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

13
14 **In the Matter of the Statement of Reasons**
15 **Against:**
16
17 **MONITA CHAN**
18 [Redacted]
19 **Registration number TPPL-018807**
20
21 **Respondent.**

BGC Case No. BGC-HQ2017-00008SL
CGCC Case No. CGCC-2017-0209-9
STATEMENT OF REASONS

1 Complainant alleges as follows:

2 **PARTIES**

3 1. Wayne J. Quint, Jr. (Complainant) brings this Statement of Reasons solely in his
4 official capacity as the Director of the California Department of Justice, Bureau of Gambling
5 Control (Bureau).

6 2. On or about July 15, 2014, the California Gambling Control Commission
7 (Commission) issued third-party proposition player services registration number TPPL-013776 to
8 Monita Chan (Respondent).

9 3. On or about July 31, 2014, Respondent submitted an Application for Third-Party
10 Proposition Player Services License, together with supplemental information forms, (collectively
11 "Application") to the Bureau. At the time of her Application, Respondent was employed by PT
12 Gaming, LLC as a third-party proposition player.

13 4. On December 9, 2016, Respondent submitted a Request for an
14 Additional/Transfer/Reinstatement Third Party Proposition Player Services Registration/License
15 for a registration badge as a third-party proposition player for Blackstone Gaming, LLC. In
16 response to her request, the Commission issued third-party proposition player services
17 registration number TPPL-018807 to Respondent on or about December 15, 2016.

18 5. At its February 9, 2017, meeting, the Commission referred consideration of
19 Respondent's Application to an evidentiary hearing to be conducted pursuant to Business and
20 Professions Code section 19870, and California Code of Regulations, title 4, section 12056,
21 subdivision (a), and section 12060, subdivision (b).¹

22 6. On or about February 17, 2017, the Commission notified Respondent of the
23 Commission's decision to refer the matter to an evidentiary hearing. Included with that written
24 notice was a Notice of Defense form for Respondent to complete and return. On or about March
25 29, 2017, the Commission received Respondent's completed Notice of Defense form.

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

1 **BURDEN OF PROOF**

2 7. 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 **(Lack of Requisite Character and Integrity)**

6 8. Respondent's Application is subject to denial because Respondent lacks the requisite
7 character and integrity for licensure. While employed as a caregiver by Home Instead Senior
8 Care, Respondent convinced a client, who was under Respondent's care and supervision and who
9 suffered from Alzheimer's Disease, to purchase a television monitor for Respondent. When
10 Respondent's conduct became known, Respondent was terminated from her employment with
11 Home Instead Senior Care, on or about January 25, 2013, for that unacceptable behavior.

12 (Bus. & Prof. Code, §§ 19856, subd. (b), 19857, subds. (a), (b).)

13 **SECOND CAUSE FOR DENIAL**

14 **(Failure to Disclose and Dishonesty)**

15 9. Respondent's Application is subject to denial because Respondent, under penalty of
16 perjury, failed to accurately and honestly disclose in her Application, and subsequently in
17 response to the Bureau's inquiry, the circumstances leading to her termination from Home Instead
18 Senior Care as alleged in paragraph eight above.

19 (Bus. & Prof. Code, §§ 19856, subd. (b), 19857, subds. (a), (b), 19866, 19859, subd. (b); Cal.
20 Code. Regs., tit. 4, § 12218.11, subds. (e), (f).)

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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 Third-Party Proposition Player Services License;
2. Cancelling Respondent's registration number TPPL-018807; and
3. Taking such other and further action as the Commission may deem appropriate.

Dated: August 29, 2017


WAYNE J. QUINT, JR., Director
Bureau of Gambling Control
California Department of Justice

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APPENDIX A
JURISDICTION

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 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.

² Hereinafter, "chapter" refers to Business and Professions Code, division 8, chapter 5, (commencing 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
4 subdivision (i) of 19805, or apply for a gambling license:

5 * * *

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

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

9 (a) The commission, after considering the recommendation of the chief³ and any
10 other testimony and written comments as may be presented at the meeting, or as may
11 have been submitted in writing to the commission prior to the meeting, may either
12 deny the application or grant a license to an applicant who it determines to be
13 qualified to hold the license.

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

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

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

21 (e) A decision of the commission denying a license or approval, or imposing any
22 condition or restriction on the grant of a license or approval may be reviewed by
23 petition pursuant to Section 1085 of the Code of Civil Procedure. Section 1094.5 of
24 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
26 the action of the commission was arbitrary and capricious, or that the action exceeded
27 the commission's jurisdiction.

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

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

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

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

(A) To call and examine witnesses.

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

(C) To cross-examine opposing witnesses on any matters relevant

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

1 to the issues, even though the matter was not covered on direct examination.

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

4 (E) To offer rebuttal evidence.

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

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

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

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

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

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

24 When the Commission has elected to hold a GCA hearing, the Executive Director
25 shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section
26 12052, to the Office of the Attorney General, and to the Bureau no later than 60
27 calendar days in advance of the GCA hearing.

28 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.

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

1 10. Business and Professions Code, section 19857 provides:

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

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

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

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

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

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

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

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

23 12. Business and Professions Code section 19866 provides:

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

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

(a) Any regular registration issued in accordance with this chapter⁵ 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.

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

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

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

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

12 THIRD-PARTY PROPOSITION PLAYER PROVISIONS

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

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

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

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

24 16. California Code of Regulations, title 4, section 12200.7, subdivisions (b)(8) and
25 (b)(9), provide:

26 (b) . . .

27 * * *

28 (8) That proposition player services shall be provided in the gambling
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 registration or licensing under this chapter.

17. California Code of Regulations, title 4, section 12200.18, subdivisions (a), (b), and
(f), provide:

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:

1 (a) The registrant or licensee committed, attempted to commit, or conspired to
2 commit any acts prohibited by the Act⁶ or this chapter.

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

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

8 18. California Code of Regulations, title 4, section 12218.11, provides, in part:

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

10 * * *

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

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

16 * * *

17 (i) The requester has failed to comply with one or more of the requirements set
18 forth in paragraphs (8), (9), (15), (16), (17), (18) or (21) of subsection (b) of Section
19 12200.7 or in paragraph (2) of subsection (c) of Section 12200.7.

20 (j) The applicant is ineligible based on any other provision of law.
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⁶ "Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)