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

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

CGCC Case No. GCADS-TPSU-001149
BGC Case No. BGC-HQ2018-0020SL

16 **JEFFREY DAVID STUBBLEBINE**
17 

STATEMENT OF REASONS

18
19 **Respondent.**

20
21 **PARTIES**

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

25 2. On September 11, 2014, the Bureau received an Application for Third-Party
26 Proposition Players Services License for Supervisor, Player or Other Employee, and a Level II
27 Supplemental Information (collectively, Application) from Jeffrey David Stubblebine
28 (Respondent) to allow his employment as a third-party proposition player supervisor for P.T.

1 Gaming, LLC (PTG), a licensed third-party proposition player services provider, registration
2 number TPOW-000268.

3 3. Respondent has been employed by PTG since May 2013. From May 2013 to
4 September 17, 2014, he was employed by PTG as a proposition player, for which he held
5 registration, number TPPL-012071. He has been employed as a supervisor since September 17,
6 2014, under registration number TPSU-001149.¹

7 4. On or about January 10, 2018, the Bureau submitted a Third-Party Player Background
8 Investigation Report to the Commission in which it recommended that Respondent's Application
9 be denied.

10 5. On or about April 10, 2018, the Commission referred consideration of Respondent's
11 Application to an evidentiary hearing, which is to be held pursuant to California Code of
12 Regulations, title 4, section 12060.²

13 6. Respondent submitted a Notice of Defense, which is dated May 1, 2018.

14 **BURDEN OF PROOF**

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

17 **FIRST CAUSE FOR DENIAL**

18 **(Conviction of a Crime of Dishonesty or Moral Turpitude)**

19 8. Respondent's Application is subject to denial and his registration subject to
20 revocation or cancellation in that on or about October 25, 2004, Respondent was convicted of
21 violating Penal Code section 148.9, subdivision (a), giving false identification to a police officer,
22 a misdemeanor crime of dishonesty or moral turpitude, in the case of *People v. Jeffrey*
23 *Stubblebine* (Butte Co. Sup. Ct., 2004, No. SCR46644).

24
25 ¹ Respondent was required to apply for a license as a supervisor because PTG was called
26 forward to apply to convert its registration to a license on January 8, 2007. PTG's license was
granted on February 21, 2008.

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

1 a. Respondent failed to disclose his May 9, 2007, criminal conviction in the case of
2 *People v. Jeffrey Stubblebine* (Los Angeles Co. Sup. Ct., 2007, No. 7LG02214).

3 b. In response to question (D) in Section 3. Criminal/Litigation History Information, of
4 the Level II Supplemental Information portion of the Application, Respondent falsely stated “No”
5 to the question of whether or not he had ever engaged in any act involving dishonesty or moral
6 turpitude charged or chargeable as a criminal offense. As alleged in paragraph 8 above and
7 incorporated herein by reference, Respondent was convicted in 2004 of a crime of dishonesty or
8 moral turpitude.

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

13 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

14 **(Providing False or Misleading Information to the Bureau and Commission on Prior
15 Applications)**

16 11. Respondent’s Application is subject to denial and his registration subject to
17 revocation or cancellation in that Respondent, under penalty of perjury, failed to disclose his
18 October 2004 misdemeanor conviction for a crime of dishonesty or moral turpitude, as alleged in
19 paragraph 8 above and incorporated herein by reference, on the following applications:

20 a. Application for Third Party Proposition Player Services Registration and
21 Supplemental Information, signed by Respondent on July 28, 2008, and received by the Bureau
22 on or about August 5, 2008, for TPPL-005894.

23 b. Level I Supplemental Information, signed by Respondent on October 26, 2009, and
24 received by the Bureau on or about March 7, 2011.

25 c. Application for Third Party Proposition Player Services Registration and
26 Supplemental Information, signed by Respondent on May 21, 2013, and received by the Bureau
27 on May 23, 2013, for TPPL-012071.
28

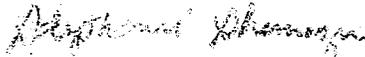
1 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subds. (a) & (b) [mandatory
2 denial] & 19866; Cal. Code. Regs., tit. 4, §§ 12200.18, subds. (a), (b) & (f), 12205 & 12218.11,
3 subds. (e) [mandatory denial], (f) [mandatory denial] & (j) [mandatory denial].)

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 third-party proposition player license;
8 2. Revoking or cancelling Respondent's registration, number TPPL-012071; and
9 3. Taking such other and further action as the Commission may deem appropriate.

10
11 Dated: August 13, 2018



12 STEPHANIE K. SHIMAZU, DIRECTOR
13 Bureau of Gambling Control
14 California Department of Justice

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.

5 * * *

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:

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
19 the chief⁴ 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
22 or grant a license to an applicant who it determines to be qualified to
23 hold 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

⁴ "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 be
5 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 issues of the
12 case.

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

16 (D) To impeach any witness, regardless of which
17 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 a
25 finding, if it is the sort of evidence on which responsible persons
26 are accustomed to rely in the conduct of serious affairs, regardless
27 of the existence of any common law or statutory rule that might
28 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's⁵ 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 ⁵ "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
6 players The commission may impose licensing requirements,
7 disclosures, approvals, conditions, or limitations as it deems necessary
8 to protect 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, subdivision (b) provides:

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

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

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

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

28 (a) Any regular registration issued in accordance with this
chapter⁶ shall be subject to cancellation pursuant to this section. A
registration shall be cancelled if the Commission determines after a
noticed hearing that the registrant is ineligible for registration, has
failed in the application for registration to reveal any fact material to
the holder's qualification for registration, or has supplied information
in the registration application that is untrue or misleading as to a
material fact pertaining to the criteria for issuance of registration.

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

⁶ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

1 (1) Provide written notice to the registrant and the Bureau
2 of the cancellation of the registration and the grounds thereof, and
3 provide written notice of the cancellation to the owner, if the
4 registrant is a supervisor, player, or other employee and to any
5 gambling establishment in which the registrant provides
6 proposition player services.

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

12 SPECIFIC STATUTORY PROVISIONS

13 12. 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
22 ability to participate in, engage in, or be associated with, controlled
23 gambling.

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

13. 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
2 licensed as provided in this chapter.

3 14. 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
7 and qualification in accordance with this chapter.

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

14 * * *

15 (d) Conviction of the applicant fro any misdemeanor
16 involving dishonesty or moral turpitude within the 10-year period
17 immediately preceding the submission of the application, unless
18 the applicant has been granted relief pursuant to Section 1203.4,
19 1203.4a or 1203.45 of the Penal Code; provided, however, that
20 the granting of relief pursuant to Section 1203.4, 1203.4a or
21 1203.45 of the Penal Code shall not constitute a limitation on the
22 decision of the commission under Section 19856 or affect the
23 applicant's burden under Section 19857.

24 15. Business and Professions Code section 19866 provides:

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

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

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

(a) The registrant or licensee committed, attempted to

1 commit, or conspired to commit any acts prohibited by the Act⁷
2 or this chapter.

3 (b) Any act or omission by the registrant that would
4 disqualify the registrant from obtaining registration under this
5 chapter. Any act or omission by the licensee that would
6 disqualify the licensee from obtaining licensing under this
7 chapter.

8 * * *

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

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

13 A requester shall be ineligible for licensing for any of the
14 following causes:

15 * * *

16 (c) The requester has, within the ten (10) year period
17 immediately preceding the submission of the request to convert,
18 been convicted of a misdemeanor . . . dishonesty or moral
19 turpitude unless the applicant has been granted relief pursuant to
20 Penal Code section 1203.4, 1203.4a or 1203.45, provided,
21 however, that the granting of relief pursuant to Penal Code
22 section 1203.4, 1203.4a or 1203.45 shall not constitute a
23 limitation on the discretion of the Commission.

24 * * *

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

27 (f) The requester would be ineligible for a state gambling
28 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.

⁷ "Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)

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18. Penal Code section 148.9, subdivision (a) provides:

Any person who falsely represents or identifies himself or herself as another person or as a fictitious person to any peace officer listed in Section 830.1 or 830.2, or subdivision (a) of Section 830.33, upon a lawful detention or arrest of the person, either to evade the process of the court, or to evade the proper identification of the person by the investigating officer is guilty of a misdemeanor.

19. Penal Code section 415, provides, in part:

Any of the following persons shall be punished by imprisonment in the county jail for a period of not more than 90 days, a fine of not more than four hundred dollars (\$400), or both such imprisonment and fine:

(2) Any person who maliciously and willfully disturbs another person by loud and unreasonable noise.