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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**  
14 **for Denial of Application for Third-Party**  
15 **Proposition Player Services License:**

BGC Case No.: BCG-HQ2018-00007SL  
CGCC Case No.: CGCC-2018-0111-11Ai  
**STATEMENT OF REASONS**

16 **BRYAN LEON GARCIA**  
17 **5173 S. Normandie Ave.**  
**Los Angeles, CA 90037**

18 Respondent.

19  
20 Complainant alleges as follows:

21 **PARTIES**

22 1. Stephanie Shimazu (Complainant) brings this Statement of Reasons for a denial of an  
23 Application for Initial Third-Party Proposition Player Services License in her official capacity as  
24 the Director of the California Department of Justice, Bureau of Gambling Control (Bureau).

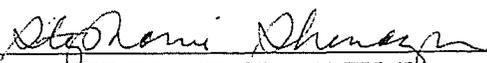
25 2. On December 29, 2015, Bryan Leon Garcia (Respondent) submitted to the Bureau an  
26 Application for Third-Party Proposition Player Services License, together with a Level I  
27 Supplemental Information (collectively "Application"), to be licensed as a third-party player for  
28 Acme Player Services, LLC (Acme).





- 1           1. Denying Respondent's Application for a Third-Party Proposition Player Services
- 2 License; and
- 3           2. Revoking or cancelling Respondent's registration, number TPPL-016247; and
- 4           3. Taking such other and further action as the Commission may deem appropriate.

5 Dated: June 4, 2018.

6   
7 STEPHANIE SHIMAZU, Director  
8 Bureau of Gambling Control  
9 California Department of Justice  
10 Complainant

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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<sup>4</sup> 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 of the  
10 case.

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

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

16                                   (E) To offer rebuttal evidence.

17                           (3) If the applicant does not testify in his or her 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>5</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.

<sup>4</sup> See California Code of Regulations, title 4, section 12060.

<sup>5</sup> "Department" refers to the Department of Justice, Bureau of Gambling Control. (Bus. & Prof. Code, § 19805, subd. (h).)

1 Specific Statutory and Regulatory Provisions

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

3 (a) The burden of proving his or her qualifications to receive any  
4 license is on the applicant.

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

7 8. Business and Professions Code section 19857 provides, in part:

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

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

12 (b) A person whose prior activities, criminal record, if any,  
13 reputation, habits, and associations do not pose a threat to the public  
14 interest of this state, or to the effective regulation and control of  
15 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.

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

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

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

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

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

25 A requester [of a Third Party Proposition Player Services license]  
26 shall be ineligible for licensing for any of the following causes:

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

1  
2 (f) The requester would be ineligible for a state gambling  
3 license under any of the criteria set forth in Business and  
4 Professions Code section 19859, subdivisions (b), (e), or (f).

5 \* \* \*

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

8 11. California Code of Regulations, title 4, section 12060, provides:

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

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

27 (c) The presiding officer shall have no communication with  
28 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 hearing dates. The Executive Director or Commission may  
approve the request.

(e) The complainant shall provide to the applicant, at least 45  
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 (1) A list of potential witnesses with the general subject  
2 of the testimony of each witness;

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

5 (3) Reports or statements of parties and witnesses, if  
6 available; and

7 (4) All other written comments or writings containing  
8 relevant evidence.

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

12 (1) In advance of the GCA hearing, upon a motion of a  
13 party or by order of the presiding officer, the presiding officer  
14 may conduct a pre-hearing conference, either in person, via  
15 teleconference, or by email exchange, subject to the presiding  
16 officer's availability and shall issue a prehearing order if  
17 appropriate or requested by either party. The prehearing  
18 conference and order may address the following:

19 (A) Evidentiary issues;

20 (B) Witness and exhibit lists;

21 (C) Alterations in the Bureau recommendation;

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

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

26 (2) The GCA hearing need not be conducted according  
27 to technical rules of evidence. Any relevant evidence may be  
28 considered, and is sufficient in itself to support findings if it is  
the sort of evidence on which reasonable persons are accustomed  
to rely in the conduct of serious affairs, regardless of the  
existence of any common law or statutory rule that might make  
improper the admission of that evidence over objection in a civil  
action.

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

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

3 (2) Continue any meeting or hearing as necessary to  
4 mitigate any prejudice.

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

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

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

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

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

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

26 12. Business and Professions Code section 19866 provides:

27 An applicant for licensing or for any approval or consent required by  
28 this chapter, shall make full and true disclosure of all information to the

1 department and the commission as necessary to carry out the policies of  
2 this state relating to licensing, registration, and control of gambling.

3 13. California Code of Regulations, title 4, section 12204 provides, in part:

4 An applicant shall be ineligible for registration for any of the following  
5 causes:

6 \* \* \*

7 (d) If the application is for registration an an owner,  
8 supervisor, or player, the application has been subject to a final  
9 administrative or judicial adjudication revoking a registration under  
10 this chapter or a state gambling license, key employee license. Work  
11 permit or finding of suitability or has had an application denied  
12 under this chapter or the Act.

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

16 \* \* \*

17 (i) The applicant is ineligible based on any other provision of  
18 law.

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

20 (a) Any regular registration issued in accordance with this  
21 chapter 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.

28 (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.