nothing in this chapter shall require the  
23 Commission or Bureau to divulge any information that might reveal  
24 the identity of any source of information or jeopardize the safety of  
25 any person.

### 26 **SPECIFIC STATUTORY PROVISIONS**

27 14. Business and Professions Code section 19856 provides:

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

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

1 (c) In reviewing an application for any license, the commission shall  
2 consider whether issuance of the license is inimical to public health,  
3 safety, or welfare, and whether issuance of the license will undermine  
4 public trust that the gambling operations with respect to which the license  
5 would be issued are free from criminal and dishonest elements and would  
6 be conducted honestly.

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8 15. Business and Professions Code, section 19857 provides:

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

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

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

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

22  
23 16. Business and Professions Code section 19859 provides, in part:

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

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

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

\* \* \*

(d) Conviction of the applicant for any misdemeanor  
involving dishonesty or moral turpitude within the 10-year period  
immediately preceding the submission of the application, unless the  
applicant has been granted relief pursuant to Section 1203.4,  
1203.4a, or 1203.45 of the Penal Code; provided, however, that the  
granting of relief pursuant to Section 1203.4, 1203.4a, or 1203.45  
of the Penal Code shall not constitute a limitation on the discretion  
of the commission under Section 19856 or affect the applicant's  
burden under Section 19857.

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17. Business and Professions Code section 19866 provides:

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

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

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

(a) The registrant or licensee committed, attempted to commit, or conspired to commit any acts prohibited by the Act<sup>9</sup> or this chapter.

(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.

19. California Code of Regulations, title 4, section 12218.11(e), 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.

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<sup>9</sup> “Act” refers to the “Gambling Control Act.” (Bus. & Prof. Code, § 19800 et seq.)