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10  
11 **BEFORE THE**  
12 **CALIFORNIA GAMBLING CONTROL COMMISSION**  
13 **STATE OF CALIFORNIA**

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

17 **JIMENA ELIZABETH MEJIA,**  
18 [REDACTED]

19  
20 **Respondent.**

**BGC Case No.: BGC-HQ2019-00007SL**

**CGCC Case No.: CGCC- 2019-0221-11A**

**STATEMENT OF REASONS**

21 Complainant alleges as follows:

22 **PARTIES**

23 1. 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 2. On November 15, 2016, the Bureau received an Application for Third-Party  
27 Proposition Player Services License for Supervisor, Player or Other Employee, and a Level I  
28 Supplemental Information form, dated May 6 and May 3, 2016, respectively (collectively,

1 Application), from Jimena Elizabeth Mejia (Respondent), to allow for her employment as a third-  
2 party proposition player (third-party player) for Acme Player Services, LLC (Acme), a registered  
3 third-party proposition player services provider, registration number TPPP-000089.<sup>1</sup>

4 3. Respondent has been employed as a third-party player by Acme from September  
5 2016 to the present. On or about November 2016, the California Gambling Control Commission  
6 (Commission) issued Respondent a registration number, TPPL-018397, as a third-party player for  
7 this period of employment. Respondent's registration currently expires on May 31, 2020.

8 4. From April 2014 to July 2016, prior to working for Acme, Respondent was employed  
9 as a third-party player for PT Gaming, LLC.<sup>2</sup>

10 5. On or about September 25, 2018, the Bureau submitted a Third-Party Player  
11 Background Investigation Report to the Commission, in which it recommended that Respondent's  
12 Application be denied.

13 6. At its February 21, 2019, meeting, the Commission referred consideration of  
14 Respondent's Application to an evidentiary hearing, which is to be held pursuant to California  
15 Code of Regulations, title 4, section 12060.<sup>3</sup>

16 7. On or about May 1, 2019, the Bureau received Respondent's Notice of Defense, dated  
17 April 25, 2010.

### 18 **BURDEN OF PROOF**

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

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23 <sup>1</sup> Respondent is required to convert her registration to a license and submit an application  
24 for such licensure pursuant to California Code of Regulations, title 4, sections 12205.1 and 12218  
25 because Acme was summoned, on November 12, 2010, to submit an application to convert its  
registration to a license.

26 <sup>2</sup> From July 2016 to September 2016, Respondent stated that she was unemployed and  
received assistance from her parents and unemployment benefits.

27 <sup>3</sup> 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 **(Lack of Requisite Good Character, Honesty, and Integrity – Criminal History)**

3 9. Respondent’s Application is subject to denial and her registration is subject to  
4 revocation or cancellation because her criminal history demonstrates a lack of good character,  
5 honesty and integrity as follows:

6 a. On or about June 1, 2011, Respondent was convicted, upon a plea of nolo  
7 contendere, of violating Penal Code section 484, subdivision (a), misdemeanor petty theft, in the  
8 case of *People v. Jimena Elizabeth Mejia* (Sup. Ct. Los Angeles County, 2011, No. 1BF01300).  
9 As a result of her conviction, Respondent was placed on probation and ordered to complete 40  
10 hours of community service.<sup>4</sup>

11 b. The facts underlying Respondent’s petty theft conviction show that she carried  
12 out this crime in a manner that involved moral turpitude as follows:

13 i. On January 31, 2011, Respondent went to a Macy’s department store but did  
14 not intend to pay for anything.

15 ii. Once inside Macy’s, Respondent walked to the fragrance department and  
16 picked up a “Jennifer Lopez” bottle of fragrance. She then picked up two Lakers t-shirts and used  
17 the t-shirts to cover the fragrance in her hand while she picked up and carried several other items  
18 of clothing into a fitting room.

19 iii. Moments later, Respondent left the fitting room with some of the items  
20 concealed in her purse and discarded the rest of the items on the sales floor.

21 iv. Respondent walked past several open and manned cash registers on her way  
22 out of the Macy’s department store, but did not pay for any of the new items in her possession.

23 \_\_\_\_\_  
24 <sup>4</sup> On November 30, 2011, the Superior Court of Los Angeles County set aside  
25 Respondent’s plea agreement and dismissed the charge of misdemeanor petty theft “in  
26 furtherance of justice” under Penal Code section 1385. Penal Code section 1385 provides, “The  
27 judge or magistrate may, either of his or her own motion or upon the application of the  
28 prosecuting attorney, and in furtherance of justice, order an action to be dismissed. The reasons  
for the dismissal shall be stated orally on the record. The court shall also set forth the reasons in  
an order entered upon the minutes if requested by either party or in any case in which the  
proceedings are not being recorded electronically or reported by a court reporter. A dismissal  
shall not be made for any cause that would be ground of demurrer to the accusatory pleading.”  
(Pen. Code, § 1385.)

1 v. Respondent admitted to the law enforcement officer, “I fucked up, and I  
2 know it.”

3 c. In addition, on or about October 27, 2012, Respondent was convicted, upon a  
4 plea of nolo contendere, of violating Vehicle Code section 23152, subdivision (b), for driving  
5 under the influence with a blood alcohol level of .08 percent or higher, a misdemeanor, in the  
6 case of *People v. Jimena Elizabeth Mejia* (Sup. Ct. Los Angeles County, 2012, No. 2LT11008).  
7 As a result of her conviction, Respondent was placed on summary probation, ordered to complete  
8 a nine-month alcohol and drug education program and to pay a total fine of \$1909.  
9 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b); Cal. Code. Regs., tit. 4, § 12218.11,  
10 subds. (e) & (j).)

11 **SECOND CAUSE FOR DENIAL**

12 **(Lack of Requisite Good Character, Honesty and Integrity –**  
13 **Inconsistent Statements)**

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

16 11. Respondent’s Application is subject to denial and her registration is subject to  
17 revocation or cancellation because Respondent provided inconsistent information to the Bureau in  
18 response to its investigation as follows:

19 a. On January 31, 2011, Respondent was interviewed by a deputy sheriff from the  
20 Los Angeles County Sheriff’s Department regarding her theft of items from Macy’s department  
21 store. The arrest record reflects Respondent told law enforcement that she went to Macy’s  
22 because “she was bored and just wanted something to do.” Respondent also told law enforcement  
23 that while at the location, “she decided to steal clothing items that she liked.” Respondent further  
24 admitted that she was “unemployed and needed some new clothes, so she stole them.”

25 b. On September 27, 2017, the Bureau sent a letter to Respondent asking for  
26 additional information regarding her Application. This letter included a request for Respondent  
27 to provide a detailed statement explaining the circumstances that led to her conviction for theft.  
28

1 Respondent provided the Bureau with a written statement dated November 14, 2017. In her  
2 statement, Respondent attempted to blame another person in part for her crime. In addition,  
3 instead of admitting that she stole the items for herself, Respondent’s statement to the Bureau  
4 claimed that the stolen items were for her sister’s birthday. Specifically, Respondent told the  
5 Bureau that “I was with my friend from high school , (sic) we were around 18.It (sic) was my  
6 sisters (sic) birthday I wasn’t working so I thought I would get her something from macys . (sic)  
7 She had a date so we just both went to the dressing room to take some stuff each. We put it in my  
8 purse and when we got stopped I was the only one who was given a ticket.”

9 c. On January 19, 2018, the Bureau sent a request seeking an explanation regarding  
10 the discrepancy between what Respondent told law enforcement at the time of her arrest—that  
11 she needed new clothes so she stole them—and her statement to the Bureau that she was with a  
12 friend and stole items for her sister’s birthday. Respondent refused to explain which version of  
13 events was accurate. In her January 24, 2018 email response to the Bureau’s request seeking an  
14 explanation, Respondent stated, “In response to the discrepancy it was both reasons (sic) If you  
15 guys don’t want to license me it’s fine . (sic) I’m done answering all these intrusive questions .  
16 (sic) It happened almost ten years ago . (sic) These actions don’t define me (sic) I have grown and  
17 it’s not fair to keep poking at stuff that is truly embarrassing and not me at all anymore.”

18 d. Respondent’s inconsistent statements demonstrate a disregard for the truth and a  
19 failure to take responsibility for her actions.

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

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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 a third-party proposition player license;
2. Revoking or cancelling Respondent's registration, number TPPL-018397; and
3. Taking such other and further action as the Commission may deem appropriate.

Dated: July 24, 2019

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

1 **APPENDIX A**

2 **JURISDICTION**

- 3 1. Business and Professions Code section 19811, subdivision (b), provides:

4 Jurisdiction, including jurisdiction over operation and  
5 concentration, and supervision over gambling establishments in this  
6 state and over all persons or things having to do with the operation of  
7 gambling establishments is vested in the commission.

- 8 2. Business and Professions Code, section 19823 provides:

9 (a) The responsibilities of the commission include, without  
10 limitation, all of the following:

11 (1) Assuring that licenses, approvals, and permits are not  
12 issued to, or held by, unqualified or disqualified persons, or by  
13 persons are conducted in a manner that is inimical to the public  
14 health, safety, or welfare.

15 (2) Assuring that there is no material involvement,  
16 directly or indirectly, with a licensed gambling operation, or  
17 the ownership or management thereof, by unqualified or  
18 disqualified persons, or by persons whose operations are  
19 conducted in a manner that is inimical to the public health,  
20 safety, or welfare.

21 (b) For the purposes of this section, “unqualified person” means a  
22 person who is found to be unqualified pursuant to the criteria set forth  
23 in Section 19857, and “disqualified person” means a person who is  
24 found to be disqualified pursuant to the criteria set forth in Section  
25 19859.

- 26 3. Business and Professions Code, section 19824 provides, in part:

27 The commission shall have all powers necessary and proper to  
28 enable it fully and effectually to carry out the policies and purposes of  
this chapter,<sup>5</sup> including, without limitation, the power to do all of the  
following:

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(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.

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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 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>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.

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

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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, approvals, conditions, or limitations as it deems necessary to protect the integrity of controlled gambling in this state . . . .

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

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

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

(a) If the Executive Director determines it is appropriate, he or she may set an application for consideration at a GCA hearing in advance of a meeting pursuant to Section 12054. The Executive Director shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, 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 contained in the Bureau's report or other appropriate sources including, without limitation, a request from the Bureau or applicant as well as the Commission's operational considerations. The Commission retains the authority to refer the matter to an APA hearing pursuant to subsection (a) of Section 12056 or hear the matter at a Section 12054 meeting if the Commission deems it appropriate.

(b) When the Commission has elected to hold a GCA hearing, the Executive Director shall give notice to the applicant, pursuant to 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 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,

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(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) A list of potential witnesses with the general subject of the testimony of each witness;
- (2) Copies of all documentary evidence intended to be introduced at the hearing and not previously provided;
- (3) Reports or statements of parties and witnesses, if available; and
- (4) All other written comments or writings containing relevant evidence.

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

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

- (A) Evidentiary issues;
- (B) Witness and exhibit lists;
- (C) Alterations in the Bureau recommendation;
- (D) Stipulation for undisputed facts including the admission of the Bureau's report; and

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

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

(h) The complainant shall present all facts and information in the Bureau report, if any, and the results of the Bureau's background investigation, and the basis for any recommendation, if the Bureau filed one with the Commission according to Business and Professions 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.

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

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

(k) Except as otherwise provided in subsection (g), the complainant and applicant shall have the right to call and examine witnesses under oath; to introduce relevant exhibits and documentary 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 examined, under oath, as if under cross-examination.

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

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

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

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

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

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

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

25 (1) Provide written notice to the registrant and the Bureau of  
26 the cancellation of the registration and the grounds thereof, and  
27 provide written notice of the cancellation to the owner, if the  
28 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:

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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 (a) As expeditiously as possible in light of available program  
2 resources, the Bureau shall summon persons registered as primary  
3 owners, owners, supervisors, players, and other employees for the  
4 purpose of applying for licenses under this chapter. The registration of  
5 any registrant that fails or refuses to submit the applicable Application  
6 for Third Party Proposition Player Services License for Business  
7 Entities and Owners (BGC-433 (Rev. 10/17)) or Application for Third-  
8 Party Proposition Player Services License for Supervisors, Players or  
9 Other Employees (BGC-434 (Rev. 10/17)), which are hereby  
10 incorporated by reference, including any fees to the Bureau within 30  
11 days of receiving a summons shall expire by operation of law on the  
12 following day. Prior to and during review of a request to convert a  
13 registration to a license, a registration shall remain valid and may be  
14 renewed by the registrant as necessary, upon application and approval  
15 of renewal of registration as provided in Section 12203A.

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

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

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

(a) A request to convert a registration to a license shall be  
submitted to the Bureau only in response to a written summons to a  
primary owner pursuant to Section 12205.1. Each primary owner's  
request shall be accompanied by the requests of all affiliated owners,  
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:

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

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

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

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

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

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

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

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

**SPECIFIC STATUTORY PROVISIONS**

14. Business and Professions Code section 19856 provides:

(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

1 issued a license. The burden of proving his or her qualifications to  
2 receive any license is on the applicant.

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

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

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

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

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

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

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

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

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

27 \* \* \*

28 (d) Conviction of the applicant for any misdemeanor  
involving dishonesty or moral turpitude within the 10-year period

1 immediately preceding the submission of the application, unless the  
2 applicant has been granted relief pursuant to Section 1203.4,  
3 1203.4a, or 1203.45 of the Penal Code; provided, however, that the  
4 granting of relief pursuant to Section 1203.4, 1203.4a, or 1203.45  
5 of the Penal Code shall not constitute a limitation on the discretion  
6 of the commission under Section 19856 or affect the applicant's  
7 burden under Section 19857.

6 17. Business and Professions Code section 19866 provides:

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

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

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

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

17 (b) Any act or omission by the registrant that would  
18 disqualify the registrant from obtaining registration under this  
19 chapter. Any act or omission by the licensee that would disqualify  
20 the licensee from obtaining licensing under this chapter.

19 \* \* \*

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

22 19. California Code of Regulations, title 4, section 12218.11, provides, in part:

23 A requester shall be ineligible for licensing for any of the  
24 following causes:

24 \* \* \*

25 (c) The requester has, within the ten (10) year period  
26 immediately preceding the submission of the request to convert,  
27 been convicted of a misdemeanor involving a firearm or other

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

1 deadly weapon, gaming or gaming-related activities prohibited by  
2 Chapter 9 (commencing with section 319) or Chapter 10  
3 (commencing with section 330) of Title 9 of Part 1 of the Penal  
4 Code, violations of the Act, or dishonesty or moral turpitude, unless  
5 the applicant has been granted relief pursuant to Penal Code section  
6 1203.4, 1203.4a, or 1203.45, provided, however, that the granting  
of relief pursuant to Penal Code section 1203.4, 1203.4a, or  
1203.45 shall not constitute a limitation on the discretion of the  
Commission.

7 \* \* \*

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

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

11 \* \* \*

12 (j) The applicant is ineligible based on any other provision  
13 of law.

14  
15 20. Penal Code section 484, subdivision (a), provides:

16 Every person who shall feloniously steal, take, carry, lead, or  
17 drive away the personal property of another, or who shall  
18 fraudulently appropriate property which has been entrusted to him  
19 or her, or who shall knowingly and designedly, by any false or  
20 fraudulent representation or pretense, defraud any other person of  
21 money, labor or real or personal property, or who causes or  
22 procures others to report falsely of his or her wealth or mercantile  
character and by thus imposing upon any person, obtains credit and  
thereby fraudulently gets or obtains possession of money, or  
property or obtains the labor or service of another, is guilty of theft.

23 21. Vehicle Code section 23152(b) provides:

24 It is unlawful for a person who has 0.08 percent or more, by  
25 weight, of alcohol in his or her blood to drive a vehicle.