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

14 In the Matter of the Statement of Reasons for
15 Denial of Application for a Third-Party
Proposition Player Services License for
16 Supervisor for:

CGCC Case No. CGCC-2021-0408-7B;
CGCC-2021-0408-7C

BGC Case No. BGC-HQ2021-00023SL

17 **Selah Gavin Davis**



Applicant.

STATEMENT OF REASONS

22 Complainant alleges as follows:

23 **PARTIES**

24 1. Yolanda Morrow (Complainant) brings this Statement of Reasons solely in her
25 official capacity as Acting Director of the California Department of Justice, Bureau of Gambling
26 Control (Bureau).

1 2. Selah Gavin Davis (Respondent) has been employed by Knighted Ventures LLC
2 (registration no. TPPP-000109) (Knighted) as a proposition player from approximately June 2013
3 until April 2018, and relevant here, as a third-party supervisor since April 2018 (registration no.
4 TPSU-001514). Respondent has been employed by Majesty Partners, LLC (registration no.
5 TPPP-000141) (Majesty) since approximately October 2018 as a third-party supervisor
6 (Registration No. TPSU-001563).

7 **THE APPLICATION AND THIS PROCEEDING**

8 3. On May 18, 2018, the Bureau received from Respondent an Application for Third-
9 Party Player Services License for Supervisor, Player or Other Employee, and a Level II
10 Supplemental Information to allow for her employment as a third-party proposition player
11 supervisor for Knighted. On October 15, 2018, the Bureau received an Application for Third-
12 Party Player Services License for Supervisor, Player or Other Employee, and a Level II
13 Supplemental Information to allow for her employment as a third-party proposition player
14 supervisor for Majesty (collectively, Application).

15 4. On April 27, 2018, the California Gambling Control Commission (Commission)
16 issued to Respondent third party supervisor registration number TPSU-001514 for her
17 employment as a third party supervisor at Knighted. On July 12, 2018, the Commission issued to
18 Respondent third party supervisor registration number TPSU-001563 for her employment as a
19 third party supervisor at Majesty.¹

20 5. On or about December 10, 2020, the Bureau submitted to the Commission Third-
21 Party Supervisor Initial Background Investigation Reports in which the Bureau recommended
22 denial of Respondent's Application.

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24
25 ¹ Respondent applied for and was issued third-party proposition player services
26 registrations under regulations in effect when she applied. Those regulations were repealed and
27 replaced with a temporary licensing program, effective January 1, 2021. Pursuant to California
28 Code of Regulations, title 4, section 12130, subdivision (d), a previously issued third-party
 proposition player services registration is subject to the same conditions as a temporary license,
 thus making the registration void upon denial of the license application by the Commission, as
 provided by California Code of Regulations, title 4, section 12122, subdivision (d).

1 6. On April 8, 2021, the Commission referred consideration of Respondent's
2 Application to an evidentiary hearing, which is to be held pursuant to California Code of
3 Regulations, title 4, section 12060.²

4 7. Respondent submitted a Notice of Defense, which the Bureau received on May 4,
5 2021.

6 **BURDEN OF PROOF**

7 8. Respondent has the burden of proving her qualifications to receive a license or other
8 approval from the Commission. (Bus. & Prof. Code, § 19856, subd. (a).)

9 **CAUSE FOR DENIAL**

10 **(Failure to Reveal Facts Material to Qualification)**

11 11. Respondent's Application is subject to denial because she failed to disclose in her
12 Application two State Tax Liens: one filed with the State of California on January 30, 2014, in the
13 amount of \$3,206; and one filed with the State of California on July 18, 2016, in the amount of
14 \$2,422.³

15 12. Respondent's Application is further subject to denial because she failed to disclose in
16 her Application two collection accounts totaling \$3,339 and also four charge-off accounts totaling
17 \$1,863.

18 13. Each of these instances demonstrates Respondent's failure to reveal to the Bureau
19 facts material to qualification.

20 (Bus. & Prof. Code, §§ 19857, subds. (a) & (b), 19859, subds. (a) & (b) [mandatory denial],
21 19866; Cal. Code Regs., tit. 4, §§ 12040, subds. (a)(1) & (a)(2) [mandatory denial], 12122, subd.
22 (d), 12124, subd. (a)(2), 12128, subds. (a)(1) & (a) (2) [mandatory denial].)

23
24
25
26 ² The statutes and regulations applicable to this Statement of Reasons are quoted in
pertinent part in Appendix A.

27 ³ In response to Bureau inquiries about why Respondent did not disclose these liens on
28 her Application, Respondent responded, "I did not recognize the garnishments as a lien."
Information available to the Bureau indicates that both of these tax liens have been released.

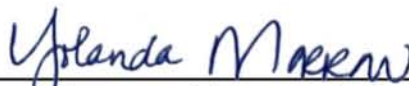
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PRAYER

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

1. Denying Respondent’s Application for Third-Party Proposition Player Services License for Supervisor, Player or Other Employee;
2. Voiding Respondent’s registration numbers TPSU-001514 and TPSU-001563; and
3. Taking such other and further action as the Commission may deem appropriate.

Dated: September 10, 2021



YOLANDA MORROW, Acting Director
Bureau of Gambling Control
California Department of Justice
Complainant

1 **APPENDIX A**

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

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

- 6 2. Business and Professions Code, section 19823 provides:

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

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

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

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

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

19 The commission shall have all powers necessary and proper to
20 enable it fully and effectually to carry out the policies and purposes of
21 this chapter,⁴ including, without limitation, the power to do all of the
22 following:

23 * * *

24 (b) For any cause deemed reasonable by the
25 commission, deny any application for a license, permit, or
26 approval provided for in this chapter or regulations adopted
27 pursuant to this chapter, limit, condition, or restrict any license,
28 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

⁴ Hereinafter, “chapter” refers to Business and Professions Code, division 8, chapter 5, (commencing with section 19800), also known as the Gambling Control Act.

1 whether or not the commission takes action against the license of
2 the gambling enterprise.

3 * * *

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

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

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

12 * * *

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

15 5. Business and Professions Code, section 19856 provides:

16 (a) Any person who the commission determines is
17 qualified to receive a state license, having due consideration for
18 the proper protection of the health, safety, and general welfare of
19 the residents of the State of California and the declared policy of
20 this state, may be issued a license. The burden of proving his or
21 her qualifications to receive any license is on the applicant.

22 (b) An application to receive a license constitutes a
23 request for a determination of the applicant's general character,
24 integrity, and ability to participate in, engage in, or be associated
25 with, controlled gambling.

26 (c) In reviewing an application for any license, the
27 commission shall consider whether issuance of the license is
28 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.

6. 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

1 control of controlled gambling, or create or enhance the dangers
2 of unsuitable, unfair, or illegal practices, methods, and activities
3 in the conduct of controlled gambling or in the carrying on of the
4 business and financial arrangements incidental thereto.

(c) A person that is in all other respects qualified to be
licensed as provided in this chapter.

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

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

8 (a) Failure of the applicant to clearly establish eligibility
and qualification in accordance with this chapter.

9 (b) Failure of the applicant to provide information,
10 documentation, and assurances required by this chapter or
11 requested by the chief, or failure of the applicant to reveal any
12 fact material to qualification, or the supplying of information
that is untrue or misleading as to a material fact pertaining to the
qualification criteria.

13 8. Business and Professions Code section 19866 provides:

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

17 9. Business and Professions Code, section 19870 provides:

18 (a) The commission, after considering the
19 recommendation of the chief⁵ and any other testimony and
20 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 either deny the application or grant a license to an
applicant who it determines to be qualified to hold the license.

21 (b) When the commission grants an application for a
22 license or approval, the commission may limit or place
23 restrictions thereon as it may deem necessary in the public
interest, consistent with the policies described in this chapter.

24 (c) When an application is denied, the commission shall
25 prepare and file a detailed statement of its reasons for the denial.

26 (d) All proceedings at a meeting of the commission
27 relating to a license application shall be recorded
stenographically or by audio or video recording.

28 ⁵ "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

1 (e) A decision of the commission denying a license or
2 approval, or imposing any condition or restriction on the grant of
3 a license or approval may be reviewed by petition pursuant to
4 Section 1085 of the Code of Civil Procedure. Section 1094.5 of
5 the Code of Civil Procedure shall not apply to any judicial
6 proceeding described in the foregoing sentence, and the court
7 may grant the petition only if the court finds that the action of
8 the commission was arbitrary and capricious, or that the action
9 exceeded the commission's jurisdiction.

10 10. Business and Professions Code, section 19871 provides:

11 (a) The commission meeting described in Section 19870
12 shall be conducted in accordance with regulations of the
13 commission and as follows:

14 (1) Oral evidence shall be taken only upon oath
15 or affirmation.

16 (2) Each party shall have all of the following
17 rights:

18 (A) To call and examine witnesses.

19 (B) To introduce exhibits relevant to the
20 issues of the case.

21 (C) To cross-examine opposing witnesses
22 on any matters relevant to the issues, even though
23 the matter was not covered on direct examination.

24 (D) To impeach any witness, regardless
25 of which party first called the witness to testify.

26 (E) To offer rebuttal evidence.

27 (3) If the applicant does not testify in his or her
28 own behalf, he or she may be called and examined as if
under cross-examination.

(4) The meeting need not be conducted
according to technical rules relating to evidence and
witnesses. Any relevant evidence may be considered, and is
sufficient in itself to support a finding, if it is the sort of
evidence on which responsible persons are accustomed to
rely in the conduct of serious affairs, regardless of the
existence of any common law or statutory rule that might
make improper the admission of that evidence over
objection in a civil action.

(b) Nothing in this section confers upon an applicant a
right to discovery of the department's⁶ investigative reports or
to require disclosure of any document or information the

⁶ "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.
(h).)

1 disclosure of which is otherwise prohibited by any other
2 provision of this chapter.

3 11. California Code of Regulations, title 4, section 12040, subdivision (a)(1) & (2)
4 provide:

5 (a) An application for an initial or renewal license

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

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

12 12. California Code of Regulations, title 4, section 12054, subdivision (a)(2) provides:

13 (a) At a non-evidentiary hearing meeting, the
14 Commission may take, but is not limited to taking, one of the
15 following actions:

16 * * *

17 (2) Elect to hold an evidentiary hearing in
18 accordance with Section 12056 and, when for a renewal
19 application, issue an interim renewal license pursuant to
20 Section 12035. The Commission shall identify those issues
21 for which it requires additional information or consideration
22 related to the applicant's suitability.

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

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

14 14. California Code of Regulations, title 4, section 12060, subdivision (b) provides:

15 When the Commission has elected to hold a GCA hearing, the
16 Executive Director shall give notice to the applicant, pursuant to
17 paragraph (2) subsection (c) of Section 12052, to the Office of the
18 Attorney General, and to the Bureau no later than 60 calendar days in
19 advance of the GCA hearing.

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

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

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

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

8 ***

9 (2) Neither the application in its entirety, nor the
10 results of the investigation of the applicant reported by the
11 Bureau to the Commission up until the date of issuance of
12 the temporary license, discloses any of the mandatory
13 grounds for disqualification specified under 12040;

14 17. California Code of Regulations, title 4, section 12128, subdivisions (a)(1) & (2)

15 provide:

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

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

28 (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.

18. California Code of Regulations, title 4, section 12130, subdivisions (d) provide:

(a) A TPPPS registration includes all conditions of a
temporary license provided in subsections (a), (b), paragraphs (3)
and (4) of subsection (c), and subsections (d) and (e) of Section
12122.

