

BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Application for Renewal of
Third-Party Provider of Proposition Player
Services License for:

CGCC Case No. CGCC-2018-01426-8A
BGC Case No. BGC- HQ2018-00029SL

DECISION AND ORDER

DEBBIE M. WILLHALM, sole proprietor
(TPOW-000460), doing business as 21
VAULT GAMING (TPPP-000101)

Hearing Date: January 28, 2019
Time: 10:00 a.m.

Applicant.

This matter was heard by the California Gambling Control Commission (Commission) pursuant to Business and Professions Code sections 19870 and 19871 and Title 4, California Code of Regulations (CCR) section 12060(b), in Sacramento, California, on January 28, 2019.

Paras Modha, Deputy Attorney General, State of California, represented complainant Stephanie Shimazu, Chief of the Bureau of Gambling Control (Bureau), Department of Justice, State of California.

Alexandra Stupple, Esq., represented Debbie Willhalm doing business as 21 Vault Gaming (Applicant) at the hearing.

During the administrative hearing, Presiding Officer Jason Pope took official notice of the following: (1) Notice of Evidentiary Hearing and attachments; (2) the Bureau's Statement of Reasons; (3) Applicant's Notice of Defense; and (4) the Conclusion of Prehearing Conference Letter.

During the administrative hearing, Presiding Officer Jason Pope accepted into evidence the following exhibits offered by the Bureau:

(1) Statement to Respondent, Statement of Reasons, excerpts of the Business and Professions Code and CCR, the Commission's Notice of Hearing and Prehearing Conference, and Declaration of Service, Bates Nos. 0001-0027;

(2) Applicant's Application for Third-Party Proposition Player Services License For

1 Business Entities and Owners Received January 10, 2018, Bates Nos. 0028-0033;

2 (3) The Bureau's Third-Party Provider of Proposition Player Services and Owner
3 Renewal Report with attachments, Bates Nos. 0034-0098;

4 (4) Email Correspondence, Bates Nos. 0099-0235;

5 (5) Applicants signed Notice of Defense, Bates Nos. 0236-0237;

6 (6) Third-Party Proposition Player Service Agreement between 21 Vault Gaming and
7 Full Rack Entertainment, Inc. executed August 23, 2017, Bates Nos. 0238-0245;

8 (7) Email correspondence regarding copies of Form W-9 for income paid by
9 Christopher Communications, Inc., Bates Nos. 0246-0261;

10 (8) Response from applicant Debbie Willhalm to the Bureau's Statement of Reasons
11 for Denial of Renewal for Third-Party Provider of Proposition Player Services sent via email
12 January 4, 2019, Bates Nos. 0262-0266;

13 (9) Applicants' Application for Renewal of Third-Party Proposition Player Services
14 License for Business Entities and Owners dated January 5, 2018, Bates Nos. 0267-0270.

15 During the administrative hearing, Presiding Officer Jason Pope accepted into evidence
16 the following exhibits offered by the Applicant:

17 (A) Applications for TPPPS registration, 2011-2016, Bates No. DW0001-DW0020;

18 (B) Registration approvals and certificates, Bates No. DW0021-DW0036;

19 (C) Application for initial licensure, Bates No. DW0037-DW0070;

20 (D) Approval of initial licensure, Bates No. DW0071-DW0075;

21 (E) Application for renewal of license, Bates No. DW0076-DW0080;

22 (F) Commission letter granting interim renewal license and certificate, Bates No.
23 DW0081-DW0085.

24 The matter was submitted on January 28, 2019.

25 FINDINGS OF FACT

26 Background

27 1. On or about April 15, 2016, the Commission approved Applicant's initial application
28

1 for Third-Party Provider of Proposition Player Services License for Business Owners and Entities
2 with conditions.

3 2. Applicant provides third-party proposition player services (TPPPS) to Full Rack
4 Entertainment, Inc., a California Corporation doing business as Towers Casino (Towers). The
5 TPPPS contract between Applicant and Towers was initially approved by the Bureau on August
6 11, 2011, and has been continuously renewed through August 31, 2019.

7 3. On January 10, 2018, the Bureau received a renewal application for TPPPS License
8 for Business Entities and Owners, dated January 5, 2018 (Application), from Applicant to allow
9 her to continue to provide third-party proposition player services.

10 4. On or about March 20, 2018, the Bureau submitted a TPPPS and Owner Renewal
11 Report to the Commission, in which it recommended that the Application be denied.

12 5. On April 18, 2018, the Bureau sent Applicant and the Commission a renewal report
13 update. The update outlined recent communications between the Bureau and Applicant and
14 concluded that Applicant was not adequately responsive to recent Bureau requests.

15 6. On April 26, 2018, pursuant to CCR section 12054, subdivision (a)(2), the
16 Commission referred consideration of the Application to an evidentiary hearing to be held under
17 the provisions of CCR section 12060. The Commission issued Applicant an interim renewal
18 license on April 26, 2018 that is valid through April 30, 2020.¹

19 7. On or about May 9, 2018, Applicant submitted a Notice of Defense to the Commission
20 requesting an evidentiary hearing.

21 8. On or about November 27, 2018, the Bureau filed its Statement of Reasons. The
22 document alleges three causes for denial of Applicant's Application for failure to disclose and
23 providing misleading information, failure to maintain required financial records, and failure to
24 supervise leading to numerous regulatory violations.

25 _____
26 ¹ Interim renewal licenses are valid for a period of two years from the date the previous license
27 expires, or until a decision is final under CCR section 12066, whichever is earlier, and are not subject to
28 renewal. (4 CCR § 12035). Pursuant to CCR section 12035, subdivision (b)(4) the issue date of the most
recently granted interim renewal license shall serve as the issue date for any regular license granted
thereafter.

1 9. On November 27, 2018, Applicant submitted to the Bureau a written response to the
2 allegations contained in the Statement of Reasons.

3 10. On January 28, 2019, an evidentiary hearing was held before the Commission.

4 Failure to Disclose/Providing Misleading Information

5 11. The Bureau's Statement of Reasons alleges as a first cause for denial that Applicant
6 failed to disclose that she received payments from Cristofer Communications, Inc. (CCI) for
7 services provided during 2015 and 2016. After further inquiry from the Bureau, Applicant
8 allegedly provided false or misleading information regarding the existence of her contractual
9 relationship with CCI.

10 12. The owners of Towers, Jamey and John Robinson, also own CCI, a company
11 specializing in advertising and marketing. Applicant testified that she has known Jamey Robinson
12 for approximately 32 years and considers her to be a good friend.

13 13. There is not a provision in the Bureau approved TPPPS contract between Towers and
14 Applicant that provides for Applicant's financial arrangements with CCI.

15 14. As part of Applicant's initial application for licensure, she filled out the Level III
16 Supplemental Information form, which she signed on July 18, 2012. On the Supplemental
17 Information form, Applicant disclosed that she was employed by CCI.

18 15. The renewal Application at issue did not require Applicant to provide additional
19 employment history and no evidence was admitted to suggest that Applicant filled out and
20 submitted a further supplemental information form that inquired about her employment history.

21 16. During the course of evaluating the Application and conducting a background
22 investigation, the Bureau discovered that Applicant received payments from CCI in 2015 and
23 2016 and that Jamey and John Robinson also owned CCI.

24 17. Applicant and the Bureau's Associate Analyst communicated throughout January,
25 February and March 2018, with further follow up in November 2018, regarding Applicant's work
26 for CCI during 2015 and 2016. During that time period, Applicant provided inconsistent
27 information regarding the specific dates that she worked for CCI. However, throughout these
28

1 discussions with the Bureau, Applicant never denied that she was previously employed by CCI.

2 18. Applicant's testimony at the hearing was consistent with her November 27, 2018
3 written statement responding to the allegations in the Statement of Reasons. Applicant testified
4 that when she was asked by the Bureau if she worked with CCI in 2015 and 2016, she was given
5 very little time to respond. Applicant went to her 2015 and 2016 tax returns to see if she reported
6 any income from CCI for those years. Applicant testified that she believed this would be a quick
7 and accurate way to respond to the Bureau's inquiry.

8 19. Applicant testified that her 2015 and 2016 tax returns did not show any income from
9 CCI. After further questioning from the Bureau, Applicant went to CCI for clarification and
10 learned that she did perform work as an independent contractor for CCI during this period.
11 Applicant immediately updated the Bureau's Associate Analyst with this information.

12 20. Applicant testified that she first received 1099 forms from CCI for 2015 and 2016
13 approximately two months ago as a result of her recent inquiries. Applicant testified that she
14 plans to ask her accountant to amend her prior returns to correctly report this income at the same
15 time that the accountant prepares her 2018 tax return.

16 21. Applicant's testimony that she did not accurately recall the dates that she worked for
17 CCI at the time that she responded to the Bureau's inquiry was credible, as was her testimony that
18 she believed looking at her tax returns would be an accurate way to verify the dates. Applicant's
19 testimony that she never received the proper tax forms to report her CCI income in 2015 and 2016
20 was also credible.

21 22. The Commission finds that Applicant did not fail to disclose information to the
22 Bureau regarding her past work for CCI. Applicant disclosed that she worked for CCI on her
23 initial application. The renewal Application completed by Applicant did not ask for additional
24 information regarding Applicant's employment history.

25 23. The Commission is satisfied that Applicant was not intentionally misleading when she
26 did not immediately provide the accurate dates of her past work for CCI to the Bureau. Applicant
27 exchanged numerous emails with the Bureau's Associate Analyst providing information
28

1 regarding the work performed and method of payment by CCI. In an attempt to provide exact
2 dates of service, Applicant consulted prior tax returns and went to CCI's office to request
3 additional information.

4 24. The Commission finds that Applicant's financial arrangement with CCI should have
5 been included in the Bureau approved TPPPS contract. The Commission's regulations require full
6 disclosure of any financial arrangements entered into during the term of the contract for any
7 purpose between the house and any licensee covered by the TPPPS contract. (CCR section
8 12200.7(b)(14).) The individual owners of Towers are considered part of the "house" as that term
9 is defined in the Gambling Control Act and Applicant is a licensee covered by the TPPPS
10 contract. (Bus. & Prof. Code section 19805(t).) Therefore, Applicant's financial arrangement
11 with CCI should have been included in the TPPPS contract with Towers.

12 25. The Commission finds that Applicant's failure to include the financial arrangement
13 with CCI in the TPPPS contract will be resolved by compliance with the first and second
14 conditions placed on Applicant's license as a result of this Decision and Order.

15 Failure to Maintain Required Financial Records

16 26. The Bureau's Statement of Reasons alleges as a second cause for denial that Applicant
17 failed to maintain a general ledger and chart of accounts in violation of the Commission's
18 regulations.

19 27. The Bureau requested Applicant's general ledger and chart of accounts on multiple
20 occasions in January, February and March 2018. However, Applicant did not maintain a general
21 ledger or chart of accounts and therefore, these documents were never provided to the Bureau.

22 28. On March 6, 2018, Applicant submitted some 2016 financial documents to the Bureau,
23 but not a general ledger or chart of accounts.

24 29. On January 29, 2018, when asked again by the Bureau's Associate Analyst for her
25 2017-2018 general ledger, Applicant responded that: "I am not sure what you are looking for
26 here? I don't really keep a ledger. I just add the totals at the end of the year..."

27 30. On or about January 30, 2018, the Bureau's Associate Analyst emailed Applicant and
28

1 provided information regarding the requirement to maintain a general ledger and chart of
2 accounts and citing the applicable regulations. In a separate email sent the same day, the Bureau
3 requested the annual totals maintained by Applicant, as described by Applicant in her message on
4 January 29, 2018. On February 2, 2018, Applicant responded that she only had the documents
5 that she provided showing totals for 2016 and that she had not prepared totals for 2017.

6 31. In Applicant's November 27, 2018 written response to the Bureau's Statement of
7 Reasons, she indicates that she is willing to change the format used for her financial records.
8 Further, Applicant testified at the hearing that she could implement a double ledger system
9 moving forward.

10 32. The Commission's regulations require licensees to maintain a uniform chart of
11 accounts. (CCR section 12312, subdivision (d).) Each licensed provider of third-party
12 proposition player services is also required to maintain a general ledger maintained on a double-
13 entry system of accounting with recorded transactions supported by detailed subsidiary records.
14 (CCR section 12312, subdivision (e).) Applicant should have maintained the required financial
15 documents from the moment her business began to operate. Even after being specifically told by
16 the Bureau that Applicant's system was not compliant, she made no efforts to update her
17 accounting procedures to comply with the Commission's regulations.

18 33. The Commission finds that Applicant's failure to maintain required financial records
19 will be resolved by compliance with the third condition placed on Applicant's license as a result
20 of this Decision and Order.

21 Pattern of Regulatory Violations Due to Lack of Adequate Supervision

22 34. The Bureau alleges that a series of regulatory violations were made due to lack of
23 supervision over Applicant's employees.

24 35. While Applicant's Application was pending, the Bureau issued two Letters of Warning
25 (LOW) dated February 21, 2018 and November 8, 2018 and a Notice of Violation dated March 14,
26 2018. The letters allege multiple violations of the Commission regulations, including: failure to
27 maintain accurate and complete playing book forms; failure to comply with the TPPPS contract
28

1 and/or acting outside the scope of the contract; permitting employees to play poker while off-duty
2 without the required badge; failure to adequately secure chips; and the violations discussed above
3 regarding failure to maintain a general ledger and chart of accounts.

4 *Failure to Maintain Accurate Playing Book Forms*

5 36. The February 21, 2018 LOW alleges that the end balances on Applicant's playing book
6 forms ended in rounded numbers whenever there was a change in 21 Vault players in violation of
7 CCR 12260, subdivision (g)(4).

8 37. On March 10, 2018, Applicant attempted to address the deficiencies with her playing
9 book forms by requesting in writing that her employees count the .50 cent chips when handing
10 over the bank to the next banker. Applicant submitted a copy of the letter to the Bureau as part of
11 the corrective action plan required by the LOW.

12 38. On March 14, 2018, the Manager of the Bureau's Third Party Licensing Section
13 notified Applicant that her March 10 corrective action letter was inadequate. Thereafter,
14 Applicant sent a revised letter to her employees on March 19, 2018 elaborating that her
15 employees must count and include the .50 cent chips when filling out the playing book forms.

16 39. On March 20, 2018, the Manager of the Bureau's Third Party Licensing Section again
17 notified Applicant that her amended corrective action letter was inadequate. Thereafter, Applicant
18 sent a further revised letter to her employees on March 22, 2018 explaining that her employees
19 must record accurate beginning and ending values for each session of play. No evidence was
20 admitted to suggest that Applicant's employees have not maintained accurate playing book forms
21 since receipt of the corrective action letters from Applicant.

22 *Failure to Comply with the TPPPS Contract*

23 40. The February 21, 2018 LOW alleges that during an on-site inspection by the Bureau,
24 one of Applicant's employees claimed that he was allowed to view surveillance footage in the
25 office if needed with a floor manager present, which is not outlined in the TPPPS contract in
26 violation of 12200.7(b)(13). The LOW also alleges that Applicant's employees fail to tip Towers
27 staff as outlined in the TPPPS contract in violation of 12200.7(b)(19).

1 41. Applicant addressed these issues in the March 10, 2018 letter to her employees. No
2 evidence was admitted to suggest that Applicant's employees have viewed surveillance footage or
3 failed to tip Towers staff since receipt of the corrective action letter.

4 *Failure to Wear Required Badge*

5 42. The February 21, 2018 LOW alleged that Applicant's employees were allowed to play
6 poker while off-duty without wearing their Commission-issued badge in violation of Business
7 and Professions Code section 19984, subdivision (b).

8 43. Applicant testified that to her knowledge, her employees did not play poker while off-
9 duty. However, Applicant was forthcoming with the Bureau in email exchanges that she was not
10 aware of the requirement that third party players wear their badge for off-duty play.

11 44. On March 10, 2018, Applicant sent a letter to her employees notifying them that they
12 must wear a badge when playing off-duty. No evidence was admitted to suggest that Applicant's
13 employees have not complied with the requirements in the March 10, 2018 corrective action
14 letter.

15 *Failure to Secure Chips*

16 45. The February 2018 LOW alleged that Applicant's employees left chips unsecured and
17 unattended on multiple occasions in violation of CCR 12290 subdivision (b).

18 46. Applicant testified that she used a plastic dome cover to secure chips on the table and
19 this system was already in place when she began offering third party provider services at Towers.

20 47. Applicant testified that after receipt of the LOW, she watched hours of surveillance
21 footage in an attempt to determine how her employees were leaving chips unattended. Thereafter,
22 Applicant notified the Bureau that she did not find any instances of the chips not being covered
23 with the plastic tray when the banker stepped away from the table.

24 48. On March 20, 2018 the Bureau clarified for Applicant that use of the plastic tray was a
25 basis for the violation because it was unlocked and readily portable. Applicant testified that she
26 purchased a locked podium to secure the chips after receiving this clarification from the Bureau.

27 49. On March 22, 2018, Applicant submitted an updated corrective plan to the Bureau
28

1 stating that she purchased a locked podium and it would be delivered no later than April 30, 2018.

2 50. On March 22, 2018, the Bureau emailed Applicant to notify her that she would need to
3 amend her TPPPS contract with Towers to include the locked podium before using it. The
4 Bureau's Licensing Section Manager included a link to the Application for Contract Approval to
5 the email.

6 51. Applicant testified that she did not want to pay the fee required to amend the TPPPS
7 contract unless her Application was approved.

8 52. Despite being notified in March 2018 that Applicant could not use a locked podium to
9 secure her chips unless she amended her third party contract with Towers, neither party applied to
10 amend the contract.

11 53. The Commission finds that Applicant's failure to amend the TPPPS contract or
12 otherwise adequately secure the chips will be resolved by compliance with the first condition
13 placed on Applicant's license as a result of this Decision and Order.

14 *Inadequate Supervision*

15 54. Towers is located in Grass Valley, California. Applicant lives in San Jose, California.
16 Applicant testified that the work she normally performs for the benefit of 21 Vault is
17 accomplished in approximately 8 hours a week. Applicant also works full time for a medical
18 device company in a position that requires some travel.

19 55. Applicant does not employ an on-site supervisor. Applicant testified that because
20 Towers is a small cardroom with one table, only one of Applicant's employees will be scheduled
21 to work in the cardroom at a time.

22 56. Applicant testified that she travels to Grass Valley to meet with her employees in
23 person when necessary. Applicant further testified that she is in regular contact with her
24 employees by text message and that she monitors the game play through an application on her
25 cell phone and tablet that allows her to watch surveillance footage in real time.

26 57. Applicant testified that she has not provided any training to her employees on the
27 Gambling Control Act or the Commission's regulations and she only recently opened the
28

1 California Gambling Law, Regulations and Resource Information book for the first time in the
2 last four months.

3 58. Applicant testified that there are no written procedures available to her employees to
4 notify them of the Commission's regulations or to assist with them with compliance issues.
5 However, Applicant testified that she would be willing to create some sort of training
6 document(s) if her Application is approved.

7 59. The Commission is concerned with the lack of supervision, the lack of training, and
8 the aforementioned regulatory violations that resulted therefrom. The Commission is satisfied that
9 compliance with the fourth and fifth conditions placed on Applicant's license as a result of this
10 Decision and Order will adequately address the lack of training and supervision that led to these
11 violations.

12 Conclusions

13 60. Applicant cooperated with the Bureau. Throughout the pendency of her Application,
14 Applicant responded to numerous emails, letters, and provided corrective action plans, and
15 amended corrective action plans as requested.

16 61. The Commission finds that Applicant's failure to comply with the Commission's
17 regulations was not intentional. Applicant has expressed a willingness to update her procedures
18 and practices to be compliant.

19 62. For many of the deficiencies alleged in the LOWs, Applicant took immediate
20 corrective action by notifying her employees of the regulatory requirements. When Applicant was
21 notified that her corrective actions letters were insufficient, submitted revised letters to her
22 employees that attempted to clarify the regulatory requirements to the Bureau's satisfaction.

23 63. The Commission finds that Applicant's prior activities created or enhanced the
24 dangers of unsuitable methods or activities in the conduct of controlled gambling. The
25 Commission also finds that those unsuitable methods or activities can be addressed with
26 conditions on Applicant's license.

27 64. Applicant has met her burden of proving that she is a person of good character,
28

1 honesty and integrity and therefore her Application will be approved with conditions.

2 65. All documentary and testimonial evidence submitted by the parties that is not
3 specifically addressed in this Decision and Order was considered but not used by the Commission
4 in making its determination on Applicant's Application.

5 LEGAL CONCLUSIONS

6 66. Public trust and confidence can only be maintained by strict and comprehensive
7 regulation of all persons, locations, practices, associations, and activities related to the operation
8 of lawful gambling establishments. (Bus. & Prof. Code section 19801(h).)

9 67. An application to receive a license constitutes a request for a determination of the
10 applicant's general character, integrity, and ability to participate in, engage in, or be associated
11 with, controlled gambling. (Bus. & Prof. Code section 19856, subd. (b).)

12 68. At an evidentiary hearing pursuant to Business and Professions Code sections 19870
13 and 19871 and CCR section 12060 the burden of proof rests with the applicant to demonstrate
14 why a license or other approval should be issued. (CCR section 12060, subd. (i); Bus. & Prof.
15 Code section 19856, subd. (a).)

16 69. The Commission has the responsibility of assuring that licenses, approvals, and
17 permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose
18 operations are conducted in a manner that is inimical to the public health, safety, or welfare.
19 (Bus. & Prof. Code section 19823(a)(1).)

20 70. The Commission has the power to limit, condition, or restrict any license for any cause
21 deemed reasonable by the Commission. (Bus. & Prof. Code section 10982(b).)

22 71. An "unqualified person" means a person who is found to be unqualified pursuant to
23 the criteria set forth in Business and Professions Code section 19857, and "disqualified person"
24 means a person who is found to be disqualified pursuant to the criteria set forth in Business and
25 Professions Code section 19859. (Bus. & Prof. Code section 19823(b).)

26 72. A requester shall be ineligible for licensing as a third party proposition player if the
27 requester has failed to meet the requirements of Business and Professions Code sections 19856 or
28

1 19857. (CCR section 12218.11(e).)

2 73. A requester shall be ineligible for licensing as a third party proposition player if the
3 requester has failed to meet the requirements of Business and Professions Code sections 19856 or
4 19857. (CCR section 12218.11(e).)

5 74. The commission shall deny a license to any applicant who is disqualified for failure of
6 the applicant to provide information, documentation, and assurances required by this chapter or
7 requested by the chief, or failure of the applicant to reveal any fact material to qualification, or the
8 supplying of information that is untrue or misleading as to a material fact pertaining to the
9 qualification criteria. (Bus. & Prof. Code section 19859(b).)

10 75. No gambling license shall be issued unless, based on all of the information and
11 documents submitted, the commission is satisfied that the applicant is a person of good character,
12 honesty and integrity. (Bus. & Prof. Code section 19857(a).)

13 76. No gambling license shall be issued unless, based on all of the information and
14 documents submitted, the commission is satisfied that the applicant is a person whose prior
15 activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the
16 public interest of this state, or to the effective regulation and control of controlled gambling, or
17 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in
18 the conduct of controlled gambling or in the carrying on of the business and financial
19 arrangements incidental thereto. (Bus. & Prof. Code section 19857(b).)

20 77. Applicant met her burden of proving that she is a person of good character, honesty,
21 and integrity. Therefore, Applicant is qualified to receive a third party proposition player license
22 pursuant to Business and Professions Code section 19857(a). As a result, Applicant is not
23 ineligible to receive a third party proposition player license pursuant to CCR section 12218.11(e).

24 78. Applicant met her burden of proving that with appropriate conditions she is a person
25 whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a
26 threat to the public interest of this state, or to the effective regulation and control of controlled
27 gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and
28

1 activities in the conduct of controlled gambling or in the carrying on of the business and financial
2 arrangements incidental thereto. Therefore, Applicant is qualified to receive a third party
3 proposition player license pursuant to Business and Professions Code section 19857(b). As a
4 result, Applicant is not ineligible to receive a third party proposition player license pursuant to
5 CCR section 12218.11(e).

6 79. Applicant met her burden of proving that she is not disqualified from licensure
7 pursuant to Business and Professions Code section 19859 nor ineligible for licensing as a third
8 party proposition player pursuant to CCR section 12218.11.

9 NOTICE OF APPLICANT'S APPEAL RIGHTS

10 Applicant has the following appeal rights available under state law:

11 Title 4, CCR section 12064, subsections (a) and (b) provide, in part:

12 An applicant denied a license, permit, registration, or finding of suitability, or whose
13 license, permit, registration, or finding of suitability has had conditions, restrictions,
14 or limitations imposed upon it, may request reconsideration by the Commission
15 within 30 calendar days of service of the decision, or before the effective date
16 specified in the decision, whichever is later. The request shall be made in writing to
17 the Commission, copied to the Bureau, and shall state the reasons for the request,
which must be based upon either newly discovered evidence or legal authorities that
could not reasonably have been presented before the Commission's issuance of the
decision or at the hearing on the matter, or upon other good cause which the
Commission may decide, in its sole discretion, merits reconsideration.

18 Business and Professions Code section 19870, subdivision (e) provides:

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

23 Title 4, CCR section 12066, subsection (c) provides:

24 A decision of the Commission denying an application or imposing conditions on license
25 shall be subject to judicial review as provided in Business and Professions Code section
26 19870, subdivision (e). Neither the right to petition for judicial review nor the time for
filing the petition shall be affected by failure to seek reconsideration.

27 ORDER

28 1. Applicant Debbie Willhalm's renewal Application for Third-Party Proposition

1 Player Services License For Business Entities and Owners is APPROVED WITH CONDITIONS
2 as follows:

3 (1) Debbie Willhalm dba 21 Vault Gaming must amend the third-party provider of
4 proposition player services contract with Towers Casino to accurately express all
5 current agreements between the parties. This should include, but is not limited to,
6 amending the contract to accurately express the agreement between the parties
7 regarding access by Debbie Willhalm and 21 Vault Gaming's employees to Tower
8 Casino surveillance footage and the method for securing chips. The amended
9 contract must be submitted to the Bureau for review within 90 days of issuance of
10 this Decision and Order;

11 (2) Debbie Willhalm dba 21 Vault Gaming and Debbie Willhalm, individually,
12 shall not enter into any financial agreements (personal or business in nature) with
13 Towers Casino, including owners and key employees of Towers Casino, other than
14 the agreements that are contained in a Bureau-approved third party provider of
15 proposition player services contract between Debbie Willhalm, dba 21 Vault and
16 Towers Casino;

17 (3) Debbie Willhalm dba 21 Vault Gaming must update her accounting procedures
18 to comply with 4 California Code of Regulations, section 12312 and submit copies
19 of a general ledger and chart of accounts to the Bureau containing at least three
20 months of new data within 180 days of the issuance of this Decision and Order;

21 (4) Debbie Willhalm dba 21 Vault Gaming must create written standard operating
22 procedures and/or written guidelines to ensure compliance with Title 4, Division
23 18, Chapter 2.1 of the California Code of Regulations and make them available to
24 all employees.

25 (5) Debbie Willhalm dba 21 Vault Gaming, is required to employ at least one
26 supervisor. The supervisor must be available to assist employees on-site as needed.
27 The supervisor must submit an application to be licensed as a Supervisor to the
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Bureau within 90 days of the issuance of this Decision and Order.

2. Each side to pay its own attorneys' fees.

This Order is effective on March 27, 2019.

Dated: _____ Signature: _____

Jim Evans, Chairman

Dated: 3/27/2019

Signature: 

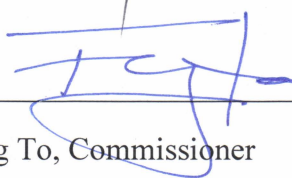
Paula LaBrie, Commissioner

Dated: 3/27/19

Signature: 

Gareth Lacy, Commissioner

Dated: 3/27/2019

Signature: 

Trang To, Commissioner