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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
Denial of Application for a Third-Party
15 Proposition Player Services Worker License
for:

16
17 **ISAAC LAWRENCE DALLAS**
18 

19 TP Worker License No. TPWK-000717

20 **Respondent.**

CGCC Case No. CGCC-2022-0721-7Dii

BGC Case No. BGC-HQ2022-00025SL

21 **STATEMENT OF REASONS**

Hearing Date: April 19, 2023

Hearing Time: 10:00 a.m.

Hearing Place: 2399 Gateway Oaks, Ste. 100,
Sacramento, CA 95833

22 **This hearing will be conducted by means of
video conferencing on Zoom. The Zoom
meeting code is 285 757 8614**

1 Complainant alleges as follows:

2 **PARTIES**

3 1. Yolanda Morrow (Complainant) brings this Statement of Reasons solely in her
4 official capacity as Director of the California Department of Justice, Bureau of Gambling Control
5 (Bureau).

6 2. Isaac Lawrence Dallas (Respondent) has been employed by Knighted Ventures, LLC
7 (Knighted) as a gaming associate/third-party worker since March 19, 2021.

8 3. Respondent is an applicant for approval of a Third-Party Proposition Player Services
9 (TPPPS) Worker License.

10 **THE APPLICATION AND PROCEEDING**

11 4. On April 1, 2021, the Bureau received an initial application for a TPPPS Worker
12 License for Respondent for Knighted and the Commission Work Permit or TPPPS Worker:
13 Supplemental Information form (collectively, the Application). Also on March 19, 2021, the
14 Bureau received an Appointment of Designated Agent by Respondent identifying Jordan Aman
15 as his designated agent.

16 5. On April 8, 2021, the California Gambling Control Commission (Commission) issued
17 Respondent a temporary third-party license, number TPWK-000717, for his employment at
18 Knighted. Respondent's temporary third-party license expires on March 31, 2023.

19 6. The Bureau conducted an initial background investigation with respect to the
20 Application, and completed a personal and criminal history background investigation of the
21 Respondent through inquiries of various law enforcement and public sources. The Bureau
22 determined that on May 24, 2021, the San Mateo County Sheriff's Office issued a temporary
23 protective order against Respondent which would expire on December 7, 2022, and that on
24 December 8, 2021, Respondent pled nolo contendere to a violation of Penal Code section 242,
25 battery, a misdemeanor, with regard to an incident that occurred at Respondent's place of work on
26 January 22, 2021.

1 7. On December 2, 2021, and December 27, 2021, the Bureau requested additional
2 information and/or documentation from Respondent. Respondent provided replies to these
3 requests on December 4, 2021, and December 29, 2021, respectively.

4 8. On May 13, 2022, Bureau Manager II Brian Gilleland and Bureau Manager I Jared
5 Revak met via telephone with Respondent and informed him generally of the basis for the
6 Bureau's recommendation to deny Respondent's Application.

7 9. On May 24, 2022, the Bureau issued its Third-Party Worker Initial Background
8 Investigation Report, Level III, recommending that the Commission deny a finding of suitability
9 for a TPPPS Worker License for Respondent on the ground that Respondent's criminal history
10 demonstrates that Respondent is not a person of good character, honesty, or integrity.

11 10. At its July 21, 2022, meeting the Commission referred consideration of Respondent's
12 Application to an evidentiary hearing to be held pursuant to California Code of Regulations, Title
13 4, Division 18, Chapter 1, section 12054(a)(4), to be conducted as a hearing under the Gambling
14 Control Act (Act), Government Code section 19800 et seq., pursuant to California Code of
15 Regulations, Title 4, section 12060.¹ On July 22, 2022, the Commission notified Respondent of
16 its action upon the Application and provided Respondent with a Notice of Defense form.

17 11. On or about August 5, 2022, the Bureau received a Notice of Defense from
18 Respondent requesting an evidentiary hearing and indicating that Respondent was at that time
19 represented by attorney Mitri Hanania, 620 Jefferson Ave., Ste. A, Redwood City, CA 94063.

20 12. On November 2, 2022, the Commission's staff notified Respondent via email that an
21 evidentiary hearing would be held before the Commission by Zoom starting at 10:00 a.m. on
22 Wednesday, April 19, 2023, and that a prehearing conference would be held by Zoom on
23 Wednesday, March 8, 2023, at 10:00 a.m.

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28 ¹ The statutes and regulations applicable to this Statement of Reasons are quoted in
pertinent part in Appendix A.

1 **BURDEN OF PROOF**

2 13. Respondent has the burden of proving that he is qualified to receive a license.
3 (Bus. & Prof. Code, § 19856, subd. (a).)

4 **FIRST CAUSE FOR DENIAL**

5 **(Disqualified for Licensure)**

6 14. When requested to explain the circumstances of his conviction for violating Penal
7 Code section 242, battery, a misdemeanor, Respondent supplied information that was untrue or
8 misleading as to a material fact pertaining to qualification for licensure under the Act, in that
9 Respondent's written statements concerning the facts underlying the conviction are inconsistent
10 with the South San Francisco Police report concerning the events. Respondent's Application is
11 subject to mandatory denial under Business and Professions Code section 19859, subdivision (b),
12 for supplying information that is untrue or misleading as to a material fact pertaining to the
13 qualification criteria.

14 (Bus. & Prof. Code, §§ 19859, subd. (b); Cal. Code. Regs., tit. 4, § 12040(a)(2).)

15 **SECOND CAUSE FOR DENIAL**

16 **(Failure to Establish Qualification for Licensure)**

17 15. Respondent's Application is subject to denial in that on December 8, 2021, in the San
18 Mateo County Superior Court, Respondent pled nolo contendere to Penal Code section 242,
19 battery, a misdemeanor, in regard to an incident that occurred at Respondent's place of work on
20 January 22, 2021. The incident involved Respondent, while working at Costco, bumping into a
21 female customer twice who then complained that the Respondent touched her buttocks both
22 times. Video surveillance footage obtained by the South San Francisco Police Department
23 indicated that in one instance Respondent intentionally walked towards and put a hand out to
24 touch the victim. This conduct demonstrates that Respondent is not a person of good character,
25 honesty and integrity and that his prior activities demonstrate that he may pose a threat to the
26 effective regulation and control of gambling.

27 (Bus. & Prof. Code, §19857, subd. (a); Cal. Code. Regs., tit. 4, § 12040 subd. (a) (1) .)


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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 Services Worker License;
2. Taking such other and further action as the Commission may deem appropriate.

Dated: March 1, 2023



YOLANDA MORROW, Director
Bureau of Gambling Control
California Department of Justice
Complainant

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APPENDIX A

BUSINESS AND PROFESSIONS CODE

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

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

2. Business and Professions Code section 19823 provides:

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

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

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

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

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

The commission shall have all powers necessary and proper to enable it fully and effectually to carry out the policies and purposes of this chapter,^[2] 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

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

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

(c) In reviewing an application for any license, the commission shall consider whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine 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.

1 6. Business and Professions Code section 19857 provides:

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

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

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

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

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

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

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

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

25 8. Business and Professions Code section 19866 provides:

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

29 9. Business and Professions Code section 19870 provides:

30 (a) The commission, after considering the recommendation of the
31 chief^[3] and any other testimony and written comments as may be
32 presented at the meeting, or as may have been submitted in writing to
33 the commission prior to the meeting, may either deny the application

34 ³ “Chief” refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1 or grant a license to an applicant who it determines to be qualified to
2 hold the license.

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

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

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

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

20 10. Business and Professions Code section 19871 provides:

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

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

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

27 (A) To call and examine witnesses.

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

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

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

(E) To offer rebuttal evidence.

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

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

9 (b) Nothing in this section confers upon an applicant a right to
10 discovery of the department's^[4] investigative reports or to require
11 disclosure of any document or information the disclosure of which is
12 otherwise prohibited by any other provision of this chapter.

13 CALIFORNIA CODE OF REGULATIONS

14 11. California Code of Regulations, title 4, section 12040, subdivision (a) provides, in
15 part:

16 An application for an initial or renewal license:

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

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

23 12. California Code of Regulations, title 4, section 12054, subdivision (a)(2) provides:

24 (a) At a non-evidentiary hearing meeting, the Commission may
25 take, but is not limited to taking, one renewal or other approval.

26 * * *

27 (2) Elect to hold or retract an evidentiary hearing in
28 accordance with Section 12056 and, for a renewal application,
issue an interim renewal license pursuant to Section 12035. The
Commission will identify those issues for which it requires
additional information or consideration related to the applicant's
suitability.

29 ⁴ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.
30 (h).)

1 13. 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 unless the Executive Director or the Commission determines the
6 hearing should be conducted as an APA hearing under Section
7 12058

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

9 (a) If the Executive Director determines it is appropriate, he or she
10 may set an application for consideration at a GCA hearing in advance of
11 a meeting pursuant to Section 12054. The Executive Director will give
12 notice to the applicant, pursuant to paragraph (2) subsection (c) of
13 Section 12052, to the Office of the Attorney General, and to the Bureau
14 no later than 90 calendar days in advance of the GCA hearing. The
15 Executive Director's determination will be based on information
16 contained in the Bureau's report or other appropriate sources including,
17 without limitation, a request from the Bureau or applicant as well as the
18 Commission's operational considerations.

19 (b) When a GCA hearing is elected pursuant to Section 12056,
20 subsection (a), the Executive Director will give notice to the applicant,
21 pursuant to paragraph (2) subsection (c) of Section 12052, to the Office
22 of the Attorney General, and to the Bureau no later than 60 calendar days
23 in advance of the GCA hearing.

24 (c) An applicant may request that his, her, or its GCA hearing be
25 held at a Southern California location instead of the Commission's
26 principal office in Sacramento, by completing the appropriate section on
27 the Notice of Defense, CGCC-CH1-03 (Rev. 08/21). The request must
28 be made on the initial Notice of Defense form submitted to the
Commission and Bureau within the timeframes specified on the form.

(1) The Executive Director will approve a Southern
California GCA hearing, if the request is timely made on the initial
Notice of Defense form and meets all of the following criteria:

(A) The GCA hearing is estimated by Commission
staff to last no longer than four hours.

(B) The primary residence of the applicant is located in
one of the following counties: Imperial, Kern, Los Angeles,
Orange, Riverside, San Diego, San Luis Obispo, San
Bernardino, Santa Barbara, or Ventura.

(C) A GCA hearing will be noticed for a Southern
California location only when it is in the best public interest,
promotes judicial economy, and comports with the
Commission's availability.

(2) If at any time before the hearing, the Executive Director
determines that the criteria in subparagraphs (A) through (C) of

1 paragraph (1) are no longer met, Commission staff may cancel the
2 Southern California GCA hearing and issue a new notice for a
hearing at the Commission's principal office in Sacramento.

3 (d) The presiding officer and her or his support staff will have no
4 communication with the Commission or Commission staff upon the
5 merits of an application prior to the evidentiary hearing. The Executive
Director will designate a presiding officer which will be:

- 6 (1) A member of the Commission's legal staff; or,
- 7 (2) An Administrative Law Judge.

8 (e) The applicant or the complainant, or the applicant and the
9 complainant, may request a continuance in writing to the Executive
10 Director stating the reason for the continuance and any proposed future
11 hearing dates. The Executive Director or Commission may approve the
request. For a Southern California GCA hearing, if a continuance is
granted, the hearing may be scheduled in Sacramento or Southern
California based on the criteria specified in subparagraphs (A) through
(C) of paragraph (1) of subsection (c).

12 (f) The complainant will provide to the applicant, subject to
13 subsection (b) of Section 12056, at least 45 calendar days prior to the
14 GCA hearing, and the applicant must provide to the complainant, at least
30 calendar days prior to the GCA hearing, the following items:

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

21 (g) A presiding officer will rule on the admissibility of evidence and
22 on any objections raised except for objections raised under subsection
(h). A ruling by the presiding officer is final.

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

- 27 (A) Evidentiary issues;
- 28 (B) Witness and exhibit lists;

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(C) Alterations in the Bureau recommendation;

(D) Stipulations for undisputed facts and/or the admission of evidence including without limitation the Bureau’s report;

(E) Authorizing offsite livestreaming appearances for parties or witnesses if good cause has been presented and only if the process for offsite livestreaming has been approved by the Executive Director; and,

(F) 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.

(h) 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 (f); or

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

(i) The complainant will 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.

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

(k) The applicant may choose to represent himself, herself, or itself, or may retain an attorney or lay representative. Lay representatives may assist the applicant but are not authorized to serve as an attorney as otherwise defined and regulated by state law.

(l) Except as otherwise provided in subsection (h), the complainant and applicant will 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,

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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 behalf, the applicant may be called and examined, under oath, as if under cross-examination.

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

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