

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

BEFORE THE  
CALIFORNIA GAMBLING CONTROL COMMISSION

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

RYAN LAFOUNTAIN

Applicant.

BGC Case No. BGC-HQ2021-00032SL  
CGCC Case No.: CGCC-2021-0909-8A

**DECISION AND ORDER**

Hearing Date: March 18, 2022  
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, in Sacramento, California, and held via Zoom video conference, on March 18, 2022.<sup>1</sup>

Jeremy Stevens, Deputy Attorney General, State of California (DAG Stevens), represented complainant Yolanda Morrow, Acting Director of the Bureau of Gambling Control (Bureau), Department of Justice, State of California.

Ryan LaFountain (LaFountain) attended on his own behalf without representation.

During the evidentiary hearing, Presiding Officer, Russell Johnson (Presiding Officer) took official notice of LaFountain’s signed Notice of Defense, the Notice of Agenda, the Commission’s Conclusion of Prehearing Conference letter, the Commission’s Notice of Hearing with attachments, LaFountain’s Application, and the Bureau’s background investigation report.

Pursuant to a stipulation between the parties, the Presiding Officer accepted into evidence Bureau’s Exhibits 1 through Exhibit 8, as identified in a table of contents and marked with bates numbers BGC 0001 – BGC 0148. LaFountain did not offer any documentary evidence.

The record was closed and the matter was submitted for decision on March 18, 2022.

---

<sup>1</sup> The statutory provisions at issue in this case are found in the Gambling Control Act (Act). (Bus. & Prof. Code, div. 8, ch. 5, § 19800 et seq.)

FINDINGS OF FACT

**Procedural History**

1. On November 18, 2020, the Commission issued to LaFountain Third-Party Player Registration No. TPPL-026465.

2. In connection with LaFountain’s employment at PT Gaming, LLC, on December 17, 2020, the Bureau received an Application for Initial Third-Party Proposition Player Services License from LaFountain and a Level I Supplemental Information form (collectively, Application).

3. On July 19, 2021, the Bureau issued its Third-Party Player Initial Background Investigation Report, Level III, recommending that the Commission deny LaFountain’s Application.

4. On July 19, 2021, Bureau staff held a pre-denial meeting with LaFountain and his designated agent and informed them of the Bureau’s recommendation that the Commission deny his Application.

5. On September 9, 2021, the Commission referred consideration of LaFountain’s Application to an evidentiary hearing, to be held pursuant to CCR section 12060.

6. On September 21, 2021, LaFountain submitted a Notice of Defense.

7. On December 23, 2021, the Commission sent a Notice of Hearing to LaFountain, his designated agent, and DAG Stevens. The hearing was set for March 18, 2022.

8. On December 31, 2021, the Bureau sent a Statement of Reasons to LaFountain via certified mail. The Commission received the Statement of Reasons on December 29, 2021. In the Statement of Reasons, the Bureau requests that the Commission deny LaFountain’s Application.

9. On February 3, 2022, the noticed Prehearing Conference was held before the Presiding Officer. DAG Stevens attended on behalf of the Bureau. LaFountain did not attend.

10. On or about February 3, 2022, the Commission sent a Conclusion of Prehearing Conference letter, via e-mail, to LaFountain, his designated agent, and DAG Stevens.

11. The Commission heard this matter via Zoom video conference on March 18, 2022.

1     **LaFountain’s Conviction**

2             12. On October 8, 2008, the Siskiyou County Superior Court convicted LaFountain of  
3 violating Penal Code section 243, subdivision (e)(1), Assault and Battery, a misdemeanor  
4 (Conviction). LaFountain was sentenced to 120 days in jail, three years of probation, and ordered  
5 to pay a fine. LaFountain pled guilty to violating Penal Code section 243, subdivision (e)(1), and  
6 disclosed the Conviction on the Application.

7             13. The Siskiyou County Sheriff’s Department (Sheriff’s) investigated the  
8 events that led to the Conviction. The Sheriff’s investigation generated five incident reports  
9 (Incident Reports). The Incident Reports contain statements from the victim and LaFountain. In  
10 one of the reports, LaFountain initially denied any wrongdoing. However, after a few minutes of  
11 questioning, he admitted to sexually assaulting the victim. Although the Incident Reports are  
12 authored by different Sheriff officers, they show that the victim and LaFountain’s ultimate  
13 version of the events that led to his Conviction did not differ in any material respect. LaFountain  
14 did not dispute the contents of the Incident Reports at the hearing.

15     **LaFountain’s Communications with the Bureau Regarding the Conviction**

16             14. In a letter dated April 6, 2021, the Bureau asked LaFountain to provide a statement  
17 “describing in detail the events leading up to the actual incident that resulted in the [Conviction].”  
18 (BGC – 0126.) The Bureau also requested court documentation of the Conviction, “including  
19 sentencing, proof of payment of any fine(s) imposed, and proof of completion of any program(s)  
20 imposed.” (BGC – 0127.)

21             15. In response, in an email dated April 15, 2021, LaFountain wrote:

22             “(A) A girl I had slept with in around 2005 or 2006, was mad that I did not  
23 pursue a relationship with her. She was pretty upset about it. Fast forward  
24 to 2007 and I wind up at a friends [sic] house, for a party where she shows  
25 up. At first she had no idea who I was but as the night progressed she started  
26 to realize who I was. At one point in the night she tried hitting on me, but I  
27 wasn’t having it, and shot her down. At some early hour of the morning, I  
28 stepped outside for a cigarette. As I was about half way through smoking,  
the girl in question and her friend rushed out of the house and left without  
saying a single word. The next afternoon I was talking to the cops and what  
happened happened [sic]. As far as I am concerned, you want to know any  
more, there’s a public record, use it.”

1 “(B) I have no documentation remaining from the time of this, as I have  
2 stated before, this is a period of time that causes me great distress and bad  
3 flash backs. I cannot provide anything that I do not physically have. Again,  
4 this is one of those things that if you want to see the information, you can  
call Siskiyou county and ask them yourselves, but I’m not going through  
that trauma.”

5 (BGC – 0094.)

6 16. In a letter dated June 8, 2021, the Bureau informed LaFountain that his April 15, 2021  
7 statement, in the paragraph above, did not include details relating to his own actions that led to  
8 the Conviction. The Bureau again requested a signed and dated statement describing his personal  
9 conduct and actions that led to the Conviction. Specifically, the Bureau asked for “LaFountain’s  
10 version of the events that took place on the date of the incident that led to the conviction, and  
11 LaFountain’s conduct and actions.” (BGC – 0111.)

12 17. In response, in a handwritten statement dated June 24, 2021, LaFountain wrote:

13 “The night of the incident, I was against the whole setup. Friends wanted to  
14 invite the girl over, I was adamantly against it.

15 When everything (party) started, and she arrived, I kept my distance. Once  
16 she realized who I was, there was an awkwardness, followed by flirting,  
17 which I shot down[.] Everyone got drunk, and eventually we all tried to go  
to sleep.

18 I couldn’t sleep, I got up for a cigarette, and midway through, the girl and  
19 her friend leave without saying a word.

20 The following day the police bring me in for questioning. I break during  
21 interrogation and tell them what they wanted to hear, following a few days  
22 in jail, I get out and get a lawyer. Between him and I, we decide to plea no  
contest, because there were no witnesses on my part, however her friend  
was going to testify as a witness, which would have ended worse.

23 These were my actions around the incident.”

24 (BGC – 0106.)

25 **LaFountain’s Testimony**

26 18. During the evidentiary hearing, LaFountain testified that he was not forthcoming with  
27 the Bureau about the Conviction, and did not provide complete information to the Bureau,  
28 because it is easier to provide it “face-to-face” to the Commission.

1 19. LaFountain did not dispute the version of events that are provided in the Incident  
2 Reports. He testified that he did not remember the details of the actions he took that led to his  
3 Conviction. During questioning by the members of the Commission, he provided additional  
4 details that were inconsistent with his initial claim that he had no memory about the details of the  
5 events that led to his Conviction.

6 **Assessment of LaFountain's Suitability for Licensure**

7 20. There are two areas of concern regarding LaFountain's suitability for licensure related  
8 to the Conviction: (1) his responses to the Bureau's inquiries; and (2) his testimony before the  
9 Commission.

10 21. In his responses to the Bureau's inquiries concerning the Conviction, LaFountain was  
11 not cooperative. For instance he states: "As far as I am concerned, you want to know any more,  
12 there's a public record, use it." He also stated, "[a]gain, this is one of those things that if you want  
13 to see the information, you can call Siskiyou county and ask them yourselves, but I'm not going  
14 through that trauma." These responses reflect poorly on his character and also exhibit a failure to  
15 provide material information to the Bureau.

16 22. In response to the Bureau's inquiries, LaFountain provided untrue or misleading  
17 information concerning the circumstances that led to his arrest and Conviction. LaFountain  
18 disclosed the Conviction in his Application and reported that he encountered the victim, with  
19 whom he had previously been romantically involved, at a party. LaFountain reported to the  
20 Bureau that once "she realized who [he] was, there was an awkwardness followed by flirting,  
21 which [he] shot down. . . . Everyone got drunk, and . . . all tried to go to sleep." He could not  
22 sleep though, and went outside "for a cigarette, and [saw the victim] and her friend leave without  
23 saying a word. . . . The following day" the police brought "him in for questioning." LaFountain  
24 reported that "during interrogation" he broke and told them "what they wanted to hear." This  
25 information was tantamount to a full confession.

26 23. However, during the hearing, LaFountain minimized his involvement in the events  
27 which led to the Conviction and failed to take responsibility for his actions. LaFountain's  
28

1 inconsistent version of events between that in the Incident Reports, with the Bureau, and with the  
2 Commission demonstrates a lack of candor and veracity in his providing untrue or misleading  
3 information, as well as a lack of honesty.

4 24. Under the facts of this matter, remorse for one’s conduct and the acceptance of  
5 responsibility may demonstrate rehabilitation. Fully acknowledging the wrongfulness of past  
6 actions is an essential step towards rehabilitation. (*Seide v. Committee of Bar Examiners* (1989)  
7 49 Cal.3d 933, 940.) LaFountain’s failure to accept responsibility for his actions that led to the  
8 Conviction also reflects poorly on his character and integrity.

9 25. LaFountain has failed to demonstrate sufficient rehabilitation to warrant licensure at  
10 this time. He did not show remorse, and sought to distance himself from his prior conduct that led  
11 to his Conviction.

12 26. Overall, LaFountain minimized his involvement in the events which led to the  
13 Conviction. He did not admit that he took the actions that led to the Conviction. He did not show  
14 any remorse for the harm he caused to the victim of the sexual assault that led to his Conviction.  
15 All of these actions reflect poorly on his character, honesty, and integrity.

16 27. All evidence submitted in support of and against licensure has been considered.

17 LEGAL CONCLUSIONS

18 1. This hearing “need not be conducted according to technical rules relating to evidence  
19 And witnesses. Any relevant evidence may be considered, and is sufficient in itself to support a  
20 finding, if it is the sort of evidence on which responsible persons are accustomed to rely in the  
21 conduct of serious affairs, regardless of the existence of any common law or statutory rule that  
22 might make improper the admission of that evidence over objection in a civil action.” (Bus. &  
23 Prof. Code, § 19871, subd. (a)(4); Cal. Code Regs., tit. 4, § 12060, subd. (g)(2).)

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

27 3. Public trust that permissible gambling will not endanger public health, safety, or  
28

1 welfare requires that comprehensive measures be enacted to ensure that gambling is free from  
2 criminal and corruptive elements, that it is conducted honestly and competitively, and that it is  
3 conducted in suitable locations. (Bus. & Prof. Code, § 19801, subd. (g).)

4 4. Public trust and confidence can only be maintained by strict and comprehensive  
5 regulation of all persons, locations, practices, associations, and activities related to the operation  
6 of lawful gambling establishments and the manufacture and distribution of permissible gambling  
7 equipment. (Bus. & Prof. Code, § 19801, subd. (h).)

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

12 6. An “unqualified person” means a person who is found to be unqualified pursuant to the  
13 criteria set forth in Section 19857, and “disqualified person” means a person who is found to be  
14 disqualified pursuant to the criteria set forth in Section 19859. (Bus. & Prof. Code, § 19823, subd.  
15 (b).)

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

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

22 9. The burden of proving his or her qualifications to receive any license from the  
23 Commission is on the applicant. (Bus. & Prof. Code, § 19856, subd. (a); Cal. Code Regs., tit. 4, §  
24 12060, subd. (i).)

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

28

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

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

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

16           14. No gambling license shall be issued unless, based on all of the information and  
17 documents submitted, the commission is satisfied that the applicant is a person that is in all other  
18 respects qualified to be licensed as provided in this chapter. (Bus. & Prof. Code, § 19857, subd.  
19 (c).)

20           15. An application will be denied if the Commission finds that the applicant has not  
21 satisfied the requirements of Business and Professions Code section 19857. (Cal. Code Regs., tit.  
22 4, § 12040, subd. (a)(1).)

23           16. An application will be denied if the applicant fails to clearly establish eligibility  
24 and qualification in accordance with the Act. (Bus. & Prof. Code, § 19859, subd. (a).)

25           17. An application will be denied if the applicant fails “to provide information,  
26 documentation, and assurances required by this chapter or requested by the chief, or failure of the  
27 applicant to reveal any fact material to qualification, or the supplying of information that is untrue  
28



1 or misleading as to a material fact pertaining to the qualification criteria.” (Bus. & Prof. Code, §  
2 19859, subd. (b).)

3 18. An applicant for licensing or for any approval or consent required by the Act,  
4 “shall make full and true disclosure of all information to the department and the commission as  
5 necessary to carry out the policies of this state relating to licensing, registration, and control of  
6 gambling.” (Bus. & Prof. Code, § 19866.)

7 19. The Bureau relies, in large part, on the applicant’s disclosures while conducting a  
8 background investigation. The failure to honestly and accurately disclose complete information in  
9 response to the Bureau’s inquiries subverts the Bureau’s efforts to conduct a thorough and  
10 complete investigation. (Bus. & Prof. Code, §§ 19826, subd. (a), 19866.)

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

16 21. An applicant demonstrates good character, honesty, and integrity through providing  
17 accurate, complete, and truthful responses on their application, in response to Bureau inquiries,  
18 and while testifying during the evidentiary hearing. An applicant fails to demonstrate good  
19 character, honesty, and integrity by omitting pertinent derogatory information, and providing  
20 misleading, inconsistent, unsupported, and not credible responses on their application, in response  
21 to Bureau inquiries, and while testifying at an evidentiary hearing. This is especially true when  
22 those responses and testimony appear to be a deliberate attempt to shield an applicant from  
23 derogatory or unfavorable information or impressions. (Bus. & Prof. Code, §§ 19824, subd. (a) &  
24 (d), 19826, subd. (a), 19866.)

25 22. In connection with the Conviction, LaFountain failed to demonstrate good character,  
26 honesty, and integrity by omitting pertinent derogatory information, and providing misleading,  
27 inconsistent, unsupported, and not credible responses in response to Bureau inquiries, and while  
28

1 testifying at the evidentiary hearing. LaFountain also demonstrated poor character and integrity in  
2 failing to show rehabilitation through remorse and humility for his conviction. Therefore,  
3 LaFountain is not suitable for licensure pursuant to Business and Professions Code section 19857,  
4 subdivision (a), and his Application must be denied pursuant to CCR section 12040, subdivision  
5 (a)(1).

6 23. When requested, LaFountain failed to provide material information to the Bureau  
7 about the Conviction. The information he did provide was untrue or misleading regarding  
8 material facts as it minimized his involvement in the events that led to the Conviction. Rather  
9 than be forthcoming with the Bureau about the Conviction, he demanded that the Bureau conduct  
10 its own investigation and obtain the necessary information. Before the Commission, LaFountain  
11 admitted that he failed to provide complete information about the Conviction to the Bureau.  
12 Therefore, LaFountain is disqualified from licensure pursuant to Business and Professions Code  
13 sections 19859, subdivision (b), and his Application must be denied pursuant to CCR section  
14 12040, subdivision (a)(1).

#### 15 NOTICE OF APPLICANT'S APPEAL RIGHTS

16 LaFountain has the following appeal rights available under state law. CCR section 12064,  
17 subsections (a) and (b) provide, in part:

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

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

27 (2) Received by the Commission and Complainant within 30 calendar days of  
28 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:

(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,

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

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

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.

CCR section 12066, subsection (c), provides:

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

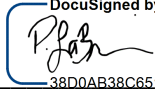
///  
///  
///

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

**ORDER**

- 1. Ryan LaFountain’s Application for Third Party Proposition Player Services License is DENIED.
- 2. No costs are awarded.
- 3. Ryan LaFountain’s Third-Party Player Registration No. TPPL-026465 is void and cannot be used hereafter.
- 4. Each side to pay its own attorneys’ fees.

This Order is effective on June 26, 2022.

Dated: 5/26/2022 Signature:   
38D0AB38C651466  
Paula LaBrie, Chair

Dated: 5/26/2022 Signature:   
3D1DB086F9274AA...  
Cathleen Galgiani, Commissioner

Dated: 5/26/2022 Signature:   
2B4CE9520F8845C...  
Eric Heins, Commissioner

Dated: 5/26/2022 Signature:   
7722F4571120449...  
William Liu, Commissioner

Dated: 5/26/2022 Signature:   
14B4AD3B90F8462...  
Edward Yee, Commissioner