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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Statement of Reasons for Denial of License Application and Cancellation of Registration Regarding:

IDANAY CHERIS PHILLIPS

Registration No. TPPL-011183

Respondent.

BGC Case No. BGC-HQ2014-00009SL
CGCC Case No. CGCC-2014-0828-10A

DECISION AND ORDER

Hearing Date: February 24, 2015
Time: 2:00 p.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(b), in Sacramento, California, on February 24, 2015.

Ronald Diedrich, Deputy Attorney General, State of California, represented complainant Wayne J. Quint, Jr., Chief of the Bureau of Gambling Control (Bureau), Department of Justice, State of California.

Idanay Cheri Phillips (Phillips) failed to appear and was not represented at the hearing.

During the administrative hearing, Presiding Officer Jason Pope took official notice of the following:

- (a) Notice of Hearing and Prehearing Conference, dated November 7, 2014, served by certified mail, return receipt requested.

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

- (1) Statement of Reasons filed and served by the Bureau;
- (2) Copies of the August 28, 2014 letter from Katherine Ellis notifying Phillips that the Commission voted to refer consideration of her application to a hearing and November 7, 2014 Notice of Hearing and Prehearing Conference;
- (3) Copies of documents regarding consideration of abandonment of Phillips'

1 application, including the following: (a) Notice and Agenda of
2 Commission Meeting for the Commission's February 10, 2015 meeting;
3 (b) E-mail correspondence from January 14, 2015 through January 27,
4 2015 among Pamela Mathauser, Tiffany Perry and Ronald Diedrich; and
5 (c) February 5, 2015 letter to Commission Chairman Richard Lopes, with
6 enclosures and Declaration of Service;

- 7 (4) Phillips' December 21, 2012 Application for Third-Party Player Services
8 License For Supervisor, Player or Other Employee (dated December 12,
9 2012) and Level 1 Supplemental Information for Phillips;
- 10 (5) Commission staff's August 13, 2014 Licensing Division Memorandum to
11 the Commissioners for the August 28, 2014 meeting;
- 12 (6) July 30, 2014 letter to Tina Littleton from the Bureau regarding its Report
13 Addendum, with attachments A – E;
- 14 (7) A completed Third-Party Provider Services Employment Verification
15 form, dated February 28, 2014;
- 16 (8) Email correspondence between the Bureau and PT Gaming, LLC/Kings
17 Consulting Group, LLC, during February through June 2014;
- 18 (9) September 3, 2011 office visit note submitted by Phillips with July 16
19 notation by Jason of PT Gaming, LLC; and
- 20 (10) September 3, 2011 office visit note submitted by Phillips with July 18,
21 2012 notation by Bao Tongkhambao of Health and Life Organization, Inc.,
22 dba Sacramento Community Clinic.

23 The matter was submitted on February 24, 2015.

24 FINDINGS OF FACT

- 25 1. Phillips holds a registration as a third-party proposition player, registration number
26 TPPL-011183.
- 27 2. Phillips worked as a third-party proposition player for Pacific Gaming Services, LLC,
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provider of third-party proposition player services licensed by the Commission.

3. On or about December 21, 2012, the Commission received an Application for a Third-Party Proposition Player Services License for Supervisor, Player or Other Employee (Application) from Phillips to convert her registration as a third-party proposition player to a license.

4. At its August 28, 2014 meeting, the Commission voted to refer the matter of Phillips' Application to an evidentiary hearing.

5. On or about August 28, 2014, the Executive Director of the Commission set the matter for an administrative hearing to be conducted pursuant to Business and Professions Code sections 19870 and 19871 and Title 4, CCR section 12050(b)(2).

6. On or about October 23, 2014, the Bureau filed a Statement of Reasons with the Commission, with a copy sent to Phillips via certified mail, recommending the denial of Phillips' Application and the cancellation of her registration as a third-party proposition player.

7. On or about November 7, 2014, the Commission served a Notice of Hearing and Prehearing Conference on Phillips, Tiffany L. Perry of Pacific Gaming Services, LLC and the Bureau.

8. The Commission heard Case No. CGCC-2014-0828-10A on February 24, 2015. The Bureau was represented throughout the pendency of the hearing by Deputy Attorney General Ronald Diedrich. Phillips failed to appear throughout the pendency of the hearing or make any contact with the Commission or the Bureau.

9. The failure of an applicant to attend the hearing on his or her application may affect the applicant's ability to apply for and/or receive a work permit, registration or license from the Commission and/or from other jurisdictions.

10. Phillips submitted a doctor's note from Health and Life Organization, Inc. dba Sacramento Community Clinic (SCC) to her employer, Kings Consulting Group, LLC (Kings), requesting to excuse her from work from September 3, 2011 (the date of her alleged doctor's

1 visit) to September 5, 2011.

2 11. According to emails from Kings and PT Gaming, LLC, based on conversations with
3 SCC's representatives, SCC denied that Phillips was seen at its clinic on September 3, 2011 and
4 denied writing the doctor's note. The emails from Kings and PT Gaming, LLC appear to be
5 credible and accurate records regarding the circumstances surrounding Phillips' doctor's note.

6 12. By providing a falsified doctor's note to her employer, Phillips demonstrated a lack
7 of good character, honesty and integrity.

8 13. On her Level 1 Supplemental Information form, Phillips disclosed that her reason for
9 leaving employment with Kings was "personal."

10 14. Information provided by an applicant to the Bureau regarding the applicant's
11 employment history, including the information provided on an applicant's Level 1 Supplemental
12 Information form, consists of material facts pertaining to the applicant's qualification criteria for
13 licensure by the Commission.

14 15. Phillips was terminated from employment by Kings for providing a falsified doctor's
15 note to excuse an absence.

16 16. By stating that her reason for leaving employment with Kings was "personal," instead
17 of disclosing that she was terminated for providing a falsified doctor's note, Phillips supplied
18 information that is untrue or misleading as to a material fact pertaining to the qualification criteria
19 for licensure by the Commission.

20 17. By providing untrue or misleading information on her Level 1 Supplemental
21 Information form, Phillips demonstrated a lack of good character, honesty and integrity.

22 18. On or about March 2, 2014, Phillips submitted a letter to the Bureau explaining the
23 circumstances surrounding her leaving employment with Kings. Phillips writes that in July 2012,
24 her supervisor asked her to verify a doctor's note that Phillips submitted in September 2011 to
25 excuse an absence. Her supervisor called the doctor's office, which could not identify Phillips as
26 a patient. Phillips informed her supervisor that she also contacted the doctor's office, and that
27 because she had never fully completed the new patient application process, the doctor's office
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1 discarded her records after six months of inactivity per office policy. Phillips writes that she was
2 placed on suspension and ultimately terminated from Kings for turning in "false documentation."

3 19. According to emails from Kings and PT Gaming, LLC, based on conversations with
4 SCC's representatives, SCC stated that there would be an electronic record in the clinic's
5 database if Phillips had ever been seen as a patient.

6 20. Phillips was dishonest in her March 2, 2014 letter to the Bureau when she stated that
7 "because she had never fully completed the new patient application process, the doctor's office
8 discarded her records after six months of inactivity per office policy."

9 21. In her March 2, 2014 letter, Phillips supplied information that is untrue or misleading
10 as to a material fact pertaining to the qualification criteria for licensure by the Commission.

11 22. By providing untrue and misleading information to the Bureau in her March 2, 2014
12 letter, Phillips demonstrated a lack of good character, honesty and integrity.

13 23. As a result of providing a falsified doctor's note to her employer, and supplying untrue
14 and misleading information on her Level 1 Supplemental Information form and March 2, 2014
15 letter to the Bureau, Phillips has failed to demonstrate that she is a person of good character,
16 honesty and integrity.

17 24. Failing to attend the hearing, Phillips did not present or submit any information or
18 evidence in favor of granting her Application.

19 25. The matter was submitted for Commission consideration on February 24, 2015.

20 LEGAL CONCLUSIONS

21 26. Division 1.5 of the Business and Professions Code, the provisions of which govern the
22 denial of licenses on various grounds, does not apply to licensure decisions made by the
23 Commission under the Gambling Control Act. Business and Professions Code section 476(a).

24 27. Public trust and confidence can only be maintained by strict and comprehensive
25 regulation of all persons, locations, practices, associations, and activities related to the operation
26 of lawful gambling establishments and the manufacture and distribution of permissible gambling
27 equipment. Business and Professions Code section 19801(h).

1 28. At an evidentiary hearing pursuant to Business and Professions Code sections 19870
2 and 19871 and Title 4, CCR section 12060(b), the burden of proof rests with the applicant to
3 prove his or her qualifications to receive any license under the Gambling Control Act. Title 4,
4 CCR section 12060(i).

5 29. The burden of proving his or her qualifications to receive any license from the
6 Commission is on the applicant. Business and Professions Code section 19856(a).

7 30. An application to receive a license constitutes a request for a determination of the
8 applicant's general character, integrity, and ability to participate in, engage in, or be associated
9 with, controlled gambling. Business and Professions Code section 19856(b).

10 31. In reviewing an application for any license, the Commission shall consider whether
11 issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the
12 license will undermine public trust that the gambling operations with respect to which the license
13 would be issued are free from criminal and dishonest elements and would be conducted honestly.
14 Business and Professions Code section 19856(c).

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

19 33. An "unqualified person" means a person who is found to be unqualified pursuant to
20 the criteria set forth in Business and Professions Code section 19857, and "disqualified person"
21 means a person who is found to be disqualified pursuant to the criteria set forth in Business and
22 Professions Code section 19859. Business and Professions Code section 19823(b).

23 34. The Commission has the power to deny any application for a license, permit, or
24 approval for any cause deemed reasonable by the Commission. Business and Professions Code
25 section 19824(b).

26 35. 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 of good character,
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1 honesty and integrity. Business and Professions Code section 19857(a).

2 36. The Commission shall deny a license to any applicant who is disqualified by failure of
3 the applicant to provide information, documentation, and assurances required by this chapter or
4 requested by the chief, or failure of the applicant to reveal any fact material to qualification, or the
5 supplying of information that is untrue or misleading as to a material fact pertaining to the
6 qualification criteria. Business and Professions Code section 19859(b).

7 37. An applicant shall be ineligible for registration if the application is for registration as
8 an owner, supervisor, or player, the applicant has been subject to a final administrative or judicial
9 adjudication revoking a registration under this chapter or a state gambling license, key employee
10 license, work permit, finding of suitability or has had an application denied under this chapter or
11 the [Gambling Control] Act. Title 4, CCR section 12204(d).

12 38. An applicant shall be ineligible for registration if the applicant would be ineligible for
13 a state gambling license under any of the criteria set forth in Business and Professions Code
14 section 19859, subdivisions (b), (e), or (f). Title 4, CCR section 12204(e).

15 39. Any regular registration issued in accordance with this chapter shall be subject to
16 cancellation pursuant to this section. A registration shall be cancelled if the Commission
17 determines after a noticed hearing that the registrant is ineligible for registration, has failed in the
18 application for registration to reveal any fact material to the holder's qualification for registration,
19 or has supplied information in the registration application that is untrue or misleading as to a
20 material fact pertaining to the criteria for issuance of registration. Title 4, CCR section 12205(a).

21 40. A requestor shall be ineligible for licensing if the request to convert is for licensing as
22 an owner, supervisor, or player, the requestor has been subject to a final administrative or judicial
23 adjudication revoking a registration or license under this chapter or a state gambling license, key
24 employee license, work permit or finding of suitability or has had an application denied under this
25 chapter or the [Gambling Control] Act. Title 4, CCR section 12218.11(d).

26 41. A requestor shall be ineligible for licensing if the requestor has failed to meet the
27 requirements of Business and Professions Code sections 19856 or 19857. Title 4, CCR section
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1 12218.11(e).

2 42. A requestor shall be ineligible for licensing if the requestor would be ineligible for a
3 state gambling license under any of the criteria set forth in Business and Professions Code section
4 19859, subdivisions (b), (e), or (f). Title 4, CCR section 12218.11(f).

5 43. Phillips has supplied information to the Bureau that is untrue or misleading as to
6 material facts pertaining to the qualification criteria for licensure by the Commission. Therefore,
7 Phillips is disqualified from licensure pursuant to Business and Professions Code section
8 19859(b), ineligible for registration as a third-party provider of proposition player services
9 pursuant to Title 4, CCR section 12204(e), and ineligible for licensing as a third-party provider of
10 proposition player services pursuant to Title 4, CCR section 12218.11(f).

11 44. Given that Phillips is ineligible for registration pursuant to Title 4, CCR section
12 12204(e), her regular registration is subject to cancellation pursuant to Title 4, CCR section
13 12205(a).

14 45. Phillips has not met her burden of proving that she is a person of good character,
15 honesty, and integrity. Therefore, Phillips is unqualified for licensure pursuant to Business and
16 Professions Code section 19857(a) and ineligible for licensing as a third-party provider of
17 proposition player services pursuant to Title 4, CCR section 12218.11(e).

18 NOTICE OF APPLICANT'S APPEAL RIGHTS

19 Phillips has the following appeal rights available under state law:

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

21 An applicant denied a license, permit, registration, or finding of suitability, or whose
22 license, permit, registration, or finding of suitability has had conditions, restrictions,
23 or limitations imposed upon it, may request reconsideration by the Commission
24 within 30 calendar days of service of the decision, or before the effective date
25 specified in the decision, whichever is later. The request shall be made in writing to
26 the Commission, copied to the Bureau, and shall state the reasons for the request,
27 which must be based upon either newly discovered evidence or legal authorities that
28 could not reasonably have been presented before the Commission's issuance of the
Commission may decide, in its sole discretion, merits reconsideration.

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

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

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

A decision of the Commission denying an application or imposing conditions on license shall be subject to judicial review as provided in Business and Professions Code section 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.

ORDER

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2 1. Idanay Cheri Phillips' Application for a Third-Party Proposition Player Services
3 License for Supervisor, Player or Other Employee is DENIED.

4 2. Idanay Cheri Phillips' regular registration as a third-party proposition player,
5 Registration Number TPPL-011183, is CANCELLED.¹

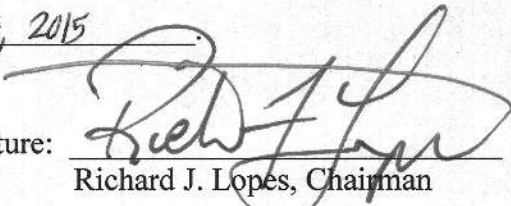
6 3. Idanay Cheri Phillips may not apply to the Commission or Bureau for a license,
7 registration, or work permit for one (1) year after the effective date of this Order.

8 4. No costs are to be awarded.

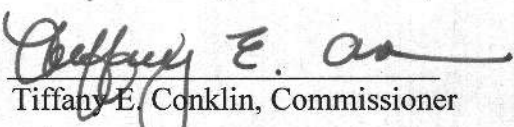
9 5. Each side to pay its own attorneys' fees.

10 This Order is effective on April 13, 2015

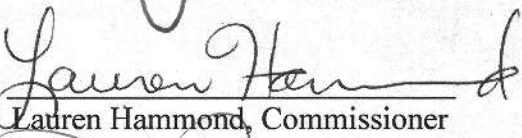
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12 Dated: 3/12/2015

Signature: 
Richard J. Lopes, Chairman

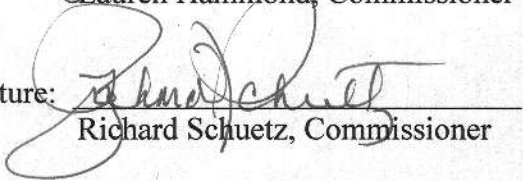
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14 Dated: March 12, 2015

Signature: 
Tiffany E. Conklin, Commissioner

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16 Dated: 3-12-15

Signature: 
Lauren Hammond, Commissioner

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18 Dated: 3/12/2015

Signature: 
Richard Schuetz, Commissioner

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26 ¹ In addition to the fact that Phillips is ineligible for registration as a third-party proposition player pursuant
27 to Title 4, CCR section 12204(e), as a result of the denial of Phillips' Application, Phillips is also ineligible for
28 registration as a third-party proposition player pursuant to Title 4, CCR section 12204(d). Upon the effective date of
this Decision and Order, Phillips' regular registration shall be subject to immediate cancellation by the Executive
Director of the Commission pursuant to Title 4, CCR section 12205(a).