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BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Application for Third-Party
Proposition Player Services Employee Type
License Regarding:

CGCC Case No. CGCC-2022-0721-7Dii
BGC Case No. BGC-HQ2022-00025SL

ISAAC LAWRENCE DALLAS

DECISION AND ORDER

Hearing Date: April 19, 2023
Time: 10:00 a.m.

Applicant.

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 April 19, 2023.

Applicant Isaac Dallas (Dallas) was present at the hearing without representation.

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

During the evidentiary hearing, Presiding Officer Russell Johnson (PO Johnson), Attorney III of the Commission, 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) Dallas’ Application for Employee Category License, and (B) the Bureau’s Third-Party Worker Initial Background Investigation Report, Level III (Bureau Report); the Bureau’s Statement of Reasons; and Dallas’ signed Notice of Defense.

During the evidentiary hearing, PO Johnson accepted into evidence Exhibits 1-11, Bates Nos. BGC 001-123, offered by the Bureau and identified on the Bureau’s Evidentiary Exhibit Index, pursuant to a stipulation between the parties.

PO Johnson closed the administrative record and the matter was submitted for decision on April 19, 2023.

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FINDINGS OF FACT

Procedural History

1. On March 19, 2021, Dallas began working as a Gaming Associate for Knighted Ventures, LLC (Knighted), a licensed provider of third-party proposition player services (TPPPS).

2. On April 1, 2021, the Bureau received an Application for Employee Category License and a Commission Work Permit or TPPPS Worker: Supplemental Information form (collectively, Application) from Dallas.

3. On April 8, 2021, the Commission issued Dallas a temporary TPPPS worker license, number TPWK-000717, which was valid through March 31, 2023.¹

4. On May 24, 2022, the Commission received the Bureau Report on Dallas' Application, which alleges that Dallas was convicted of a misdemeanor offense and provided untrue and misleading information to the Bureau concerning the circumstances that led to the conviction. Based on the foregoing, the Bureau recommends that the Commission deny Dallas' Application.

5. On July 21, 2022, the Commission voted to refer the consideration of Dallas' Application to a Gambling Control Act (Act) evidentiary hearing pursuant to CCR sections 12060(b) and 12054(a)(4).

6. On July 22, 2022, the Commission sent a letter, via regular and certified mail, to Dallas notifying him that the Commission referred the consideration of his Application to an evidentiary hearing.

7. On or about August 5, 2022, the Commission received a signed Notice of Defense form from Dallas requesting an evidentiary hearing on the consideration of his Application.

8. On November 2, 2022, the Commission sent a Notice of Hearing to Dallas and DAG Crue notifying that the hearing on Dallas' Application was scheduled for April 19, 2023 at 10:00 a.m.

¹ Dallas' temporary license expired on March 31, 2023. The Commission issued Dallas a new temporary TPPPS worker license, number TPWK-006132, which is valid through February 28, 2025.

1 9. On or about March 2, 2023, the Bureau sent a Statement of Reasons to Dallas and the
2 Commission. In the Statement of Reasons, the Bureau alleges two causes for denial based on the
3 conduct leading to Dallas' conviction and his provision of untrue or misleading information to the
4 Bureau regarding the circumstances leading to the conviction. Based on the foregoing, the Bureau
5 requests that the Commission deny Dallas' Application.

6 **Dallas' Employment History in Controlled Gambling**

7 10. Dallas has worked for Knighted since March 19, 2021 as a Gaming Associate and
8 remains employed by Knighted. There was no evidence presented of any derogatory information
9 relating to Dallas's work history in the controlled gambling industry.

10 **Dallas' Criminal History and Related Statement to the Bureau**

11 11. During the course of the background investigation concerning Dallas, the Bureau
12 learned that Dallas was the subject of a temporary protective order filed in the San Mateo County
13 Superior Court. On December 2, 2021, the Bureau requested that Dallas provide a signed and
14 dated statement "describing in detail the events leading up to the actual incident that resulted in
15 the issuance of the protective order."

16 12. Dallas provided a written response to the Bureau on December 4, 2021 (Bureau
17 Statement), which described in detail the events resulting in the issuance of the protective order.
18 Dallas disclosed that while working for Costco he was tasked with walking through crowded
19 parts of the warehouse with a bullhorn to tell customers to stay six feet apart. Dallas accidentally
20 "bumped into" a female patron (Customer) and apologized. The same day, Customer approached
21 Dallas for help finding an item. Dallas assisted Customer and continued with his duties. Soon
22 after, Dallas accidentally "ran into" Customer. Dallas apologized again and resumed his duties.
23 Customer contacted police and Costco management and alleged that Dallas' had touched her
24 buttocks, resulting in issuance of the protective order and battery charge against him.

25 13. On December 8, 2021, before the San Mateo County Superior Court, Dallas pled nolo
26 contendere to a violation of California Penal Code section 242, battery, a misdemeanor. Dallas
27 was placed on probation for one year, ordered to pay a fine, and to complete 16 hours of Public
28 Service Work.

1 14. On February 10, 2022, the Bureau confirmed with the San Mateo County Superior
2 Court that Dallas' fine was paid in full. On May 3, 2022, the Bureau confirmed that Dallas'
3 Public Service Work hours were completed on February 14, 2022.

4 **South San Francisco Police Department Report**

5 15. A Misdemeanor Report by the South San Francisco Police Department (Police Report)
6 was offered and admitted into evidence at the hearing. The Police Report provided that on
7 January 22, 2021, Customer reported that Dallas had on two occasions "grazed"² his hand against
8 her buttocks while passing her in the produce and alcoholic beverage sections.

9 16. The Police Report provides a summary of its investigation, as well as Costco's internal
10 investigation, and statements from involved parties, including Customer, Dallas, and a Costco
11 manager. Dallas' statement contained within the Police Report, as well as the summary of
12 Costco's internal report, was similar and consistent with Dallas' Bureau Statement.

13 17. The Police Report provides that on January 29, 2021, an officer returned to Costco to
14 obtain surveillance footage. Costco was only able to provide surveillance footage from the
15 alcoholic beverage section and it did not include audio. The description of the surveillance
16 footage contained in the Police Report was also consistent with Dallas' description of events in
17 his Bureau Statement. The surveillance footage confirmed that Customer approached Dallas for
18 assistance in the alcoholic beverage section. Approximately one minute later, Dallas put the back
19 of his left hand out as he walked through the aisle and past Customer, but it could not be
20 ascertained whether he touched the Customer.

21 18. The Police Report also provides that a criminal history check was conducted on
22 Dallas, which concluded that he has no prior contacts or arrests.

23 **Testimony of Brian Gilleland**

24 19. Brian Gilleland (Gilleland), Staff Services Manager II of the Bureau, testified that in
25 the course of the Bureau's background investigation, it was discovered that there was a protective
26 order issued against Dallas and a misdemeanor charge for battery relating to that protective order.

27 ² The Police Report uses the terms "touch," and "grab" interchangeably in the description and
28 investigation portions to describe the contact made by Dallas. However, in the summary of Customer's
statement, only the term "graze" is used to describe the contact.

1 The Bureau requested copies of the court documents and the Police Report and asked Dallas to
2 provide a statement explaining the circumstances leading to issuance of the protective order.

3 20. Gilleland testified that Dallas provided the Bureau Statement, which described that
4 Dallas accidentally bumped into a customer on two occasions and both times apologized.
5 However, based on the Police Report, the Bureau concluded that Dallas intentionally touched
6 Customer on her right buttock cheek.

7 21. According to Gilleland, the Bureau did not obtain a copy of the surveillance footage
8 from Costco, but reached its denial recommendation based on the content of the Police Report
9 and the fact that Dallas was convicted of battery.

10 22. Gilleland also testified that the Bureau's background investigation found that Dallas
11 had no other criminal history. Further, based on the Bureau's investigation, it was determined that
12 Dallas had no derogatory employment history.

13 **Dallas' Testimony During the Evidentiary Hearing**

14 23. Dallas' testimony before the Commission was consistent with the Bureau Statement
15 and statements he made to police and to his manager at Costco, as described in the Police Report.
16 Dallas testified that he was working at Costco on January 20, 2021, during the Covid-19
17 pandemic. Dallas was assigned to walk crowded aisles with a bullhorn to remind people to stay
18 six feet apart. Dallas testified that the distance guidelines were not always realistic because the
19 store was very crowded that day, but he did his best to try to get people to keep some distance
20 from each another.

21 24. Dallas testified that he was in the produce section and due to it being crowded, it was
22 difficult for him to maneuver through the aisle. Dallas testified that as he walked down the
23 produce aisle, he put his hand out towards Customer's back to position himself away from her.
24 Dallas admitted that he accidentally touched Customer's back, but he is certain that he did not
25 touch her buttocks. During this first encounter, Customer did not say anything to Dallas.

26 25. Dallas testified that Customer approached him in the alcoholic beverage department
27 and asked for help finding gloves. Dallas assisted Customer and then resumed with his duties.
28 Dallas was again walking through a crowded aisle and put his hand towards a patron's back "just

1 to get myself out of the way...I was just trying to kind of make room.” Dallas testified that he did
2 not initially realize it was Customer, until she turned around and said, “that’s two times.” Dallas
3 apologized and continued with his duties. Dallas testified that from his perspective, Customer’s
4 statement meant he had bumped into Customer two times, and did not understand it to be an
5 allegation that he had touched her buttocks or he would have responded differently. Dallas had no
6 further interaction with Customer.

7 26. Dallas testified that he was questioned by a Costco manager later that day, after
8 Customer complained. Dallas told his manager what occurred and demonstrated how he walked
9 through the aisles and accidentally touched Customer’s back. Dallas was then allowed to return to
10 work. The next day, Dallas was contacted by police. Dallas was not terminated from Costco and
11 did not believe that he would be terminated in the future due to this incident. However, Dallas
12 chose to resign from Costco in January 2021 because he did not want to see Customer again and
13 he was uncomfortable working at a place where a patron made such serious allegations against
14 him.

15 27. Dallas testified that he spends the majority of his time with family and working out.
16 Dallas has worked at Knighted for two years with no incidents and wants to move past this
17 incident and continue working for Knighted. On one occasion, Dallas was used as “bait” and
18 assisted police in apprehending a suspect seated at a table Dallas was assigned to at a gambling
19 establishment. Dallas believes that his willingness to assist authorities this way is demonstrative
20 of his good character. Dallas testified that other than the incident at Costco in January 2021, he
21 has never had a complaint lodged against him.

22 PERTINENT LEGAL AUTHORITY

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

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

1 30. 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. (Bus. & Prof. Code, § 19801, subd. (h).)

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

8 32. An “unqualified person” means a person who is found to be unqualified pursuant to
9 the criteria set forth in Section 19857, and “disqualified person” means a person who is found to
10 be disqualified pursuant to the criteria set forth in Section 19859. (Bus. & Prof. Code, § 19823,
11 subd. (b).)

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

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

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

20 36. The burden of proving his or her qualifications to receive any license from the
21 Commission is on the applicant. (Bus. & Prof. Code, § 19856, subd. (a); CCR section 12060,
22 subd. (j).)

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

26 38. In reviewing an application for any license, the commission shall consider whether
27 issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the
28 license will undermine public trust that the gambling operations with respect to which the license

1 would be issued are free from criminal and dishonest elements and would be conducted honestly.
2 (Bus. & Prof. Code, § 19856, subd. (c).)

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

6 40. 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 whose prior
8 activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the
9 public interest of this state, or to the effective regulation and control of controlled gambling. (Bus.
10 & Prof. Code, § 19857, subd. (b).)

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

16 ASSESSMENT OF DALLAS' SUITABILITY FOR LICENSURE

17 42. Dallas was convicted of simple battery in relation to the January 20, 2021 incident at
18 Costco. The substance of Dallas' testimony, his demeanor while testifying, and the existence of
19 corroborating evidence as to several key issues, cumulatively result in the Commission finding
20 that Dallas' testimony concerning that incident was credible. The factual description of the
21 content of the surveillance footage was consistent with Dallas' testimony and his Bureau
22 Statement. Given the environment at hand (a crowded Costco during the pandemic), Dallas'
23 admission that he put his hand out to create space between himself and Customer, causing him to
24 accidentally bump into Customer's back, does not reflect negatively on Dallas' character,
25 honesty, or integrity.

26 43. Further, Dallas has had no other convictions or criminal history and has never been the
27 subject of another patron complaint. Dallas completed all terms of his sentence in an expedient
28 manner, especially considering these events occurred during the Covid-19 pandemic. Dallas has

1 had no disciplinary issues while working for Knighted and on one instance even assisted police
2 within the gambling establishment where Dallas was working. Nothing in Dallas' history
3 indicates that he would pose a threat to the effective regulation of controlled gambling. Therefore,
4 the Commission finds that Dallas has met his burden of proving that he is a person of good
5 character, honesty, and integrity and is suitable for licensure under Business and Professions
6 Code section 19857, subdivisions (a) and (b).

7 44. Dallas provided the Bureau Statement, which was forthcoming and detailed. The
8 Bureau Statement described the circumstances leading to the protective order, including that
9 Customer alleged Dallas' hand grazed her buttocks, as opposed to his contention that he
10 accidentally bumped into Customer's back. Although it was not asked by the Bureau, Dallas also
11 explained that criminal charges were pending against him. Dallas' Bureau Statement was
12 consistent with statements attributed to him in the Police Report and with his testimony before the
13 Commission. Dallas has never wavered in his description of the incident.

14 45. Dallas' statement was not completely consistent with the Police Report in some very
15 minor regards, such as the use of different words to describe the contact that resulted in his
16 battery conviction. The Police Report uses the term "grab," "touch" and "graze" interchangeably,
17 while the customer's statement only refers to the contact as a "graze" to her buttocks. Dallas'
18 contends that he accidentally "bumped into" and "ran into" the customer's lower back. The fact
19 that different people viewed the same event slightly differently and used different terminology to
20 describe nearly identical circumstances, does not demonstrate that Dallas attempted to mislead the
21 Bureau.

22 46. Additionally, the Police Report's description of the surveillance footage was not
23 inconsistent with Dallas' statement and testimony. The surveillance footage confirmed the
24 surrounding circumstances of Dallas assisting Customer in the alcoholic beverage section and
25 soon afterward, walking towards Customer with the back of his left hand out. According to the
26 Police Report, it could not be ascertained from the footage whether Dallas actually touched
27 Customer. Dallas admitted on numerous occasions that he accidentally touched Customer's back,
28 essentially resulting in the surveillance footage providing no new information other than

1 confirming Dallas' version of events. Therefore, Dallas is not disqualified from licensure under
2 Business and Professions Code section 19859, subdivision (b).

3 47. All documentary and testimonial evidence submitted by the parties that is not
4 specifically addressed in this Decision and Order was considered but not used by the Commission
5 in making its determination on Dallas' Application.

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ORDER

- 1. Dallas’ Application for Third-Party Proposition Player Services Player License is APPROVED.
- 2. No costs are awarded.
- 3. Each side to pay its own attorneys’ fees.

This Order is effective on June 8, 2023.

Dated: 6/8/2023 Signature: 
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 Paula LaBrie, Chair

Dated: 6/8/2023 Signature: 
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 Cathleen Galgiani, Commissioner

Dated: 6/8/2023 Signature: 
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 Eric Heins, Commissioner

Dated: 6/8/2023 Signature: 
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 William Liu, Commissioner

Dated: 6/8/2023 Signature: 
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 Edward Yee, Commissioner