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**BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION**

In the Matter of the Application for a Key Employee License for:

ROLAND JOSEPH ADDISON, II
(GEKE-002616)

Applicant.

CGCC Case No. CGCC-2022-0512-7

BGC Case No. BGC-HQ2022-00009SL

DECISION AND ORDER

Hearing Date: February 16, 2023
Time: 10:00 a.m.

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, via Zoom video conference, on February 16, 2023.

Applicant Ronald Joseph Addison, II (Addison) appeared on his own behalf during the evidentiary hearing.

Lisa L. Freund, Deputy Attorney General, State of California (DAG Freund), represented complainant Yolanda Morrow, solely in her official capacity as Director of the California Department of Justice, Bureau of Gambling Control (Bureau).

During the evidentiary hearing, Presiding Officer Kate Patterson (PO Patterson), took official notice of the following documents: the Commission’s Notice and Agenda of Commission Hearing; the Commission’s Conclusion of Prehearing Conference letter; the Commission’s Notice of Hearing with attachments (A) Addison’s application, and (B) the Bureau’s background investigation report; the Bureau’s Statement of Reasons; and Addison’s signed Notice of Defense.

During the evidentiary hearing, PO Patterson accepted into evidence Exhibits 1-33, Bates Nos. Complainant 0001-0380, offered by the Bureau and identified on the Bureau’s Evidentiary Exhibit Index, pursuant to a stipulation between the parties.

PO Patterson closed the administrative record and the matter was submitted for decision on February 16, 2023.

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FINDINGS OF FACT

Procedural History

1. Addison assumed key employee duties for Ocean’s Eleven Casino in September 2020 as a Floorperson.

2. On or about October 5, 2020, the Bureau received Addison’s Application for Interim Key Employee License. An interim license, number GEKE-002616, was issued effective October 13, 2020 to October 31, 2022.

3. On or about November 2, 2020, the Bureau received Addison’s Application for Gambling Establishment Key Employee License and Key Employee Supplemental Background Investigation Information, with attached schedules (collectively, Application).

4. On or about February 28, 2022, the Commission received a Gambling Establishment Key Employee Initial Background Investigation Report, Level III (Report), for Addison from the Bureau. In the Report, the Bureau alleges that Addison: was convicted of five misdemeanor offenses; failed to disclose four of the convictions on his Application; provided misleading information to the Bureau; and has a negative credit profile. Based on the foregoing, the Bureau recommends that the Commission deny the Application.

5. On May 12, 2022, the Commission voted to refer Addison’s Application to a Gambling Control Act (Act) evidentiary hearing pursuant to CCR section 12060, subdivision (a).

6. On May 12, 2022, the Commission sent a letter, via regular and certified mail, to Addison notifying him that the Commission referred the consideration of his Application to an evidentiary hearing.

7. On June 1, 2022, the Commission received a signed Notice of Defense from Addison requesting an evidentiary hearing on his Application.

8. On June 30, 2022, the Commission sent a Notice of Hearing, via e-mail, to Addison and DAG Freund. The hearing was set to be conducted via Zoon conference for February 16, 2023, at 10:00 a.m.

9. On October 27, 2022, the Bureau filed a Statement of Reasons on Addison’s Application with the Commission. In the Statement of Reasons, the Bureau alleges the

1 Application should be denied because Addison has engaged in illegal behavior and shown a lack
2 of regard for the health, safety, and welfare of others, which demonstrates that he may pose a
3 threat to the effective regulation and control of controlled gambling; provided untrue or
4 misleading information to the Bureau; and has a negative credit profile.

5 **Addison's Employment History in Controlled Gambling**

6 10. Addison was born in 1976. Addison first received a gambling license in 1994 when he
7 worked for a tribal gambling facility operated by Pachenga. From September 1997 to March 2011
8 he worked at Ocean's Eleven Casino as a floorperson. From July 2012 to December 2012 he
9 worked at Oak Tree Casino in Washington as a "Casino Floor Manager." From July 2013 to
10 December 2016 he worked at Seven Mile Casino as a poker dealer. In January 2017 he began
11 working as a floorperson at Ocean's Eleven Casino. He testified that he has been in upper
12 management as a floor supervisor in a gambling establishment for 19 years.

13 **Addison's Criminal History**

14 11. On February 17, 1996, Addison violated Penal Code sections 647, subdivision (f),
15 public intoxication and 148.9, subdivision (a), providing false identification to a peace officer. On
16 September 25, 1997, Addison plead no contest to a violation of three misdemeanors: Penal Code
17 sections 647, subdivision (f); 148.9, subdivision (a); and 853.7 for failure to appear (on March 17,
18 1997) after written promise in *People of the State of California v. Roland Joseph Addison* (Super.
19 Ct. Riverside, Case No. P96-2988). Addison did not disclose any of these three convictions on his
20 Application.

21 12. In connection with the 1997 convictions, Addison signed a plea form titled
22 "Memorandum of Court Ordered Terms and Conditions – Misdemeanors" informing him that he
23 was put on probation for 36 months; ordered to serve five days in the county jail on two
24 consecutive weekends beginning October 17, 1997; abstain from use of alcohol; pay a fine and
25 penalty assessments of \$270; pay a restitution fine of \$100; and pay an administrative fee of \$30.

26 13. In connection with the 1997 convictions, Addison initialed 16 times a form titled
27 "Advisement of Rights, Misdemeanors" informing him of various rights related to his 1997
28 convictions. Including, "CHARGES: I have been told the charges against me and I understand

1 them.” Referring to his plea deal, Addison testified that: “I’m sure they explained to me what it
2 was.”

3 14. In connection with the 1997 convictions, Addison signed a court document that
4 indicates “I freely, voluntarily, and knowingly plead no contest to a violation of section 647 (f),
5 148.9, 853.7. . . .” However, Addison wrote in a note to the Bureau “I never served 5 days in jail
6 or probation” and “I never went to court. I never plead not guilty or no contest.”

7 15. In connection with the 1997 convictions, the police report indicates that when Addison
8 was arrested for public intoxication, he gave the arresting officer an identification card of a male
9 named Jason Ward from Illinois. The officer allegedly asked Addison if he was from Illinois, and
10 Addison replied “yes I’m here visiting my uncle.” At the police station, another officer
11 recognized Addison and indicated that he was not Jason Ward. In response, Addison admitted
12 that his name was Roland Addison. In response to the Bureau’s request for additional information
13 concerning the arrest, Addison wrote a note to the Bureau that indicated “I never gave a police
14 officer a fake ID.”

15 16. On December 22, 1998, Addison was convicted of driving under the influence of
16 alcohol, a misdemeanor, in *People of the State of California v. Roland Joseph Addison II* (Super.
17 Ct. Riverside, Case No. PEM013633). Addison was sentenced to 10 days in jail, 36 months of
18 probation, and ordered to pay a fine. Imposition of the sentence was suspended. Addison did not
19 disclose this conviction on his Application.

20 17. Addison testified that as part of his plea deal for the 1998 conviction he paid a fine,
21 was put on probation, attended Alcoholics Anonymous meetings, and wore an ankle monitor
22 device for approximately two weeks. Addison testified that at the time of his plea, he knew he
23 was charged with a misdemeanor and that driving under the influence of alcohol is a crime. But
24 he failed to disclose it on the Application because he thought only felonies were required to be
25 disclosed. Referring to his failure to disclose the 1998 conviction on his Application, Addison
26 testified that: “I do not have an answer for you as to why I did not put that down.”

27 18. In additional to the convictions noted above, Addison recalls getting into trouble every
28 year for “three maybe four years at a road show” when he was a minor and after he turned 18

1 because he stated “drinking was always my problem.” He was arrested for public intoxication
2 several times in the late 1990s; he does not recall going to court.

3 19. On May 21, 2021, Addison was convicted of violation of Penal Code section 647,
4 subdivision (f), public intoxication, in *People of the State of California v. Roland Joseph Addison,*
5 *II* (Super. Ct. Riverside, Case No. RIM1902916). The 2021 conviction occurred after the
6 Application was submitted to the Bureau; therefore, Addison was not required to disclose this
7 conviction on his Application.

8 20. In connection with the 2021 conviction, which took place at 2:25 a.m. on December
9 24, 2018, Addison testified he had one beer and “plead guilty so the process would be easy” not
10 because he believes he was guilty. He told the Bureau he “was drugged that night. Somebody
11 slipped something in my beer.”

12 **Addison’s Financial History**

13 21. On August 19, 2016, Addison filed for Chapter 7 Bankruptcy in the United States
14 Bankruptcy Court in Riverside, California, Case No. 6:16-bk-17743-MH, which discharged
15 Addison’s debts on December 12, 2016. Addison disclosed the bankruptcy on his Application.

16 **Addison’s Gambling History**

17 22. During Addison’s background investigation the Bureau discovered that Addison
18 gambled by playing games online for money. Addison testified that he has played poker and slots
19 machines online over “the last ten years.”

20 23. The Bureau asked Addison to state the purpose of two withdrawals from his checking
21 account. Addison told the Bureau that the withdrawals were for purposes of “gambling on poker
22 site.” He explained that he sent the money to a coworker to play on a poker site called “Poker
23 Bros.” He further explained that he played two times on “Poker Bros” and won \$400 before
24 cashing out.

25 24. Addison’s checking account showed deposits on May 28, 2020 of \$2,871.44, and June
26 8, 2020, of \$2,100. He explained to the Bureau that these deposits were made because he “won on
27 a casino app.” When the Bureau requested additional information about the casino application
28 used, and the specifics regarding his usage of the casino application, Addison explained that on

1 May 28, 2020, he opened an account with \$200 on an online gambling application called “Bspot.”
2 He played “slot machine” games on this site “7-9 times.” He won \$10,000. He testified that: “By
3 the time they sent me the money it was down to \$2,871.44.”

4 25. Addison’s debit card revealed payments on June 27, 2020, in the amount of \$200 to
5 “WHOGOHOST – EUROPE,” and a second payment on July 20, 2020 in the amount of \$100 to
6 “WHOGOHOST - EAST AFRICA.” Addison explained that these payments were made to
7 “Super slots” an online slot machine purveyor so he could play slot machine games online. He
8 explained that he “only played it twice and never cashed out.”

9 26. He explained the method of play for slots games online as follows: “You deposit
10 money. Spin the wheel[,] if you win by a combination you get paid.”

11 27. Addison testified that he has used his ATM and credit card to obtain credit to play on
12 online gambling sites; he has used credit cards to obtain bonus offered by online gambling web
13 sites; he doesn’t recall how much he cashed out in total; overall, he believes he lost more than he
14 won from gambling online; and he has not gambled online in 2022.

15 28. Addison testified that he has played poker and slot games online for money “over the
16 last ten years.” Addison testified that during the COVID-related lockdown he played slot machine
17 games online because he “was looking to play some video games.” Addison testified that he
18 participated in online gambling for money because he “didn’t know that was bad.” He testified
19 that he considers “it online gambling, but I don’t consider it illegal gambling.” He never thought
20 that online gambling is illegal. While testifying, Addison asked: “How can it be illegal if you can
21 download the app and pay with your California credit card?” The first time he found out that
22 online gambling was illegal was when he was told by the Bureau during the course of the
23 background investigation on his Application.

24 29. Addison never received training regarding the illegality of online gambling in
25 California. He received training on money laundering while employed in a gambling facility, but
26 “nothing really to do about online gambling that I can recall.”

27 30. Referring to his online gambling activities, Addison testified that he now understands
28 it is illegal. He testified that: “I will never do that again.”

1 **Addison’s Application – Failure to Disclose Criminal Convictions and Illegal Gambling**

2 31. Addison’s Application consists of two parts. The first part is two pages and contains
3 five sections, including applicant information. The first part advises applicants that:

4
5 “You must provide truthful information in all your responses in this
6 application. All answers to questions in this application, and all
7 supplemental documentation provided by you, will be subject to
8 verification. Any misrepresentation or failure to disclose information
9 required on this application may constitute sufficient cause for denial or
10 revocation.”

11 Addison signed the first part of the Application on or about September 25, 2020.

12 32. The second part of the Application is the supplemental application, which is 14-pages
13 and contains 10 sections (Supplemental). The Supplemental requires that the applicant disclose,
14 among other things, their criminal history information. The Supplemental also advises applicants
15 that:

16 “You must provide truthful information in all your responses in this
17 application. All answers to questions in this application, and all
18 supplemental documentation provided by you, will be subject to
19 verification. Any misrepresentation or failure to disclose information
20 required on this application may constitute sufficient cause for denial or
21 revocation.”

22 33. Section 6 of the Supplemental required Addison to disclose his criminal history
23 information. This sections provides detailed instructions and asks:

24
25 “HAVE YOU EVER BEEN **CONVICTED** OF A CRIME OR PLED
26 GUILTY, OR PLED NOLO CONTENDERE (NO CONTEST) TO A
27 CRIME? INCLUDE ANY CONVICTIONS REDUCED OR EXPUNGED,
28 **UNLESS** THE RECORDS HAVE BEEN SEALED PURSUANT TO A
COURT ORDER. (DO NOT INCLUDE VEHICLE CODE INFRACTIONS).
IF YES, PROVIDE DETAILS FOR EACH INCIDENT BELOW.”

(Emphasis in original.)

34. Addison checked the box marked “NO” in section 6 of the Application. Meaning he
did not have a conviction. An affirmative answer to the question requires the applicant to provide
certain details regarding the conviction, including the approximate date of the conviction, the

1 arresting agency, the court location, and identify whether or the crime is a misdemeanor or a
2 felony. Since Addison had been convicted of four misdemeanors, he was required to provide
3 details regarding his convictions on the Supplemental. However, by answering section 6 in the
4 negative, Addison did not provide any details regarding his conviction on the Supplemental. The
5 fact of, and details regarding, Addison’s criminal conviction were discovered by the Bureau
6 during its background investigation.

7 35. Section 6 of the Supplemental also asks: “HAVE YOU EVER ENGAGED IN
8 BOOKMAKING OR OTHER ILLEGAL GAMBLING ACTIVITIES?” Addison checked the box
9 marked “NO” for this question. Meaning he had never engaged in illegal gambling.

10 APPLICABLE STATUTORY AND REGULATORY PROVISIONS

11 36. Division 1.5 of the Business and Professions Code, the provisions of which govern the
12 denial of licenses on various grounds, does not apply to licensure decisions made by the
13 Commission under the Gambling Control Act. (Bus. & Prof. Code, § 476, subd. (a).)

14 37. The Act is an exercise of the police power of the state for the protection of the health,
15 safety, and welfare of the people of the State of California, and shall be liberally construed to
16 effectuate those purposes. (Bus. & Prof. Code, § 19971.)

17 38. Public trust that permissible gambling will not endanger public health, safety, or
18 welfare requires that comprehensive measures be enacted to ensure that gambling is free from
19 criminal and corruptive elements, that it is conducted honestly and competitively, and that it is
20 conducted in suitable locations. (Bus. & Prof. Code, § 19801, subd. (g).)

21 39. Public trust and confidence can only be maintained by strict and comprehensive
22 regulation of all persons, locations, practices, associations, and activities related to the operation
23 of lawful gambling establishments. (Bus. & Prof. Code, § 19801, subd. (h).)

24 40. The Commission has the responsibility of assuring that licenses, approvals, and
25 permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose
26 operations are conducted in a manner that is inimical to the public health, safety, or welfare. (Bus.
27 & Prof. Code, § 19823, subd. (a)(1).)

28 41. An “unqualified person” means a person who is found to be unqualified pursuant to

1 the criteria set forth in Section 19857, and “disqualified person” means a person who is found to
2 be disqualified pursuant to the criteria set forth in Section 19859. (Bus. & Prof. Code, §
3 19823, subd. (b).)

4 42. The Commission shall have all powers necessary and proper to enable it fully and
5 effectually to carry out the policies and purposes of this chapter. (Bus. & Prof. Code, § 19824.)

6 43. The Commission has the power to deny any application for a license, permit, or
7 approval for any cause deemed reasonable by the Commission. (Bus. & Prof. Code, § 19824,
8 subd. (b).)

9 44. The Commission has the power to take actions deemed to be reasonable to ensure that
10 no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled
11 gambling activities. (Bus. & Prof. Code, § 19824, subd. (d).)

12 45. The burden of proving his or her qualifications to receive any license from the
13 Commission is on the applicant. (Bus. & Prof. Code, § 19856, subd. (a); CCR, § 12060, subd.
14 (j).)

15 46. An application to receive a license constitutes a request for a determination of the
16 applicant’s general character, integrity, and ability to participate in, engage in, or be associated
17 with, controlled gambling. (Bus. & Prof. Code, § 19856, subd. (b).)

18 47. In reviewing an application for any license, the commission shall consider whether
19 issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the
20 license will undermine public trust that the gambling operations with respect to which the license
21 would be issued are free from criminal and dishonest elements and would be conducted honestly.
22 (Bus. & Prof. Code, § 19856, subd. (c).)

23 48. No gambling license shall be issued unless, based on all of the information and
24 documents submitted, the Commission is satisfied that the applicant is a person of good character,
25 honesty, and integrity. (Bus. & Prof. Code, § 19857, subd. (a).)

26 49. No gambling license shall be issued unless, based on all of the information and
27 documents submitted, the Commission is satisfied that the applicant is a person whose prior
28 activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the

1 public interest of this state, or to the effective regulation and control of controlled gambling, or
2 create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in
3 the conduct of controlled gambling or in the carrying on of the business and financial
4 arrangements incidental thereto. (Bus. & Prof. Code, § 19857, subd. (b).)

5 50. No gambling license shall be issued unless, based on all of the information and
6 documents submitted, the Commission is satisfied that the applicant is a person that is in all other
7 respects qualified to be licensed as provided in this chapter. (Bus. & Prof. Code, § 19857, subd.
8 (c).)

9 51. The Commission shall deny a license to any applicant who is disqualified for failure of
10 the applicant to provide information, documentation, and assurances required by this chapter or
11 requested by the chief, or failure of the applicant to reveal any fact material to qualification, or the
12 supplying of information that is untrue or misleading as to a material fact pertaining to the
13 qualification criteria. (Bus. & Prof. Code, § 19859, subd. (b).)

14 52. An application will be denied if the Commission finds that the applicant has not
15 satisfied the requirements of Business and Professions Code section 19857. (CCR, § 12040, subd.
16 (a)(1).)

17 53. An application will be denied if the Commission finds that any of the provisions of
18 Business and Professions Code section 19859 apply to the applicant. (CCR, § 12040, subd.
19 (a)(2).)

20 54. No person may be issued a key employee license unless the person would qualify for a
21 state gambling license. (Bus. & Prof. Code, § 19854, subd. (b).)

22 55. This evidentiary hearing need not be conducted according to technical rules relating to
23 evidence and witnesses. Any relevant evidence may be considered, and is sufficient in itself to
24 support a finding, if it is the sort of evidence upon which reasonable persons are accustomed to
25 rely upon in the conduct of serious affairs, regardless of the existence of any common law or
26 statutory rule that might make improper the admission of the evidence over objection in a civil
27 action. (Bus. & Prof. Code, § 19871, subd. (a)(4); CCR, § 12060, subd. (g)(2).)

28 55. An applicant for licensing or for any approval or consent required by this chapter,

1 shall make full and true disclosure of all information to the Bureau and the Commission as
2 necessary to carry out the policies of this state relating to licensing, registration, and control of
3 gambling. (Bus. & Prof. Code, § 19866.)

4 56. The Bureau relies, in large part, on the applicant’s disclosures while conducting a
5 background investigation. The failure to honestly, accurately, and completely disclose
6 information on an application subverts the Bureau’s efforts to conduct a thorough and complete
7 investigation. (Bus. & Prof. Code, §§ 19826, subd. (a), 19866.)

8 57. Both the substance of an applicant’s disclosures, and the truthfulness and
9 thoroughness of an applicant’s disclosures, are considered by the Bureau in making a
10 recommendation as to the applicant’s suitability for licensure, and by the Commission in making
11 a determination whether to approve or deny a license application. (Bus. & Prof. Code, §§ 19824,
12 subds. (a), (d), 19826, subd. (a), and 19866.)

13 ASSESSMENT OF ADDISON’S SUITABILITY FOR LICENSURE

14 58. The Commission finds that Addison’s Application is subject to denial because
15 he provided untrue or misleading information material to his qualification for licensure on his
16 Application as follows:

- 17 a. Addison denied having ever been convicted of any crime, despite having been
 - 18 convicted of four crimes at the time he signed his Application; and
 - 19 b. Addison denied having ever engaged in illegal gambling activities, despite having
 - 20 gambled by playing games online for money, including slot machine-type games.
- 21 (Bus. & Prof. Code, §§ 19856, subd. (a), 19857, 19859, subd. (b), 19866; CCR, §§ 12040, subds.
22 (a)(1), (2), 12060, subd. (j).)

23 59. The Application requires us to determine whether Addison’s failure to disclose his
24 criminal convictions merit denial of his Application pursuant to sections: 19856, subdivision (b)
25 (because it shows an inability to participate in controlled gambling), and subdivision (c)
26 (undermines public trust because his failure to disclose the convictions was dishonest); 19857,
27 subdivision (a) (failure to disclose the convictions show lack of good character, honesty, and
28 integrity); and 19859, subdivision (b) (failure to disclose the convictions is a failure to reveal fact

1 material to qualification). Based on the findings of facts and the reasons below applicable to
2 Addison's failure to disclose his 1997 and 1998 criminal convictions, the Commission determines
3 that the Application should be denied pursuant to the sections cited in this paragraph.

4 60. The Application also requires us to determine whether Addison's failure to disclose
5 his illegal online gambling activity means that his Application should be denied pursuant to
6 section 19856, subdivisions (b) (shows an inability to participate in controlled gambling), and
7 subdivision (c) (undermines public trust that gambling operations are not free from dishonest
8 elements); 19857, subdivisions (a) (failure to disclose the illegal activity shows lack of good
9 character, honesty, and integrity); and 19859, subdivision (b) (failure to disclose illegal activity is
10 a failure to reveal fact material to qualification). Based on the findings of facts and the reasons
11 below applicable to Addison's failure to disclose his illegal online gambling activity, the
12 Commission determines that the Application should be denied pursuant to the sections cited in
13 this paragraph.

14 61. All of the information requested on the Application has been considered through the
15 legislative and regulatory processes and determined necessary in order for the Commission to
16 discharge its duties properly. An applicant is neither expected, nor permitted, to determine the
17 importance of the information requested, and instead is required to provide true, accurate, and
18 complete information as requested. Indeed, the Act required Addison to "make full and true
19 disclosure of all information" to the Bureau and the Commission as necessary to carry out the
20 policies of this state relating to licensing and control of gambling. (Bus. & Prof. Code, § 19866.)

21 62. It is undisputed that Addison omitted from his Application four misdemeanor
22 convictions and his history of illegal gambling online, even though the Application required
23 disclosure of all convictions and illegal gambling activity regardless of when they occurred.

24 63. Generally, when an applicant fails to disclose a criminal conviction on an application,
25 it may be subject to denial for mere nondisclosure since the nondisclosure amounts to a
26 representation of the nonexistence of the convictions which were not disclosed. (Bus. & Prof.
27 Code, §§ 19856, subd. (a), 19857, 19859, subd. (b), 19866; CCR, §§ 12040, subds. (a)(1), (2),
28 12060, subd. (j).)

1 64. Particularly due to the age of the convictions we are troubled by the fact that Addison
2 did not disclose any of his first four misdemeanor convictions leaving it to chance whether the
3 Bureau's investigation process would uncover this information. When it did, Addison was content
4 to rest on his explanations that his omission was just a mistake, or cannot be explained, and he
5 continues to assert his entitlement to a key employee license based on his, at best, incomplete
6 Application.

7 65. In the circumstances of this particular case, Addison's ignorance of the law is
8 implausible as an excuse for his omission because given the circumstances surrounding the three
9 convictions in 1997, including his plea form and the penalties imposed, he should have known
10 that they were required to be disclosed on the Application. (Bus. & Prof. Code, §§ 19856, subd.
11 (a), 19857, 19859, subd. (b), 19866; CCR, §§ 12040, subds. (a)(1), (2), 12060, subd. (j).)

12 66. Also, Addison's ignorance of the law theory is particularly implausible as
13 an excuse for his omission of the 1998 driving under the influence conviction because he testified
14 that he knew it was a crime, but failed to disclose it. In fact, referring to the 1998 conviction,
15 Addison's statement that "I do not have an answer for you as to why I did not put that down"
16 demonstrates that he failed to carry his burden under the Act to demonstrate suitability for
17 licensure as a key employee. (Bus. & Prof. Code, §§ 19856, subd. (a), 19857, 19859, subd. (b),
18 19866 ; CCR, §§ 12040, subds. (a)(1), (2), 12060, subd. (j).)

19 67. Addison's attempts to challenge the factual basis for the three convictions in 1997
20 during the hearing (by asserting, "I never went to court. I never plead not guilty or no contest")
21 are also meritless because as the California Supreme Court has held convictions are conclusive
22 proof of the offense charged before administrative bodies like the Commission. (*See Arneson v.*
23 *Fox* (1980) 28 Cal.3d 440, 449.)

24 68. Generally, when an applicant fails to disclose illegal gambling activity on an
25 application, it may be subject to denial for mere nondisclosure since the nondisclosure amounts to
26 a representation of the nonexistence of the illegal activity which were not disclosed. (Bus. & Prof.
27 Code, §§ 19856, subd. (a), 19857, 19859, subd. (b), 19866; CCR, §§ 12040, subds. (a)(1), (2),
28 Addison denied having ever engaged in illegal gambling activities, despite having gambled by

1 playing games online for money, including slot machine-type games over many years. (Bus. &
2 Prof. Code, §§ 19856, subd. (a), 19857, 19859, subd. (b), 19866; CCR, §§ 12040, subds. (a)(1),
3 (2), 12060, subd. (j).) There may be some doubt as to whether Addison’s actions of playing poker
4 online was illegal under Penal Code section 330, because no evidence was presented to establish
5 that it was played as a percentage game. However, Addison’s play of slot machine-type games for
6 money certainly violated Penal Code sections 330 (banked game) and 330b, subdivision (d): “an
7 unlawful slot machine or device is not limited to an isolated or stand-alone piece of physical
8 hardware, but broadly includes a machine, apparatus, or device that is adapted for use as a slot
9 machine or device.” (*People ex rel. Green v. Grewal* (2015) 61 Cal.4th 544, 562 (internal
10 quotations omitted.) Indeed, his explanation of the method of play he engaged in describes a slot
11 machine: “You deposit money. Spin the wheel[,] if you win by a combination you get paid.”

12 69. Addison’s incredible explanations during the hearing for failure to disclose his multi-
13 year history of illegal online gambling on his Application because he did not think he was
14 gambling illegally is also unreasonable given his 19-year-long history of working in upper
15 management in regulated gambling establishments.

16 70. The Application is not merely a paperwork exercise to hurdle on the way to obtaining
17 a key employee license. For an applicant such as Addison, who has a history of criminal
18 convictions and has engaged in illegal online gambling activity, the Application serves as the
19 important, formal written presentation by which he places himself before the Bureau and the
20 Commission for decision whether he should be allowed to fulfill the high responsibilities required
21 of a key employee in this state. In fact, by allowing Addison to make a full and truthful disclosure
22 about his criminal history and illegal online gambling activity, the Application provided him the
23 first opportunity to demonstrate his honesty before the Bureau and the Commission. By failing to
24 make a full and truthful disclosure about his criminal history and illegal online gambling activity,
25 Addison stumbled at the first hurdle. As evaluators of the Application, the Bureau and the
26 Commission should be able to rely on the Application as being candid and complete in the same
27 manner as a court would rely on an attorney’s declaration. In this case, given the number of
28 material omissions by Addison on his Application the Commission is unable to grant it. (Bus. &

1 Prof. Code, §§ 19856, subd. (a), 19857, 19859, subd. (b) & 19866; CCR, §§ 12040, subd. (a)(2),
2 12060, subd. (j).)

3 71. Overall, we cannot excuse Addison’s failure to disclose four misdemeanor convictions
4 and history of illegal online gambling on his Application due to his theory of ignorance of the
5 law. Rather, his offer of those theories to excuse the omissions on the Application during the
6 hearing, casts further doubt that he has achieved any insight into the high standard he must meet
7 for licensure as a key employee under the Act. Under the totality of the circumstances, we find
8 Addison’s subjective belief that he was not required to disclose his four misdemeanor convictions
9 and history of illegal online gambling on the Application to be unreasonable. (Bus. & Prof. Code,
10 §§ 19856, subd. (a), 19857, 19859, subd. (b) & 19866; CCR, §§ 12040, subd. (a)(2), 12060, subd.
11 (j).)

12 71. For the foregoing reasons, the Commission finds that cause exists to deny the
13 Application. All documentary and testimonial evidence submitted by the parties that is not
14 specifically addressed in this Decision and Order was considered but not used by the Commission
15 in making its determination on the Application.

16 NOTICE OF APPLICANT’S APPEAL RIGHTS

17 Addison has the following appeal rights available under state law:

18 1. CCR section 12064, subdivisions (a) and (b) provide, in part:

19 (a) After the Commission issues a decision following a GCA hearing
20 conducted pursuant to Section 12060, an applicant denied a license,
21 permit, registration, or finding of suitability, or whose license, permit,
22 registration, or finding of suitability has had conditions, restrictions, or
23 limitations imposed upon it, may request reconsideration by the
24 Commission. A request for reconsideration must be:

25 (1) Made in writing to the Commission, copied to the Complainant.
26 The Bureau may provide a written response to the Commission within 10
27 calendar days of receipt of the request; and

28 (2) Received by the Commission and Complainant within 30 calendar
days of service of the decision, or before the effective date specified in the
decision, whichever is earlier.

(b) A request for reconsideration must state the reasons for the request,
which must be based upon either:

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(1) 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,

(2) Other good cause which the Commission may decide, in its sole discretion, merits reconsideration.

2. Business and Professions Code section 19870, subdivision (f), provides:

A decision of the commission after an evidentiary hearing, 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 held to consider that petition, 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.

3. CCR section 12066, subdivision (c), provides, in part:

Neither the right to petition for judicial review nor the time for filing the petition shall be affected by failure to seek reconsideration.

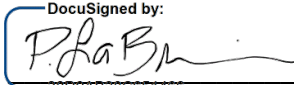
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ORDER

- 1. ROLAND JOSEPH ADDISON, II's Application for a Key Employee License is DENIED.
- 2. No costs are awarded.
- 3. Each side to pay its own attorneys' fees.

This Order is effective on May 5, 2023.

Dated: 4/5/2023 _____ Signature: 
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 Paula LaBrie, Chair

Dated: 4/5/2023 _____ Signature: 
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 Cathleen Galgiani, Commissioner

Dated: 4/5/2023 _____ Signature: 
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 Eric Heins, Commissioner

Dated: 4/5/2023 _____ Signature: 
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 William Liu, Commissioner

Dated: 4/5/2023 _____ Signature: 
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 Edward Yee, Commissioner