



1 ROB BONTA
 Attorney General of California
 2 SARA J. DRAKE
 Senior Assistant Attorney General
 3 T. MICHELLE LAIRD
 Supervising Deputy Attorney General
 4 NOEL A. FISCHER
 Deputy Attorney General
 5 State Bar No. 232553
 600 West Broadway, Suite 1800
 6 San Diego, CA 92101
 P.O. Box 85266
 7 San Diego, CA 92186-5266
 Telephone: (619) 738-9133
 8 Fax: (619) 645-2271
 E-mail: Noel.Fischer@doj.ca.gov
 9 *Attorneys for Complainant*

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

16 In the Matter of the Statement of Reasons for
 Denial of Application for a Third-Party
 17 Proposition Player Services License for:
 18 **CINDY T. TRAN**
 [Redacted]
 19 [Redacted]
 20 Respondent,

BGC Case No. BGC-HQ-2021-00011SL
CGCC Case No. CGCC-2021-0311-14D
STATEMENT OF REASONS

21 Complainant alleges as follows:

22 **PARTIES**

23 1. Nathan DaValle (Complainant) brings this Statement of Reasons for Denial of
 24 Application for a Third-Party Proposition Player Services License solely in his official capacity as
 25 the Acting Director of the California Department of Justice, Bureau of Gambling Control
 26 (Bureau).
 27
 28

1 2. PT Gaming, LLC, a registered third-party proposition player services provider,
2 registration number TPPP-000004, has employed Cindy T. Tran¹ (Respondent) as a third-party
3 proposition player since approximately January 2020. On or about January 28, 2020, the
4 California Gambling Control Commission (Commission) issued third-party proposition player
5 services registration number TPPL-024841 to Respondent.

6 3. On or about February 26, 2020, the Bureau received an initial Application for Third-
7 Party Proposition Player Services License for Supervisor, Player or Other Employee, together
8 with a Level I Supplemental Information form (collectively, Application) from Respondent. The
9 Application was to allow for her continued employment as a third-party proposition player for PT
10 Gaming, LLC.

11 4. Prior to her employment at PT Gaming, LLC, Respondent was employed by Bay 101,
12 a licensed gambling establishment, license number GEGE-00989, as a “prop player” from
13 approximately March 6, 2008 to February 18, 2016.

14 5. On or about November 30, 2020, the Bureau submitted a Third-Party Player Initial
15 Background Investigation Report, Level III, to the Commission recommending that Respondent’s
16 Application be denied.

17 6. At its March 11, 2021 meeting, the Commission referred consideration of
18 Respondent’s Application to an evidentiary hearing to be conducted pursuant to Business and
19 Professions Code sections 19870 and 19871, and California Code of Regulations, title 4, section
20 12056, subdivision (a).²

21 7. On or about March 17, 2021, the Commission notified Respondent of the
22 Commission’s decision to refer the matter to an evidentiary hearing. Included with that written
23 notice was a Notice of Defense form for Respondent to complete and return.

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26 ¹ Respondent is also known as “Chut Thi Tran” in relevant court records.

27 ² The statutes and regulations applicable to this Statement of Reasons are quoted in
28 pertinent part in Appendix A. The full text of the Gambling Control Act (GCA) is found at
Business and Professions Code section 19800 et seq.

1 8. On or about March 30, 2021, Respondent submitted her completed Notice of Defense
2 form.

3 **BURDEN OF PROOF**

4 9. Respondent has the burden of proving her qualifications to receive a license.
5 (Bus. & Prof. Code, § 19856, subd. (a).)

6 **FIRST CAUSE FOR DENIAL**

7 **(Unqualified for Licensure – Good Character, Honesty, and Integrity –**
8 **Providing Untrue or Misleading Information)**

9 10. Respondent’s Application is subject to denial and her registration voided³ because
10 Respondent has failed to demonstrate that she is a person of good character, honesty, and
11 integrity. Under penalty of perjury, Respondent failed to disclose derogatory gaming
12 employment history on her Application. Respondent failed to disclose that Bay 101 terminated
13 her from her job as a “house prop player” for inappropriate conduct in front of customers. By not
14 disclosing this information, Respondent failed to disclose required information that is material to
15 her Application. When asked by the Bureau to provide information concerning this termination,
16 Respondent provided information in conflict with her employment records. (Bus. & Prof. Code,
17 §§ 19856, 19857, subds. (a) & (b), 19859, subds. (a) & (b) [mandatory denial], 19866; Cal. Code
18 Regs., tit. 4, §§ 12040, subds. (a)(1), (2) [mandatory denial], 12130, subd. (d).)

19 **SECOND CAUSE FOR DENIAL**

20 **(Misdemeanor Conviction – Unsuitable for Licensure)**

21 11. Respondent’s Application is subject to denial and her registration voided because
22 Respondent has engaged in illegal behavior and a conscious disregard for the health, safety, and
23 welfare of others. On or about December 10, 2001, Respondent was convicted of violating Penal

24 _____
25 ³ Respondent applied for and was issued a third-party proposition player services
26 registration under regulations in effect when she applied. Those regulations were repealed and
27 replaced with a temporary licensing program, effective January 1, 2021. Pursuant to California
28 Code of Regulations, title 4, section 12130, subdivision (d), a previously-issued third-party
proposition player services registration is subject to the same conditions as a temporary license,
thus making the registration void upon denial of the license application by the Commission,
pursuant to California Code of Regulations, title 4, section 12122, subdivision (d).


1 Code section 303, subdivision (c), loitering to solicit the purchase of alcohol, a misdemeanor, in
2 the case of *People of the State of California v. Chut Thi Tran* (Super. Ct. Santa Clara County,
3 2001, Case No. CC131952).
4 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subd. (a) [mandatory denial]; Cal.
5 Code. Regs., tit. 4, §§ 12040, subds. (a)(1), (2), 12130, subd. (d).)

6 **PRAYER**

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

- 9 1. Denying Respondent's Application for Third-Party Proposition Player Services
10 License;
11 2. Voiding Respondent's registration number TPPL-024841; and
12 3. Taking such other and further action as the Commission may deem appropriate.

13
14 Dated: July 9, 2021

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16 _____
17 Nathan DaValle, Acting Director
18 Bureau of Gambling Control
19 California Department of Justice
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1 **APPENDIX A – STATUTORY AND REGULATORY PROVISIONS**

2 **JURISDICTION**

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

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

6 2. Business and Professions Code, section 19823 provides:

7 (a) The responsibilities of the commission include, without limitation, all of the
8 following:

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

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

13 (b) For the purposes of this section, “unqualified person” means a person who is
14 found to be unqualified pursuant to the criteria set forth in Section 19857, and
15 “disqualified person” means a person who is found to be disqualified pursuant to the
16 criteria set forth in Section 19859.

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

17 The commission shall have all powers necessary and proper to enable it fully and
18 effectually to carry out the policies and purposes of this chapter,^[4] including, without
19 limitation, the power to do all of the following:

19 * * *

20 (b) For any cause deemed reasonable by the commission, deny any application for a
21 license, permit, or approval provided for in this chapter or regulations adopted
22 pursuant to this chapter, limit, condition, or restrict any license, permit, or approval,
23 or impose any fine upon any person licensed or approved. The commission may
24 condition, restrict, discipline, or take action against the license of an individual owner
25 endorsed on the license certificate of the gambling enterprise whether or not the
26 commission takes action against the license of the gambling enterprise.

24 * * *

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

27 ⁴ “Chapter” refers to Business and Professions Code, division 8, chapter 5, (commencing
28 with section 19800), also known as the Gambling Control Act.

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

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

4 * * *

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

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

8 (a) The commission, after considering the recommendation of the chief⁵ and any
9 other testimony and written comments as may be presented at the meeting, or as may
10 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.

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

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

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

16 (e) A decision of the commission denying a license or approval, or imposing any
17 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
18 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
19 the action of the commission was arbitrary and capricious, or that the action exceeded
the commission's jurisdiction.

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

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

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

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

25 (A) To call and examine witnesses.

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

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

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

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

3 (E) To offer rebuttal evidence.

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

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

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

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

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

22 8. California Code of Regulations, title 4, section 12060 provides, in part:

23 (a) If the Executive Director determines it is appropriate, he or she may set an
24 application for consideration at a GCA hearing in advance of a meeting pursuant to
25 Section 12054. The Executive Director will give notice to the applicant, pursuant to
26 paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General,
27 and to the Bureau no later than 90 calendar days in advance of the GCA hearing. The
28 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.

(b) When the Commission has elected to hold a GCA hearing, the Executive
Director will 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.

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

SPECIFIC STATUTORY PROVISIONS

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

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

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

10. 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.

(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.

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

12. Business and Professions Code section 19866 provides:

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

1 13. California Code of Regulations, title 4, section 12040, subdivisions (a)(1) and (a)(2),
2 provide:

3 (a) An application for an initial or renewal license:

4 (1) Will be denied if the Commission finds that the applicant has not
5 satisfied the requirements of Business and Professions Code section 19857; or,

6 (2) Will be denied if the Commission finds that any of the provisions of
7 Business and Professions Code section 19859 apply to the applicant.

8 14. California Code of Regulations, title 4, section 12122, subdivision (d), provides:

9 (d) Upon issuance or denial of a license or Commission work permit by the
10 Commission, the temporary license will become void and cannot be used thereafter.

11 **THIRD-PARTY PROPOSITION PLAYER PROVISIONS**

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

13 The commission shall establish reasonable criteria for, and require the licensure and
14 registration of, any person or entity that provides proposition player services to
15 gambling establishments pursuant to this section, including owners, supervisors, and
16 players . . . The commission may impose licensing requirements, disclosures,
17 approvals, conditions, or limitations as it deems necessary to protect the integrity of
18 controlled gambling in this state . . .

19 16. California Code of Regulations, title 4, section 12130, subdivision (d), provides:

20 (d) A TPPPS [Third-Party Proposition Player Services] registration includes all
21 conditions of a temporary license provided in subsections (a), (b), and subsections (d)
22 and (e) of Section 12122.

23 17. California Code of Regulations, title 4, section 12270, subdivisions (b)(8) and
24 (b)(9), provide:

25 (b) . . .

26 * * *

27 (8) That proposition player services must be provided in the gambling
28 establishment only in compliance with laws and regulations pertaining to controlled
gambling.

(9) That proposition player services may be provided only by authorized
players with current licensing under Chapter 2.