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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Statement of Reasons for
Denial of License Application:

Stephen Patrick Evans
Registration No. TPSU-000534

Respondent.

BGC Case No. BGC-HQ2014-00016SL
CGCC Case No. CGCC-2014-1023-11

DECISION AND ORDER

Hearing Date: October 13, 2015
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(b), in Sacramento, California, on October 13, 2015.

Neil Houston (Houston), 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.

Designated Agent Jade Jaeckle (Jaeckle) represented Respondent Stephen Patrick Evans (Evans).

During the administrative hearing, Presiding Officer Jason Pope took official notice of the Notice of Hearing and Prehearing Conference, with enclosures, sent by the Commission to Evans and Houston on May 1, 2015.

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

- (1) Copies of the Statement of Reasons; Statement to Respondent; Business and Professions Code sections 19870 and 19871; CCR section 12060; and April 23, 2015, Certificate of Service by Certified Mail Service, with signed Return Receipt, Bates Nos. 001-020;
- (2) Copy of the Notice of Defense, Bates Nos. 021-022;
- (3) Copies of the following Notices from the Commission:

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- a. October 28, 2014 letter from Tina Littleton providing notice that Respondent's [sic], Bates Nos. 023-024;
 - b. May 1, 2015 Notice of Hearing and Prehearing Conference, with Attachment A: Application for Third Party Proposition Player Services License, dated January 26, 2010 and Request for Conversion, dated January 17, 2010, and Attachment B: TPPPPS Background Investigation Report, Level III, dated June 2014, Bates Nos. 025-043; and
 - c. August 28, 2015, Conclusion of Prehearing Conference letter, Bates Nos. 044-046;
- (4) Copy of the Sacramento County Superior Court documents relating to Case No. 08T00713, February 1, 2008, Bates Nos. 047-057;
 - (5) Copy of the Sacramento County Superior Court documents relating to Case No. 2008132284, June 10, 2008, Bates Nos. 058-060;
 - (6) Copy of the Sacramento County Superior Court documents relating to Case No. 2009228706, October 25, 2009, Bates Nos. 061-068;
 - (7) Copy of the Sacramento County Superior Court documents relating to Case No. 2010029087, May 10, 2010, Bates Nos. 069-073;
 - (8) Copy of the July 12, 2010 letter from Dunn to Jaeckle, Request for Additional/Clarifying Information, with response from Jaeckle accompanying response from Applicant, Bates Nos. 074-080;
 - (9) Copy of the October 6, 2010 letter from Dunn to Jaeckle, Request for Additional/Clarifying Information, with response from Applicant dated October 19, 2010, Bates Nos. 081-088;
 - (10) Copy of the December 14, 2010 letter from Dunn to Jaeckle, Request for Additional/Clarifying Information, with response from Jaeckle with Wells Fargo bank statements, Bates Nos. 089-159;

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- (11) Copy of the February 9, 2011 letter from Dunn to Jaeckle, Request for Additional/Clarifying Information, with response from Jaeckle, Bates Nos. 160-165;
- (12) Copy of the March 29, 2011 e-mail from Placencia to Jaeckle, with response from Jaeckle transmitting response from Applicant dated April 11, 2011, Bates Nos. 166-167;
- (13) Document Comparison List, Bates No. 168; and
- (14) Annotated Document Comparison List from Brian Gilleland, Analyst with the Bureau, without Bates Number.

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

- (A) Copy of the records relating to Sacramento Superior Court Case No. 08T00713, Driving with a BAC .08 or Greater, dated 01/02/2008, Bates Nos. 002-007;
- (B) Copy of the records relating to Sacramento Superior Court Case Docket No. 2008132284, Driving on Suspended License, dated 06/08/2008, Bates Nos. 009-013;
- (C) Copy of the records relating to Sacramento Superior Court Docket No. 2009228706, 2nd Driving on Suspended License, dated 10/25/2009, Bates Nos. 015-018;
- (D) Copy of the records relating to Sacramento Superior Court Docket No. 2010029087, 3rd Driving on Suspended License, dated 01/24/2010, Bates Nos. 020-023;
- (E) Copy of Sacramento County Department of Revenue Recovery Proof of Payment, Court Fines for Outstanding FTP – Docket No. 2008132284, dated 08/12/14, Bates No. 024;
- (F) Copies of the EDC Life Skills 9-month, 1st offender DUI Program

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Completion Notice, dated 04/25/2012, and Notice of Completion Certificate DMV, Docket No. 08T00713, dated 04/18/2012, Bates Nos. 025-026;

- (G) Copy of Current Loans & Credit Obligations, Bates Nos. 028-032;
- (H) Copy of Overdraft & Direct Deposit Advance Activity compared with Offshore/Online Sports Wagering, Bates Nos. 033-035;
- (I) Exhibit I was not admitted into evidence;
- (J) Exhibit J was not admitted into evidence;
- (K) Exhibit K was not admitted into evidence;
- (L) Copy of Education & Employment & Residence History, Bates No. 154;
- (M) Exhibit M was not admitted into evidence;
- (N) Exhibit N was not admitted into evidence;
- (O) Copy of Witness Statements & Declarations, Bates Nos. 204-212;
- (P) Copy of Diploma from U.C. Davis – Bachelor of Science, Managerial Economics, Bates No. 213; and
- (Q) Exhibit Q was not admitted into evidence.

The matter was submitted on October 13, 2015.

FINDINGS OF FACT

1. Evans works for Premier Player Providers, Inc., a licensed provider of third-party proposition player services, as a third-party proposition player.
2. Evans holds a registration as a third-party proposition player, registration number TPSU-000534.
3. On or about July 28, 2010, Evans submitted an Application for Third-Party Proposition Player Services License (Application) to convert his registration into a license.
4. At its October 23, 2014 meeting, the Commission voted to refer the consideration of Evans' Application to an evidentiary hearing.
5. On or about October 28, 2014, the Executive Director of the Commission referred the

1 consideration of Evans' Application to an evidentiary hearing pursuant to CCR section
2 12050(b)(2).

3 6. On or about March 4, 2015, Evans submitted a Notice of Defense to the Commission
4 requesting an evidentiary hearing.

5 7. On or about May 1, 2015, the Commission served a Notice of Hearing and Prehearing
6 Conference on Evans and Houston.

7 8. On or about July 27, 2015, the Bureau filed a Statement of Reasons with the
8 Commission and served the Statement of Reasons on Evans via certified mail. In its Statement of
9 Reasons, the Bureau recommends the denial of Evans' Application.

10 9. On or about August 27, 2015, the noticed Prehearing Conference was held before
11 Presiding Officer Jason Pope, Attorney III of the Commission. Jade Jaeckle, Designated Agent
12 for Premier Player Providers, Inc., appeared on behalf of Evans, who also attended. The Bureau
13 was not represented at the Prehearing Conference.

14 10. On or about August 28, 2015, the Commission served a Conclusion of Prehearing
15 Conference letter on Evans, Jaeckle and Houston.

16 11. The Commission heard Case No. CGCC-2014-1023-11 on October 13, 2015. The
17 Bureau was represented throughout the hearing by Deputy Attorney General Neil Houston.
18 Respondent Stephen Evans was represented throughout the hearing by Jade Jaeckle.

19 12. On or about February 21, 2008, Evans was convicted by the Sacramento County
20 Superior Court, Case No. 08T00713, of violating California Vehicle Code section 23152(B),
21 driving under the influence with a blood alcohol content of .08 or greater, first offense, a
22 misdemeanor. Evans was driving to McDonald's at approximately 1:00 a.m. on January 2, 2008,
23 when he was pulled over for failing to drive in a straight line. Evans' blood alcohol level was .23.
24 Evans was sentenced to 48 hours in jail (which was converted into a 48 hour work program),
25 three years of informal probation, and ordered to pay a fine and enroll in a 9-month DUI program.

26 13. Evans demonstrated a wanton disregard for the safety and well-being of himself and
27 others by driving a vehicle with a blood alcohol level nearly three times the legal limit.

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1 14. During the hearing, Evans expressed remorse for driving under the influence and
2 acknowledged that he put the lives of others at risk by driving while intoxicated.

3 15. On or about February 10, 2009, Evans made the final payment for his fine in Case No.
4 08T00713.

5 16. On or about November 9, 2009, Evans' informal probation was revoked because he
6 failed to complete his 9-month DUI program. Evans testified that he did not enroll in the 9-
7 month DUI program right away and that he missed some program days because he lacked
8 transportation. His informal probation was reinstated on February 10, 2010 following his re-
9 referral to the 9-month DUI program.

10 17. On or about February 3, 2010, Evans was convicted by the Sacramento County
11 Superior Court, Case No. 2008132284, of the following violations (which took place on June 10,
12 2008): (1) California Vehicle Code section 27315(D), failure to wear a seatbelt, an infraction; (2)
13 California Vehicle Code section 14601.1(A), driving on a suspended license, an infraction; and
14 (3) California Vehicle Code section 40508(A), failure to appear, an infraction. Evans was
15 ordered to pay a fine (for failing to wear a seatbelt); complete 30 hours of community service by
16 October 2, 2010 or pay a fine (for driving on a suspended license); and complete 4 hours of
17 community service by October 2, 2010 or pay a fine (for failing to appear).

18 18. Evans testified that he chose community service, but that he did not complete the
19 community service by the required date. As a result, the community service hours were
20 converted into a fine. Evans made the final payment for his fines in Case No. 2008132284 on or
21 about August 20, 2014.

22 19. On or about February 3, 2010, Evans was convicted by the Sacramento County
23 Superior Court, Case No. 2009228706, of the following violations (which took place on October
24 25, 2009): (1) California Vehicle Code section 4000(A), driving an unregistered vehicle, an
25 infraction; (2) California Vehicle Code section 14601.1(A), driving on a suspended license, an
26 infraction; (3) California Vehicle Code section 16028(A), driving without proof of insurance, an
27 infraction; and (4) California Vehicle Code section 40508(A), failure to appear, an infraction.

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1 Evans was ordered to pay a fine (for driving an unregistered vehicle); complete 30 hours of
2 community service by October 4, 2010 or pay a fine (for driving on a suspended license);
3 complete 40 hours of community service by October 4, 2010 or pay a fine (for driving without
4 proof of insurance); complete 4 hours of community service by October 4, 2010 or pay a fine (for
5 failing to appear).

6 20. Evans did not complete the community service by the required date. As a result, the
7 community service hours were converted into a fine. Evans made the final payment for his fines
8 in Case No. 2009228706 on or about October 4, 2012.

9 21. On or about March 31, 2010, Evans enrolled in a 9-month DUI program. He
10 completed the 9-month DUI program on or about April 18, 2012, which consisted of 48 hours of
11 group, 12 hours of education, and 1.50 hours of counseling.

12 22. On or about May 10, 2010, Evans was convicted by the Sacramento County Superior
13 Court, Case No. 2010029087, of the following violations (which took place on January 24, 2010):
14 (1) California Vehicle Code section 14601.1(A), driving on a suspended license, an infraction;
15 and (2) California Vehicle Code section 40508(A), failure to appear, an infraction. Evans was
16 ordered to pay fines. Evans made the final payment for his fines in Case No. 2010029087 on or
17 about October 4, 2012.

18 23. From 2008 to 2010, Evans was convicted of one misdemeanor and nine infractions.
19 Evans' numerous driving convictions demonstrate not only extremely poor judgment, but also a
20 pattern of flagrant disregard for the law and legal authority.

21 24. Evans testified that he has received two speeding tickets since his driver's license was
22 last suspended in 2010. There was no evidence presented that Evans has had any criminal
23 convictions, arrests or other driving citations since May 10, 2010, a period of over five years.

24 25. Evans' financial history includes numerous overdrafts and direct deposit advances as
25 follows: (1) 89 overdrafts and \$260 in direct deposit advances in 2008; (2) 43 overdrafts and \$160
26 in direct deposit advances in 2009; (3) 33 overdrafts and \$850 in direct deposit advances in 2010;
27 (4) 8 overdrafts and \$775.50 in direct deposit advances in 2011; (5) 3 overdrafts and \$256.50 in
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1 direct deposit advances in 2012; (6) 6 overdrafts and \$349.50 in direct deposit advances in 2013;
2 and (7) 2 overdrafts and \$0 in direct deposit advances in 2014.

3 26. Evans currently has student loans in the amount of \$17,725.59 and an automobile loan
4 in the amount of \$16,000.71. His student loans have been in forbearance for the past four
5 months. Evans testified that he is starting a payment plan for his student loans. His automobile
6 loan is current.

7 27. Evans' financial history of overdrafts and direct deposit advances demonstrates poor
8 judgment and a lack of financial planning and self-control. Evans has demonstrated much better
9 financial planning and self-control in the past few years based on the significant decrease in the
10 number of overdrafts and direct deposit advances, the fact that his automobile loan is current, and
11 the lack of any newly incurred debts or loans.

12 28. Evans testified that he engaged in illegal online sports gambling from 2008 to 2010.
13 Illegal online sports gambling is criminal behavior and particularly problematic for any applicant
14 or individual licensed or registered under the Gambling Control Act. There is no evidence that
15 Evans engaged in any illegal online sports gambling since 2010.

16 29. On or about September 9, 2011, Evans graduated from the University of California,
17 Davis, with a Bachelor of Science in Managerial Economics.

18 30. Evans testified that his significant other currently works for a gambling enterprise in
19 the State of California.

20 31. There was no evidence presented of any disciplinary action or other issues related to
21 Evans' work history in the gambling industry.

22 32. Starting in 2010, Evans began to address his ongoing legal and financial issues. Evans
23 testified that he wanted to start a family, buy a home and become more responsible. Evans paid
24 all of his criminal fines; regained his driver's license; finished his 9-month DUI class; stopped
25 engaging in illegal online sports gambling; and graduated from the University of California,
26 Davis. Evans is current on his outstanding automobile loan and is starting a payment plan for his
27 outstanding student loans.

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

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

8 41. 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.
11 Business and Professions Code section 19823(a)(1).

12 42. An "unqualified person" means a person who is found to be unqualified pursuant to
13 the criteria set forth in Section 19857. Business and Professions Code section 19823(b).

14 43. The Commission has the power to deny any application for a license, permit, or
15 approval for any cause deemed reasonable by the Commission. Business and Professions Code
16 section 19824(b).

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

19 45. No gambling license shall be issued unless, based on all of the information and
20 documents submitted, the commission is satisfied that the applicant is a person of good character,
21 honesty, and integrity. Business and Professions Code section 19857(a).

22 46. No gambling license shall be issued unless, based on all of the information and
23 documents submitted, the commission is satisfied that the applicant is a person whose prior
24 activities and criminal record, if any, reputation, habits, and associations do not pose a threat to
25 the public interest of this state, or to the effective regulation and control of controlled gambling,
26 or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities
27 in the conduct of controlled gambling or in the carrying on of the business and financial
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1 arrangements incidental thereto. Business and Professions Code section 19857(b).

2 47. No gambling license shall be issued unless, based on all of the information and
3 documents submitted, the commission is satisfied that the applicant is a person that is in all other
4 respects qualified to be licensed as provided in this chapter. Business and Professions Code
5 section 19857(c).

6 48. A requester shall be ineligible for licensing if the requester has failed to meet the
7 requirements of Business and Professions Code sections 19856 or 19857. CCR section
8 12218.11(e).

9 49. Evans has met his burden of demonstrating that he is qualified for a third-party
10 proposition player services license subject to certain conditions.

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ORDER

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2 1. Stephen Patrick Evans' Application to convert his registration into a Third-Party
3 Proposition Player Service License is APPROVED subject to the following conditions:

4 (1) Stephen Patrick Evans shall not engage in any illegal gambling, including, but not
5 limited to, illegal online sports gambling.

6 (2) Within 90 days of this Order, and every 90 days thereafter, Stephen Patrick Evans
7 must submit a report regarding any gambling wins or losses to the Bureau.

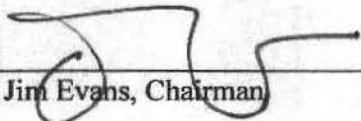
8 (3) Stephen Patrick Evans must immediately report if he assigned to provide third-
9 party proposition player services in any cardroom that employs his significant
10 other, and her current position with the cardroom, to the Bureau.

11 2. No costs are to be awarded.

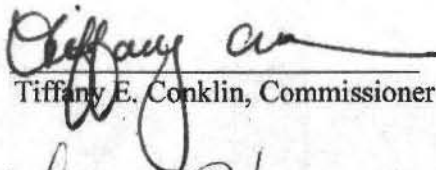
12 3. Each side to pay its own attorneys' fees.

13 This Order is effective on November 4, 2015.

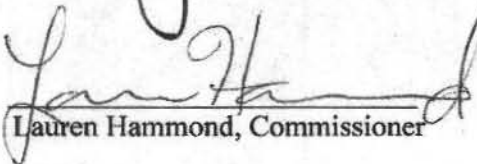
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15 Dated: 11/4/15

16 Signature: 
Jim Evans, Chairman


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18 Dated: Nov. 4, 2015

19 Signature: 
Tiffany E. Conklin, Commissioner

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21 Dated: Nov. 4, 2015

22 Signature: 
Lauren Hammond, Commissioner

23
24 Dated: 11-4-15

25 Signature: 
Trang To, Commissioner