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10 **BEFORE THE**
 11 **CALIFORNIA GAMBLING CONTROL COMMISSION**
 12 **STATE OF CALIFORNIA**

14
 15 In the Matter of the Statement of Reasons for
 16 Denial of Application for a Key Employee
 License for:

CGCC Case No.: CGCC-2022-0512-7
 BGC Case No.: BGC-HQ2022-00009SL

17 **ROLAND JOSEPH ADDISON II**

18 [REDACTED]

STATEMENT OF REASONS

19 (GEKE-002616)

20
 21 Respondent.

22 Complainant alleges as follows:

23 **PARTIES**

24 1. Yolanda Morrow (Complainant) submits this Statement of Reasons for denial of an
 25 Application for Gambling Establishment Key Employee License in her official capacity as
 26 Director of the California Department of Justice, Bureau of Gambling Control (Bureau).

1 2. Roland Joseph Addison II (Respondent) seeks approval of his Application for
2 Gambling Establishment Key Employee License by the California Gambling Control
3 Commission (Commission).

4 **THE APPLICATION AND THIS PROCEEDING**

5 3. Respondent began working for Ocean’s Eleven Casino in January 2017 and assumed
6 key employee duties in September 2020 as a Floorperson.

7 4. On or about October 5, 2020, the Bureau received Respondent’s Application for
8 Interim Key Employee License. An interim license, number GEKE-002616, was issued effective
9 October 13, 2020 to October 31, 2022.

10 5. On or about November 2, 2020, the Bureau received Respondent’s Application for
11 Gambling Establishment Key Employee License and Key Employee Supplemental Background
12 Investigation Information, with attached schedules (collectively Application).

13 6. On or about February 28, 2022, the Bureau issued its Gambling Establishment Key
14 Employee Initial Background Investigation Report, Level III, for Respondent’s Application in
15 which it recommended that it be denied.

16 7. On or about May 12, 2022, the Commission considered Respondent’s Application
17 and referred the question of Respondent’s qualifications and suitability for licensure to an
18 evidentiary hearing, which is to be held pursuant to the Gambling Control Act (Act), Business
19 and Professions Code sections 19856, 19857, 19859 and the applicable regulations found in Title
20 4, Division 18, of the California Code of Regulations. Included with that written notice was a
21 Notice of Defense form for Respondent to complete and return.

22 8. On or about June 1, 2022, the Bureau received Respondent’s completed Notice of
23 Defense form.

24 **JURISDICTION AND BURDEN OF PROOF**

25 9. The Commission has jurisdiction over the licensing of all persons and things
26 having to do with the operation of gambling establishments. (Bus. & Prof. Code, §§ 19811, subd.
27 (b), 19850.) The Commission’s responsibilities include assuring that licenses are not issued to
28 unqualified or disqualified persons and that no unqualified or disqualified person is materially

1 involved with a licensed gambling operation. (Bus. & Prof. Code, § 19823, subd. (a).) The
2 Commission has all powers necessary and proper to carry out the Act’s policies and purposes,
3 including the powers to take actions to ensure that no ineligible, unqualified, disqualified, or
4 unsuitable persons are associated with controlled gambling activities. (Bus. & Prof. Code, §
5 19824, subds. (b) & (d).)

6 10. Respondent has the burden of proving his qualifications to receive a license. (Bus.
7 & Prof. Code, § 19856, subd. (a).)

8 **FIRST CAUSE FOR DENIAL OF APPLICATION**

9 **(Misdemeanor Convictions – Unsuitable for Licensure)**

10 11. Respondent’s Application is subject to denial because Respondent has engaged in
11 illegal behavior and shown a lack of regard for the health, safety, and welfare of others, which
12 demonstrates that he may pose a threat to the effective regulation and control of controlled
13 gambling.

14 12. Respondent has been convicted of five misdemeanor offenses. In 1997, Respondent
15 was convicted of violating Penal Code sections 647, subdivision (f), for public intoxication;
16 148.9, subdivision (a), for providing false identification to a peace officer; and 853.7 for failure to
17 appear after written promise in *People of the State of California v. Roland Joseph Addison*
18 (Super. Ct. Riverside, Case No. P96-2988). In 1998, Respondent was convicted of driving under
19 the influence of alcohol in *People of the State of California v. Roland Joseph Addison II* (Super.
20 Ct. Riverside, Case No. PEM013633). In 2021, Respondent was convicted of violation of Penal
21 Code section 647, subdivision (f) for public intoxication in *People of the State of California v.*
22 *Roland Joseph Addison, II* (Super. Ct. Riverside, Case No. RIM1902916).
23 (Bus. & Prof. Code, §§ 19856, 19857, 19859, subd. (a); Cal. Code. Regs., tit. 4, § 12040, subds.
24 (a)(1), (2).)

25 **SECOND CAUSE FOR DENIAL OF APPLICATION**

26 **(Providing Untrue or Misleading Information)**

27 13. Respondent’s Application is subject to denial because Respondent provided untrue or
28 misleading information material to his qualification for licensure as follows:

1 a. In his Application, under penalty of perjury, Respondent denied having ever
2 been convicted of any crime, despite having been convicted of four crimes at the time he signed
3 his Application.

4 b. When asked by the Bureau to provide information concerning his 1997
5 conviction for public intoxication and providing false information to a peace officer in *People of*
6 *the State of California v. Roland Joseph Addison* (Super. Ct. Riverside, Case No. P96-2988),
7 Respondent provided information in direct conflict with the court records and the police report.
8 The Bureau’s background investigation noted the following discrepancies.

9 i. The police report indicates that when Respondent was arrested for public
10 intoxication, he gave the arresting officer an identification card of a male named Jason Ward from
11 Illinois. The officer allegedly asked Respondent if he was from Illinois, and Respondent replied
12 “yes I’m here visiting my uncle.” At the police station, another officer recognized Respondent
13 and indicated that he was not Jason Ward. In response, Respondent admitted that his name was
14 Roland Addison. In response to the Bureau’s request for additional information concerning the
15 arrest, Respondent wrote a note to the Bureau that indicated “I never gave a police officer a fake
16 ID.” (Emphasis in original.)

17 ii. Court records reflect that Respondent was sentenced to five days in jail,
18 which would be served over consecutive weekends from Friday to Sunday, was put on probation
19 for 36 months, and was required to pay fines and fees. Respondent signed off on those same
20 court records and signed off on a court document that indicates “I freely, voluntarily, and
21 knowingly plead no contest to a violation of section 647(f), 148.9, 853.7. . . .” However,
22 Respondent wrote in a note to the Bureau “I never served 5 days in jail or probation” and “I never
23 went to court. I never plead not guilty or no contest.” (Emphasis in original.)

24 c. In his Application, under penalty of perjury, Respondent denied having ever
25 engaged in illegal gambling activities, despite the fact that his banking records showed he had
26 engaged in online gambling. When asked by the Bureau to provide information about the
27 gambling, Respondent admitted in a written statement that he had participated in online poker
28 tournaments and online slot machines.

1 (Bus. & Prof. Code, §§ 19856, 19857, 19859, subds. (a) and (b) [mandatory denial], 19866; Cal.
2 Code Regs., tit. 4, §§ 12040, subds. (a)(1), (2) [mandatory denial]; Penal Code, § 330.)

3 **THIRD CAUSE FOR DENIAL OF APPLICATION**

4 **(Negative Financial History – Discretionary Denial)**

5 14. Respondent’s Application is subject to discretionary denial pursuant to Business and
6 Professions Code sections 19856 and 19857, because Respondent has a negative financial history.

7 15. On August 19, 2016, Respondent filed for Chapter 7 Bankruptcy in the United States
8 Bankruptcy Court in Riverside, California, Case No. 6:16-bk-17743-MH, which discharged
9 \$15,046 of Respondent’s debts on December 12, 2016.

10 **PRAYER**

11 WHEREFORE, Complainant requests that a hearing be held on the matters alleged herein,
12 and that following the hearing, the Commission issue a decision:

- 13 1. Denying Respondent’s Application for Gambling Establishment Key Employee
14 License; and
15 2. Taking such other and further action as the Commission may deem appropriate.

16 Dated: October 26, 2022

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18 _____
19 YGLANDA MORROW, Director
20 Bureau of Gambling Control
21 California Department of Justice
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1 **APPENDIX A – STATUTORY AND REGULATORY PROVISIONS**

2 **JURISDICTION**

- 3 1. Business and Professions Code section 19811, subdivision (b), provides:

4 Jurisdiction, including jurisdiction over operation and concentration, and supervision
5 over gambling establishments in this state and over all persons or things having to do
6 with the operations of gambling establishments is vested in the commission.

- 7 2. Business and Professions Code section 19823 provides:

8 (a) The responsibilities of the commission include, without limitation, all of
9 the following:

10 (1) Assuring that licenses, approvals, and permits are not issued to, or
11 held by, unqualified or disqualified persons, or by persons whose
12 operations are conducted in a manner that is inimical to the public
13 health, safety, or welfare.

14 (2) Assuring that there is no material involvement, directly or
15 indirectly, with a licensed gambling operation, or the ownership or
16 management thereof, by unqualified or disqualified persons, or by
17 persons whose operations are conducted in a manner that is
18 inimical to the public health, safety, or welfare.

19 (b) For the purposes of this section, “unqualified person” means a person who
20 is found to be unqualified pursuant to the criteria set forth in Section
21 19857, and “disqualified person” means a person who is found to be
22 disqualified pursuant to the criteria set forth in Section 19859.

- 23 3. Business and Professions Code section 19824 provides, in part:

24 The commission shall have all powers necessary and proper to enable it fully and
25 effectually to carry out the policies and purposes of this chapter,^[1] including,
26 without limitation, the power to do all of the following:

27 * * *

28 (b) For any cause deemed reasonable by the commission, deny any
application for a license, permit, or approval provided for in this chapter or
regulations adopted pursuant to this chapter, limit, condition, or restrict
any license, permit, or approval, or impose any fine upon any person
licensed or approved. The commission may condition, restrict, discipline,
or take action against the license of an individual owner endorsed on the
license certificate of the gambling enterprise whether or not the
commission takes action against the license of the gambling enterprise.

* * *

1 ¹ “Chapter” refers to Business and Professions Code, division 8, chapter 5, (commencing with section 19800), also known as the Gambling Control Act.

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(d) Take actions deemed to be reasonable to ensure that no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled gambling activities.

* * *

4. Business and Professions Code section 19850 provides:

Every person who, either as owner, lessee, or employee, whether for hire or not, either solely or in conjunction with others, deals, operates, carries on, conducts, maintains, or exposes for play any controlled game in this state, or who receives, directly or indirectly, any compensation or reward, or any percentage or share of the money or property played, for keeping, running, or carrying on any controlled game in this state, shall apply for and obtain from the commission, and shall thereafter maintain, a valid state gambling license, key employee license, or work permit, as specified in this chapter. In any criminal prosecution for violation of this section, the punishment shall be as provided in Section 337j of the Penal Code.

5. Business and Professions Code section 19853, subdivision (a), provides:

The commission, by regulation or order, may require that the following persons register with the commission, apply for a finding of suitability as defined in subdivision (i) of 19805, or apply for a gambling license:

* * *

(3) Any person who does business on the premises of a licensed gambling establishment.

* * *

6. Business and Professions Code section 19870 provides:

- (a) The commission, after considering the recommendation of the chief² and any other testimony and written comments as may be presented at the meeting, or as may have been submitted in writing to the commission prior to the meeting, may deny the application, grant a license to an applicant who it determines to be qualified to hold the license, or refer the application to an evidentiary hearing.
- (b) When the commission grants an application for a license or approval, the commission may limit or place restrictions on the license or approval as it may deem necessary in the public interest, consistent with the policies described in this chapter.
- (c) If, during a meeting, the commission denies an application, denies approval, or approves with limits, restrictions, or conditions, the action shall be stayed for a period of 30 days after the meeting, during which the applicant may request an evidentiary hearing. If the applicant does not file a request for an evidentiary hearing within 30 days, the action of the commission taken at the meeting is final. If the applicant waives the right

² “Chief” refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1 to hearing and assents to the action of the commission in writing, upon
2 receipt of the waiver by the commission, the action shall no longer be
3 stayed. If the applicant files a timely request for an evidentiary hearing,
the action shall be vacated and the application shall be reviewed de novo
at the evidentiary hearing.

- 4 (d) When an application is denied after an evidentiary hearing, the
5 commission shall prepare and file a detailed statement of its reasons for
the denial.
- 6 (e) All proceedings relating to an application at a meeting of the commission
7 or at an evidentiary hearing shall be recorded stenographically or by audio
or video recording.
- 8 (f) A decision of the commission after an evidentiary hearing, denying a
9 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
10 1085 of the Code of Civil Procedure. Section 1094.5 of the Code of Civil
Procedure does not apply to any judicial proceeding held to consider that
11 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
12 exceeded the commission's jurisdiction.

13 7. Business and Professions Code section 19871 provides:

- 14 (a) An evidentiary hearing described in Section 19870 shall be conducted in
accordance with regulations of the commission and as follows:
- 15 (1) Oral evidence shall be taken only upon oath or affirmation.
- 16 (2) Each party shall have all of the following rights:
- 17 (A) To call and examine witnesses.
- 18 (B) To introduce exhibits relevant to the issues of the case.
- 19 (C) To cross-examine opposing witnesses on any matters
20 relevant to the issues, even if the matter was not covered on
direct examination.
- 21 (D) To impeach any witness, regardless of which party first
22 called the witness to testify.
- 23 (E) To offer rebuttal evidence.
- 24 (3) If the applicant does not testify on their own behalf, the applicant
may be called and examined as if under cross-examination.
- 25 (4) The hearing need not be conducted according to technical rules
26 relating to evidence and witnesses. Any relevant evidence may be
considered, and is sufficient in itself to support a finding, if it is the
27 sort of evidence on which responsible persons are accustomed to
rely in the conduct of serious affairs, regardless of the existence of
28 any common law or statutory rule that might make improper the
admission of that evidence over objection in a civil action.

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(b) This section does not confer upon an applicant a right to discovery of the department's³ investigative reports or to require disclosure of any document or information the disclosure of which is otherwise prohibited by any other provision of this chapter.

8. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in part:

If the Commission elects to hold an evidentiary hearing, . . . hearing will be conducted as a GCA hearing under Section 12060, unless the Executive Director or the Commission determines the hearing should be conducted as an APA hearing under Section 12058 . . .

9. California Code of Regulations, title 4, section 12060 provides, in part:

(a) If the Executive Director determines it is appropriate, he or she may set an application for consideration at a GCA hearing in advance of a meeting pursuant to Section 12054. The Executive Director will give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 90 calendar days in advance of the GCA hearing. The Executive Director's determination will be based on information contained in the Bureau's report or other appropriate sources including, without limitation, a request from the Bureau or applicant as well as the Commission's operational considerations.

(b) When a GCA hearing is elected pursuant to Section 12056, subsection (a), the Executive Director will give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 60 calendar days in advance of the GCA hearing.

* * *

³ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).)

SPECIFIC STATUTORY PROVISIONS

10. Business and Professions Code section 19856 provides:

- (a) Any person who the commission determines is qualified to receive a state license, having due consideration for the proper protection of the health, safety, and general welfare of the residents of the State of California and the declared policy of this state, may be issued a license. The burden of proving his or her qualifications to receive any license is on the applicant.
- (b) An application to receive a license constitutes a request for a determination of the applicant's general character, integrity, and ability to participate in, engage in, or be associated with, controlled gambling.
- (c) In reviewing an application for any license, the commission shall consider whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine public trust that the gambling operations with respect to which the license would be issued are free from criminal and dishonest elements and would be conducted honestly.

11. Business and Professions Code section 19857 provides:

No gambling license shall be issued unless, based on all of the information and documents submitted, the commission is satisfied that the applicant is all of the following:

- (a) A person of good character, honesty, and integrity.
- (b) A person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest of this state, or to the effective regulation and control of controlled gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of controlled gambling, or in the carrying on of the business and financial arrangements incidental thereto.
- (c) A person that is in all other respects qualified to be licensed as provided in this chapter.

12. Business and Professions Code section 19859 provides, in part:

The commission shall deny a license to any applicant who is disqualified for any of the following reasons:

- (a) Failure of the applicant to clearly establish eligibility and qualification in accordance with this chapter.
- (b) Failure of the applicant to provide information, documentation, and assurances required by this chapter or requested by the chief, or failure of the applicant to reveal any fact material to qualification, or the supplying

1 of information that is untrue or misleading as to a material fact pertaining
2 to the qualification criteria.

3 * * *

4 13. Business and Professions Code section 19866 provides:

5 An applicant for licensing or for any approval or consent required by this chapter,
6 shall make full and true disclosure of all information to the department and the
7 commission as necessary to carry out the policies of this state relating to licensing,
8 registration, and control of gambling.

9 14. California Code of Regulations, title 4, section 12040, subdivisions (a)(1) and (a)(2),
10 provide:

11 (a) An application for an initial or renewal license:

12 (1) Will be denied if the Commission finds that the applicant has not
13 satisfied the requirements of Business and Professions Code
14 section 19857; or,

15 (2) Will be denied if the Commission finds that any of the provisions
16 of Business and Professions Code section 19859 apply to the
17 applicant.

18 15. California Code of Regulations, title 4, section 12054, subdivision (a)(4) provides:

19 (a) At a Commission meeting, the Commission may take, but is not limited to
20 taking, one of the following actions:

21 * * *

22 (4) Elect to hold or retract an evidentiary hearing in accordance with
23 Section 12056 and, for a renewal application, issue an interim
24 renewal license pursuant to Section 12035. The Commission will
25 identify those issues for which it requires additional information or
26 consideration related to the applicant's suitability.

27 16. California Code of Regulations, title 4, section 12122, subdivision (d), provides:

28 (d) Upon issuance or denial of a license or Commission work permit by the
Commission, the temporary license will become void and cannot be used
thereafter.

17. California Code of Regulations, title 4, section 12124, subdivision (a)(2) provides:

(a) The Executive Director will issue a temporary employee category license
if all of the following requirements are met:

* * *

(2) Neither the application in its entirety, nor the results of the

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investigation of the applicant reported by the Bureau to the Commission up until the date of issuance of the temporary license, discloses any of the mandatory grounds for disqualification specified under 12040;

* * *

18. California Code of Regulations, title 4, section 12128, subdivisions (a)(1) & (2) provide:

(a) Any temporary license issued in accordance with this article will be cancelled or conditioned, as provided in subsection (a) and (b), if at any time, any of the following apply:

(1) The Commission determines that it has received reliable information that the holder of the temporary license is ineligible under paragraphs (2) or (3) subsection (a) of Section 12124, has failed to reveal any fact material to the holder’s qualification for a temporary license, or has supplied information to the Bureau or Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of a temporary license.

(2) The applicant’s initial license application is referred by a vote of the Commission to an evidentiary hearing, and the Commission directs the Executive Director to cancel or condition a temporary license.

19. Penal Code section 148.9, subdivision (a), provides:

(a) Any person who falsely represents or identifies himself or herself as another person or as a fictitious person to any peace officer listed in Section 830.1 or 830.2, or subdivision (a) of Section 830.33, upon a lawful detention or arrest of the person, either to evade the process of the court, or to evade the proper identification of the person by the investigating officer is guilty of a misdemeanor.

* * *

20. Penal Code section 330 provides:

Every person who deals, plays, or carries on, opens, or causes to be opened, or who conducts, either as owner or employee, whether for hire or not, any game of faro, monte, roulette, lansquenet, rouge et noire, rondo, tan, fan-tan, seven-and-a-half, twenty-one, hokey-pokey, or any banking or percentage game played with cards, dice, or any device, for money, checks, credit, or other representative of value, and every person who plays or bets at or against any of those prohibited games, is guilty of a misdemeanor, and shall be punishable by a fine not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000), or by imprisonment in the county jail not exceeding six months, or by both the fine and imprisonment.

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21. Penal Code section 647, subdivision (f), provides:

Except as provided in paragraph (5) of subdivision (b) and subdivision (l), every person who commits any of the following acts is guilty of disorderly conduct, a misdemeanor:

* * *

- (f) Who is found in any public place under the influence of intoxicating liquor, any drug, controlled substance, toluene, or any combination of any intoxicating liquor, drug, controlled substance, or toluene, in a condition that he or she is unable to exercise care for his or her own safety or the safety of others, or by reason of his or her being under the influence of intoxicating liquor, any drug, controlled substance, toluene, or any combination of any intoxicating liquor, drug, or toluene, interferes with or obstructs or prevents the free use of any street, sidewalk, or other public way.

* * *

22. Penal Code section 853.7 provides:

Any person who willfully violates his or her written promise to appear or a lawfully granted continuance of his or her promise to appear in court is guilty of a misdemeanor, regardless of the disposition of the charge upon which he or she was originally arrested.