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BEFORE THE  
CALIFORNIA GAMBLING CONTROL COMMISSION

CGCC Case No. CGCC-2019-1107-8B

In the Matter of the Application for Approval  
of Initial Third-Party Proposition Player  
Services License Regarding:

**DEFAULT DECISION AND ORDER**

CHRISTOPHER ALEXANDER PALACIOS

Applicant.

Hearing Date: Thursday, April 30, 2020  
Time: 10:00 a.m.

1. This matter was scheduled for hearing before 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, in Sacramento, California, on Thursday, April 30, 2020 at 10:00 a.m.

2. Christopher Alexander Palacios (Applicant) failed to appear and was not represented at the hearing.

**FINDINGS OF FACT**

3. On or about December 7, 2017, the Bureau of Gambling Control (Bureau) received an Application for Approval of Third-Party Proposition Player Services License from Applicant.

4. Applicant has a valid Third-Party Player Registration, Registration No. TPPL-20610 which expired on 11/30/2019.

5. On or about September 6, 2019, the Bureau issued its Third-Party Player Background Investigation Report in which it concluded that Applicant was unqualified for licensure pursuant to Business and Profession Code section 19857 and disqualified for licensure pursuant to Business and Profession Code section 19859. The Bureau recommended that the Commission deny Applicant's application.

6. On or about November 7, 2019, the Commission considered Applicant's application and elected to refer Applicant's application to an evidentiary hearing pursuant to Title

1 4, CCR section 12056, subdivision (a).

2 7. Applicant received notice of Commission consideration of Applicant's application  
3 in two ways. First, Commission staff mailed an evidentiary hearing referral letter via certified  
4 mail to Applicant's address of record on December 12, 2019 which included a blank Notice of  
5 Defense form with instructions to return it to the Commission within 15 days of receipt or else the  
6 Commission may issue a default decision. Commission staff received no response from Applicant  
7 including a Notice of Defense form or otherwise as of January 2, 2020. (Exhibit A)

8 8. Second, Applicant further received notice of the hearing through a hearing notice  
9 sent certified mail on January 30, 2020 to Applicant's address of record which included Exhibit A  
10 and stated that the hearing was set to occur on Thursday, April 30, 2020 at 10:00 a.m.  
11 Commission staff received the package and certified receipt back unclaimed.

12 **DETERMINATION OF ISSUES**

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

16 10. In addition, the burden of proving Applicant's qualifications to receive any license  
17 from the Commission is on the applicant. (Bus. & Prof. Code § 19856, subd. (a).)

18 11. At an evidentiary hearing pursuant to Business and Professions Code sections  
19 19870 and 19871 and Title 4, CCR section 12060 the burden of proof rests with the applicant to  
20 demonstrate why a license should be issued. (Cal. Code Regs., tit. 4, § 12060, subd. (i).)

21 12. Title 4, CCR section 12052, subdivision (c), provides in pertinent part:

22 (c) An applicant for any license, permit, finding of suitability,  
23 renewal, or other approval shall be given notice of the meeting at  
24 which the application is scheduled to be heard. Notice shall be given  
pursuant to Section 12006.

25 \* \* \*

26 (2) If the application is to be scheduled at an evidentiary  
27 hearing, pursuant to subsections (a) or (b) of Section 12060, the  
notice of hearing shall inform the applicant of the following:

28 \* \* \*

1 (F) The waiver of an evidentiary hearing, or failure of  
2 the applicant to submit a Notice of Defense, or failure of an applicant  
3 to appear at an evidentiary hearing, may result in:

4 1. A default decision being issued by the  
5 Commission based upon the Bureau report, any supplemental reports  
6 by the Bureau and any other documents or testimony already  
7 provided or which might be provided to the Commission . . . .

8 13. An applicant for an owner, supervisor or player registration is ineligible for a  
9 registration if they have had an application denied under Title 4, CCR Chapter 2.1 or the  
10 Gambling Control Act. (Cal. Code Regs., tit. 4, § 12204, subd. (d).)

11 14. Title 4, CCR section 12205, subdivision (a) states in pertinent part:

12 Any regular registration issued in accordance with this chapter shall be  
13 subject to cancellation pursuant this this section. A registration shall  
14 be cancelled if the Commission determines after a noticed hearing that  
15 the registration is ineligible for registration...

16 15. The Commission takes official notice of the Bureau report, any supplemental  
17 reports by the Bureau and any other documents or testimony already provided to it in this matter  
18 as required by Business and Professions Code section 19870, subdivision (a) and Title 4, CCR  
19 section 12052, subdivision (c)(2)(F)(1).

20 16. The Commission has jurisdiction to adjudicate this case by default.

21 17. The Commission may deny Applicant's application based upon the Bureau report,  
22 any supplemental reports by the Bureau and any other documents or testimony already provided  
23 to it, pursuant to CCR section 12052, subdivision (c)(2)(F)(1), and Business and Professions  
24 Code sections 19857 and 19859.

25 18. The Commission may further also deny Applicant's application based upon  
26 Applicant's failure to prove to the Commission Applicant is qualified to receive a license or other  
27 approval as required by Business and Profession Code section 19856, subdivision (a) and Title 4,  
28 CCR section 12060(i).

Therefore, as the Applicant failed to return a Notice of Defense form, did not  
attend the default hearing, and did not submit any information or evidence in favor of granting  
Applicant's Application, Applicant did not meet Applicant's burden of demonstrating why a  
license should be issued pursuant to Business and Professions Code section 19856(a) and Title 4,

1 CCR section 12060(i). The Commission further finds that pursuant to California Code of  
2 Regulations, Title 4, section 12052, subdivision (c)(2)(F)(1), Applicant's Application is subject to  
3 denial.

4 20. In addition, as Applicant's application is subject to denial, Applicant would no  
5 longer be eligible for a registration under Title 4, CCR section 12204, subdivision (d) and  
6 Applicant's current registration is subject to cancellation pursuant to Title 4, CCR section 12205,  
7 subdivision (a).

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NOTICE OF APPLICANT’S APPEAL RIGHTS

Applicant has the following appeal rights available under state law:

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

(a) After the Commission issues a decision following a GCA hearing conducted pursuant to Section 12060, an applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had conditions, restrictions, or limitations imposed upon it, may request reconsideration by the Commission within 30 calendar days of service of the decision, or before the effective date specified in the decision, whichever is later.

(b) A request for reconsideration shall be made in writing to the Commission, copied to the Bureau, and shall state the reasons for the request, which must be based upon either:

- (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.

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, subdivision (c) provides:

A decision of the Commission denying an application or imposing conditions on a 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.

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ORDER

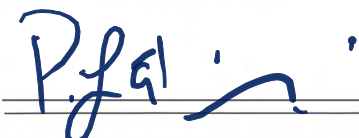
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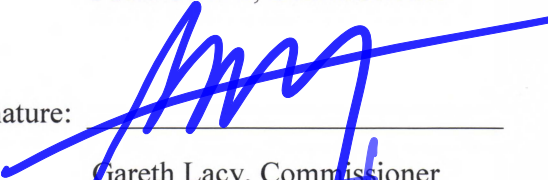
1. CHRISTOPHER ALEXANDER PALACIOS' Application for Approval of Initial Third-Party Proposition Player Services License is DENIED.

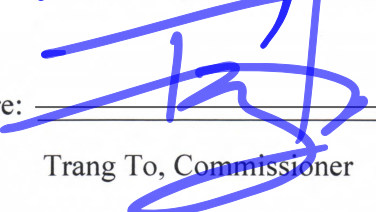
2. CHRISTOPHER ALEXANDER PALACIOS may not apply to the Commission or the Bureau for any type of license, registration or work permit for one (1) year after the effective date of this Order.

This Order is effective immediately.

Dated: 4-30-2020 Signature:   
Jim Evans, Chairman

Dated: 4/30/20 Signature:   
Paula LaBrie, Commissioner

Dated: 4/30/20 Signature:   
Gareth Lacy, Commissioner

Dated: 4/30/20 Signature:   
Trang To, Commissioner

**DECLARATION OF ERICKA RAMIREZ**

I, Ericka Ramirez, declare as follows:

I am employed by the California Gambling Control Commission as an analyst in the Commission's Licensing Division. Mr. Christopher Palacios case has been assigned to me for processing.

On December 12, 2019, I mailed a Gambling Control Act hearing referral letter to Mr. Christopher Palacios at [REDACTED] by regular mail and certified mail pursuant to California Code of Regulations (CCR) Title 4, Division 18, Chapter 1, section 12006. This letter provided notice to Mr. Christopher Palacios that consideration of his application was being referred to a Gambling Control Act hearing pursuant to CCR, Title 4, Division 18, Chapter 1, section 12060(b). This letter included a Notice of Defense form (CGCC-ND-002) with instructions to return the Notice of Defense to the Commission within 15 days of receipt in order to preserve their right to an administrative hearing.

Today is January 2, 2020, and I have not received the Notice of Defense form or any communication from Mr. Christopher Palacios regarding a request for a Gambling Control Act hearing.

I declare under penalty of perjury under the laws of the State of California that the foregoing statements are true and correct.

Executed on January 2, 2020, in Sacramento, California.



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Ericka Ramirez