

1 XAVIER BECERRA  
Attorney General of California  
2 SARA J. DRAKE  
Senior Assistant Attorney General  
3 WILLIAM L. WILLIAMS, JR.  
Deputy Attorney General, SBN 99581  
4 1300 I Street, Suite 125  
P.O. Box 944255  
5 Sacramento, CA 94244-2550  
Telephone: (916) 210-7835  
6 Fax: (916) 327-2319  
E-mail: Bill.Williams@doj.ca.gov  
7 *Attorneys for Complainant*



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

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

14 **SIANNA MAQUELLE HASENBERG**  
15 [REDACTED]

16 **Respondent.**

**BGC Case No.: BGC-HQ2018-00018SL**

**CGCC Case No.: CGCC-2018-0412-8F**

17 **STATEMENT OF REASONS**

18  
19 Complainant alleges as follows:

20 **PARTIES**

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

24 2. Respondent Sianna Maquelle Hasenberg (Hasenberg or Respondent) has been  
25 employed as a third party proposition player, Registration No. TPPL-020013, by third-party  
26 provider of proposition player services, Qualified Player Services, LLC, License No. TPPP-  
27 000080, since July 2017. On or about August 4, 2017, the Bureau received an application from  
28 Hasenberg for a Third-Party Proposition Players Services License for Supervisor, Player or Other

1 Employee, as well as Level I Supplemental Information form, both signed by her on July 22,  
2 2017 (collectively, Application).

3 3. On January 30, 2018, the Bureau issued a background report to the Commission  
4 recommending denial of Respondent's license as a player.

5 4. On April 12, 2018, pursuant to California Code of Regulations, title 4, section 12054,  
6 subdivision (a)(2), the Commission referred consideration of Respondent's Application to an  
7 evidentiary hearing to be held under the provisions of California Code of Regulations, title 4,  
8 section 12060.<sup>1</sup>

9 5. On or about April 12, 2018, the Commission notified Respondent of the  
10 Commission's decision to refer the matter to an evidentiary hearing. Included with that written  
11 notice was a Notice of Defense form for Respondent to complete and return.

12 6. On or about April 26, 2018, Respondent submitted the signed Notice of Defense,  
13 dated April 22, 2018.

14 **BURDEN OF PROOF**

15 7. Respondent has the burden of proving her qualifications to receive a license.  
16 (Bus. & Prof. Code, § 19856, subd. (a).)

17 **FIRST CAUSE FOR DENIAL**

18 **(Lack of Requisite Character and Integrity)**

19 8. Respondent worked at an Amazon distribution center as an order picker from March,  
20 2016 to July 2017. Respondent was terminated from this employment for cause because she  
21 violated the company's security policy.

22 9. Respondent worked at Gamestop, Inc., from October 2008 to July 2015 as an  
23 assistant manager. Respondent was terminated from this employment for cause because she  
24 violated a policy regarding the duration of game rentals on two occasions.

25  
26  
27 <sup>1</sup> The statutes and regulations applicable to this Statement of Reasons are quoted in  
28 pertinent part in Appendix A.




1 Code, §§ 19856, subd. (b), 19857, 19859, subd. (b), 19866; Cal. Code. Regs., tit. 4, § 12218.11,  
2 subds. (e) & (f).)

3 **PRAYER**

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

- 6 1. Denying Respondent's Application for a Third-Party Proposition Player License;
- 7 2. Cancelling Respondent's registration, number TPPL-020013 and
- 8 3. Taking such other and further action as the Commission may deem appropriate.

9  
10 Dated: August 22, 2018

  
11 STEPHANIE SHIMAZU, Director  
12 Bureau of Gambling Control  
13 California Department of Justice  
14 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  
7 of 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, directly  
16 or indirectly, with a licensed gambling operation, or the ownership  
17 or management thereof, by unqualified or disqualified persons, or  
18 by persons whose operations are conducted in a manner that is  
19 inimical to the public health, safety, or welfare.

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

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

26 The commission shall have all powers necessary and proper to  
27 enable it fully and effectually to carry out the policies and purposes  
28 of this chapter,<sup>[2]</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 against the license of an

---

<sup>2</sup> Hereinafter, “chapter” refers to Business and Professions Code, division 8, chapter 5, (commencing with section 19800), also known as the Gambling Control Act.

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

3 \* \* \*

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

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

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

10 \* \* \*

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

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

13 (a) The commission, after considering the recommendation of the  
14 chief<sup>3</sup> and any other testimony and written comments as may be  
presented at the meeting, or as may have been submitted in writing  
15 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.

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

19 (c) When an application is denied, the commission shall prepare  
and file a detailed statement of its reasons for the denial.

20 (d) All proceedings at a meeting of the commission relating to a  
21 license application shall be recorded stenographically or by audio or  
video recording.

22 (e) A decision of the commission denying a license or approval, or  
23 imposing any condition or restriction on the grant of a license or  
approval may be reviewed by petition pursuant to Section 1085 of  
24 the Code of Civil Procedure. Section 1094.5 of the Code of Civil  
Procedure shall not apply to any judicial proceeding described in  
25 the foregoing sentence, and the court may grant the petition only if  
the court finds that the action of the commission was arbitrary and  
26 capricious, or that the action exceeded the commission's  
jurisdiction.

27  
28 <sup>3</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 of  
10                                  the case.

11                                  (C) To cross-examine opposing witnesses on any  
12                                  matters relevant to the issues, even though the matter was not  
13                                  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>4</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.

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

3                   If the Commission elects to hold an evidentiary hearing, the  
4                   hearing will be conducted as a GCA hearing under Section 12060,

---

5                   <sup>4</sup> "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.  
6                   (h).)

1 unless the Executive Director or the Commission determines the  
2 hearing should be conducted as an APA hearing under Section  
3 12058 . . .

- 4 8. California Code of Regulations, title 4, section 12060, subdivision (b) provides:

5 When the Commission has elected to hold a GCA hearing, the  
6 Executive Director shall give notice to the applicant, pursuant to  
7 paragraph (2) subsection (c) of Section 12052, to the Office of the  
8 Attorney General, and to the Bureau no later than 60 calendar days  
9 in advance of the GCA hearing.

10 **SPECIFIC STATUTORY PROVISIONS**

- 11 9. Business and Professions Code section 19856 provides, in part:

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

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

- 18 10. Business and Professions Code, section 19857 provides:

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

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

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

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

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

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

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



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

6 12. Business and Professions Code section 19866 provides:

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

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

13 (a) Any regular registration issued in accordance with this  
14 chapter<sup>5</sup> shall be subject to cancellation pursuant to this section.  
15 A registration shall be cancelled if the Commission determines after  
16 a noticed hearing that the registrant is ineligible for registration, has  
17 failed in the application for registration to reveal any fact material  
18 to the holder's qualification for registration, or has supplied  
19 information in the registration application that is untrue or  
20 misleading as to a material fact pertaining to the criteria for  
21 issuance of registration.

22 (b) If the Commission finds that any of the circumstances set forth  
23 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  
26 of 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.

### **THIRD-PARTY PROPOSITION PLAYER PROVISIONS**

14. 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

---

<sup>5</sup> "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

1           pursuant to this section, including owners, supervisors, and players  
2           . . . The commission may impose licensing requirements,  
3           disclosures, approvals, conditions, or limitations as it deems  
4           necessary to protect the integrity of controlled gambling in this state  
5           . . .

- 6           15. California Code of Regulations, title 4, section 12200.3, subdivision (g), provides:

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

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

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

16   \* \* \* \*

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

21   \* \* \* \*

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

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

25                       A requester shall be ineligible for licensing for any of the  
26                       following causes:

27   \* \* \* \*

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

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

\* \* \*

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