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

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

15 **VANESSA ERIANE ELLIS**
16 [REDACTED]

17
18 **Respondent.**

BGC Case No. BGC-HQ2018-00039SL

CGCC Case No: CGCC-2018-0510-7C

**FIRST AMENDED STATEMENT OF
REASONS**

Hearing Date: December 12, 2018
Hearing Time: 2:00 p.m.
Hearing Place: 2399 Gateway Oaks, Suite 100
Sacramento, CA 95833

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20
21
22 Complainant alleges as follows:

23 **PARTIES**

24 1. Stephanie K. Shimazu (Complainant) brings this First Amended Statement of
25 Reasons solely in her official capacity as Director of the California Department of Justice, Bureau
26 of Gambling Control (Bureau).

27 2. On January 18, 2017, the Bureau received an Application for Third-Party Proposition
28 Player Services License for Supervisor, Player or Other Employee, and a Level I Supplemental

1 Information, both dated January 2, 2017 (collectively, Application), from Vanessa Eriane Ellis
2 (Respondent), to allow for her employment as a third-party proposition player (prop-player) for
3 L.E. Gaming, Inc. (L.E. Gaming), a registered third-party proposition player services provider,
4 registration number TPPP-000118.¹

5 3. Respondent was employed as a prop-player by L.E. Gaming from December 2016 to
6 October 26, 2018. On or about December 1, 2016, the California Gambling Control Commission
7 (Commission) issued Respondent a registration, number TPPL-018710, as a prop-player for this
8 employment. Respondent's registration was inactivated on October 26, 2018, as a result of the
9 termination from her employment with L.E. Gaming.

10 4. Respondent was previously employed as a prop-player. From May 2014 to
11 September 2014, she was employed as a prop-player by PT Gaming, Inc. On or about June 19,
12 2014, the Commission issued Respondent a registration, number TPPL-013755, for that
13 employment. That registration was cancelled on September 29, 2014.

14 5. On or about March 29, 2018, the Bureau submitted a Third-Party Player Background
15 Investigation Report to the Commission in which it recommended that Respondent's Application
16 be denied.

17 6. At its May 10, 2018, meeting, the Commission referred consideration of
18 Respondent's Application to an evidentiary hearing, which is to be held pursuant to California
19 Code of Regulations, title 4, section 12060.²

20 7. On or about July 5, 2018, Respondent submitted a late Notice of Defense, which is
21 dated July 2, 2018.³

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

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

26 ³ On or about May 11, 2018, the Commission sent Respondent a letter advising her,
27 among other things, that she had 15 calendar days from receipt of the letter to submit a Notice of
28 Defense to the Commission and the Bureau; and that her failure to do so may result in the
Commission issuing a default decision denying her Application. A copy of the Notice of Defense
form was enclosed with the letter. Respondent submitted her Notice of Defense approximately
(continued...)

1 **BURDEN OF PROOF**

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

4 **FIRST CAUSE FOR DENIAL**

5 **(Unqualified for Licensure)**

6 9. Respondent's Application is subject to denial and her registration subject to
7 revocation or cancellation in that Respondent has displayed a lack of integrity and character, has
8 demonstrated a pattern and practice of consciously disregarding the law, and has shown through
9 her prior activities and habits that she poses a threat to the public interests of this State or the
10 effective regulation and control of controlled gambling. Respondent has recently committed the
11 following:

12 **Failures to Pay**

13 a. On March 12, 2014, Respondent was cited in Sacramento County for
14 violating Vehicle Code, section 27360.5, subdivision (a), no seat belt for a child 8
15 to 16 years old, citation number 08473SP. She has failed to fully pay the fine,
16 which was sent to GC Services, a collection agency. As of February 28, 2018,
17 there was an outstanding balance of about \$675.90.

18 b. On March 25, 2014, Respondent was cited in Sacramento County for
19 violating Vehicle Code, section 22350, unsafe speed for prevailing conditions,
20 citation number 266482EG. She has failed to fully pay the fine, which was also
21 sent to GC Services. As of February 28, 2018, there was an outstanding balance of
22 about \$279.58.

23 c. On March 1, 2015, Respondent was cited in Sacramento County for
24 violating Vehicle Code, section 22349, exceeding maximum speed limits, citation
25 number 25356SW. She has failed to fully pay the fine, which was also sent to GC
26

27 (...continued)
28 six weeks late. The Commission did not issue a default decision denying her Application.

1 Services. As of February 28, 2018, there was an outstanding balance of about
2 \$868.58.

3 d. On March 26, 2015, Respondent was cited in Sacramento County for
4 violating Vehicle Code, sections 4000, subdivision (a), unregistered vehicle, and
5 16028, subdivision (a), proof of insurance required, citation number 24805TQ.
6 She has failed to fully pay the fine, which was also sent to GC Services. As of
7 February 28, 2018, there was an outstanding balance of about \$1,433.58.

8 e. On December 2, 2015, Respondent was cited in Sacramento County for
9 violating Vehicle Code, sections 5204, subdivision (a), display of license plate
10 tabs, and 16028, subdivision (a), proof of insurance required, citation number
11 15009254EG. She has failed to fully pay the fine, which was also sent to GC
12 Services. As of February 28, 2018, there was an outstanding balance of about
13 \$1,684.54.

14 f. On January 7, 2016, Respondent was cited in Sacramento County for
15 violating Vehicle Code, section 4000, subdivision (a)(1), no evidence of current
16 registration, citation number 16001014EG. She has failed to fully pay the fine,
17 which was also sent to GC Services. As of February 28, 2018, there was an
18 outstanding balance of about \$913.58.

19 **Failures to Appear**

20 g. On October 8, 2015, Respondent was cited in Sacramento County for
21 violating Vehicle Code, section 21453, failure to stop at red light, citation number
22 0066909EG. She failed to appear in court regarding this matter and has failed to
23 fully pay the fine in the amount of \$780.00.

24 h. On November 13, 2015, Respondent was cited in Sacramento County
25 for violating Vehicle Code, section 4000, subdivision (a)(1), no evidence of
26 current registration, citation number FTR041951. She failed to appear in court
27 regarding this matter and has failed to fully pay the fine in the amount of \$584.00.
28

1 **Driving on a Suspended Driver's License**

2 i. As a result of Respondent's January 7, 2016, infraction and failure to
3 pay, Respondent's driver's license was suspended. Nevertheless, on September
4 28, 2017, Respondent was observed by Bureau staff driving with a suspended
5 driver's license.

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

8 **SECOND CAUSE FOR DENIAL**

9 **(Failure to Establish Eligibility and Provide Information)**

10 10. Respondent's Application is subject to denial and her registration subject to
11 revocation or cancellation, in that Respondent failed to provide information requested by the
12 Bureau or provided misleading information as to a fact material to licensure. Despite repeated
13 requests by the Bureau to Respondent and to her designated agent, Cary Cauley, Respondent has
14 failed to provide additional information and/or documentation regarding her incomplete
15 Application, her multiple failures to pay and failures to appear that are alleged in paragraph 9
16 above and incorporated herein by reference, and her termination from her employment at
17 Larkspur Landing, where she was employed from July 2015 to August 2016.

18 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subds. (a) [mandatory denial] &
19 (b) [mandatory denial] & 19866; Cal. Code. Regs., tit. 4, §§ 12200.18, subds. (a), (b) & (f), 12205
20 & 12218.11, subds. (e) [mandatory denial], (f) [mandatory denial] & (j) [mandatory denial].)

21 **THIRD CAUSE FOR DENIAL**

22 **(Termination from Employment as a Prop-Player)**

23 11. Respondent's Application is subject to denial and her registration subject to
24 revocation or cancellation, in that on or about October 26, 2018, Respondent was terminated for
25 cause from her employment as a prop-player by L.E. Gaming. Despite L.E. Gaming's repeated
26 requests, Respondent failed to renew her work permit with the City of Citrus Heights.
27 Additionally, Respondent provided L.E. Gaming with multiple excuses for why she failed to
28 renew her work permit, several of which L.E. Gaming determined to be untrue.

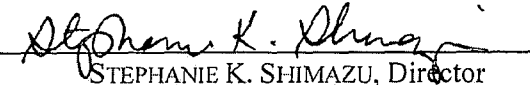
1 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), & 19859, subds. (a) [mandatory denial];
2 Cal. Code. Regs., tit. 4, §§ 12200.18, subds. (a), (b) & (c), 12205 & 12218.11, subds. (c)
3 [mandatory denial] & (j) [mandatory denial].)

4 **PRAYER**

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

- 7 1. Denying Respondent's Application for a third-party proposition player license;
8 2. Revoking or cancelling Respondent's registration, number TPPL-018710; and
9 3. Taking such other and further action as the Commission may deem appropriate.

10
11 Dated: November 13, 2018

12 
13 STEPHANIE K. SHIMAZU, Director
14 Bureau of Gambling Control
15 California Department of Justice
16 Complainant
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1 condition, restrict, discipline, or take action against the license of an
2 individual owner endorsed on the license certificate of the gambling
3 enterprise whether or not the commission takes action against the
4 license of the gambling enterprise.

* * *

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

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

The commission, by regulation or order, may require that the
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:

* * *

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

5. Business and Professions Code, section 19870 provides:

(a) The commission, after considering the recommendation of
the chief⁵ and any other testimony and written comments as may be
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.

(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
described in this chapter.

(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

⁵ "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

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

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

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

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

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

10 (A) To call and examine witnesses.

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

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

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

18 (E) To offer rebuttal evidence.

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

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

(b) Nothing in this section confers upon an applicant a right to
discovery of the department's⁶ investigative reports or to require
disclosure of any document or information the disclosure of which is
otherwise prohibited by any other provision of this chapter.

27 ⁶ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.
28 (h).)

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

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

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

11 If the Commission elects to hold an evidentiary hearing, the
12 hearing will be conducted as a GCA hearing under Section 12060,
13 unless the Executive Director or the Commission determines the
14 hearing should be conducted as an APA hearing under Section
15 12058

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

17 (a) If the Executive Director determines it is appropriate, he or
18 she may set an application for consideration at a GCA hearing in
19 advance of a meeting pursuant to Section 12054. The Executive
20 Director shall give notice to the applicant, pursuant to paragraph (2)
21 subsection (c) of Section 12052, to the Office of the Attorney General,
22 and to the Bureau no later than 90 calendar days in advance of the
23 GCA hearing. The Executive Director's determination will be based
24 on information contained in the Bureau's report or other appropriate
25 sources including, without limitation, a request from the Bureau or
26 applicant as well as the Commission's operational considerations. The
27 Commission retains the authority to refer the matter to an APA
28 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,

(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

1 future hearing dates. The Executive Director or Commission may
2 approve the 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
5 provide to the complainant, at least 30 calendar days prior to the GCA
6 hearing, the 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
16 evidence and on any objections raised except for objections raised
17 under 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 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
Code section 19868, to enable the Commission to make an informed
9 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
his, her, or its qualifications to receive any license or other approval
under the Act.

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

13 (k) Except as otherwise provided in subsection (g), the
14 complainant and applicant shall have the right to call and examine
15 witnesses under oath; to introduce relevant exhibits and documentary
16 evidence; to cross-examine opposing witnesses on any relevant matter,
even if the matter was not covered in direct examination; to impeach
17 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.

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

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

23
24 10. California Code of Regulations, title 4, section 12200.3, subdivision (g), provides:

25 Registrations, licenses, and badges are specific to the primary
26 owner. Third party proposition player services cannot be provided
without first applying for and obtaining a registration, license, or
27 badge.
28

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

2 (a) Any regular registration issued in accordance with this
3 chapter⁷ shall be subject to cancellation pursuant to this section. A
4 registration shall be cancelled if the Commission determines after a
5 noticed hearing that the registrant is ineligible for registration, has
6 failed in the application for registration to reveal any fact material to
7 the holder's qualification for registration, or has supplied information
8 in the registration application that is untrue or misleading as to a
9 material fact pertaining to the criteria for issuance of registration.

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

13 (1) Provide written notice to the registrant and the Bureau
14 of the cancellation of the registration and the grounds thereof,
15 and provide written notice of the cancellation to the owner, if the
16 registrant is a supervisor, player, or other employee and to any
17 gambling establishment in which the registrant provides
18 proposition player services.

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

24 12. California Code of Regulations, title 4, section 12205.1, provides:

25 (a) As expeditiously as possible in light of available program
26 resources, the Bureau shall summon persons registered as primary
27 owners, owners, supervisors, players, and other employees for the
28 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

⁷ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

1 registration pursuant to this chapter and shall be called forward by the
2 Bureau expeditiously.

3 (c) If the registration expires by operation of law, the former
4 registrant shall submit a new Application for Third Party Proposition
5 Player Services License for Business Entities and Owners (BGC-433)
6 or Application for Third-Party Proposition Player Services License for
7 Supervisors, Players or Other Employees (BGC-434), which are
8 referenced in subsection (a), and a new nonrefundable application fee
9 as specified in paragraph (1), and the applicable additional fee
10 specified in paragraph (3), (4), or (5) of subsection (d) of Section
11 12008.

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

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

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

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

26 (1) A completed Application for Third Party Proposition
27 Player Services License for Business Entities and Owners (BGC-
28 433) 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

1 processing costs, in accordance with Business and Professions
2 Code sections 19867 and 19984(c).

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

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

12 SPECIFIC STATUTORY AND REGULATORY PROVISIONS

13 14. Business and Professions Code section 19856 provides:

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

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

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

15. Business and Professions Code, section 19857 provides:

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

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

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

1 (c) A person that is in all other respects qualified to be licensed
2 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
7 qualification in accordance with this chapter.

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

13 17. Business and Professions Code section 19866 provides:

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

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

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

24 (a) The registrant or licensee committed, attempted to commit,
25 or conspired to commit any acts prohibited by the Act^[8] or this
26 chapter.

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

(c) The registrant or licensee engaged in any dishonest,
fraudulent, or unfairly deceptive activities in connection with
controlled gaming, including any violation of laws related to cheating.

* * *

⁸ "Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)

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

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

4 A requester shall be ineligible for licensing for any of the
5 following causes:

6 * * *

7 (e) The requester has failed to meet the requirements of
8 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
11 Code section 19859, subdivisions (b), (e), or (f).

12 * * *

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