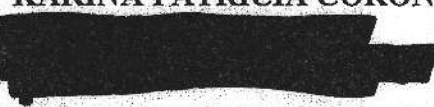


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8  
9 **BEFORE THE**  
10 **CALIFORNIA GAMBLING CONTROL COMMISSION**  
11 **STATE OF CALIFORNIA**

13 **In the Matter of the Statement of Reasons**  
14 **for Denial of License Application and**  
15 **Cancellation of Registration Regarding:**  
16 **KARINA PATRICIA CORONA**  
17   
18 **Registration Nos. TPPL-011145**  
19  
20 **Respondent.**

**BGC Case No. BGC-HQ2014-00002AL**  
**CGCC Case No: CGCC-2014-0724-10**

**STATEMENT OF REASONS**

21 Complainant alleges as follows:

22 **PARTIES**

23 1. Wayne J. Quint, Jr. (Complainant) brings this Statement of Reasons for Denial of  
24 License Application and Cancellation of Registration solely in his official capacity as the Chief of  
25 the California Department of Justice, Bureau of Gambling Control (Bureau).

26 2. Karina Patricia Corona (Respondent) holds a registration as a third-party proposition  
27 player, registration number TPPL-011145. Respondent is employed in that capacity by PT  
28

1 Gaming, LLC, a licensed provider of third-party proposition player services. Respondent's  
2 registration as a third-party proposition player will expire on November 15, 2014.

3 3. On or about January 30, 2013, the California Gambling Control Commission  
4 (Commission) received an Application for a Third-Party Proposition Player Services License  
5 (application), submitted by Respondent to convert her registration as a third-party proposition  
6 player to a license.<sup>1</sup>

7 4. At its July 24, 2014 meeting, the Commission referred the determination of  
8 Respondent's suitability for licensure to an evidentiary hearing.

9 5. On or about July 24, 2013, pursuant to California Code of Regulations, title 4, section  
10 12050, subdivision (b), the Executive Director of the Commission sent the matter for a hearing to  
11 be conducted pursuant to the provisions of Business and Professions Code sections 19870 and  
12 19871.

### 13 JURISDICTION

14 6. Business and Professions Code section 19811, subdivision (b), provides:

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

18 7. Business and Professions Code section 19823 provides:

19 (a) The responsibilities of the commission include, without  
20 limitation, all of the following:

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

24 (2) Assuring that there is no material  
25 involvement, directly or indirectly, with a licensed  
26 gambling operation, or the ownership or management

27 <sup>1</sup> Respondent was required to submit a request to convert her registration as a third-party  
28 proposition player to a license pursuant to Business and Professions Code section 19984, and  
California Code of Regulations, title 4, sections 12205.1 and 12218.

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thereof, by unqualified or disqualified persons, or by persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

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

8. Business and Professions Code section 19824 provides in part:

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

\* \* \*

(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.

\* \* \*

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

9. Business and Professions Code section 19870 provides:

(a) The commission, after considering the recommendation of the chief 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 either deny the application or grant a license to an applicant who it determines to be qualified to hold the license.

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



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

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

6 (e) A decision of the commission denying a license or approval,  
7 or imposing any condition or restriction on the grant of a license or  
8 approval may be reviewed by petition pursuant to Section 1085 of the  
9 Code of Civil Procedure. Section 1094.5 of the Code of Civil Procedure  
shall not apply to any judicial proceeding described in the foregoing  
sentence, 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.

10 10. Business and Professions Code section 19871 provides:

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

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

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

16 (A) To call and examine witnesses.

17 (B) To introduce exhibits relevant to the issues of the  
18 case.

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

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

23 (E) To offer rebuttal evidence.

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

27 (4) The meeting need not be conducted according to  
28 technical rules relating to evidence and witnesses. Any relevant  
evidence may be considered, and is sufficient in itself to support a

1 finding, if it is the sort of evidence on which responsible persons  
2 are accustomed to rely in the conduct of serious affairs, regardless  
3 of the existence of any common law or statutory rule that might  
4 make improper the admission of that evidence over objection in a  
5 civil action.

6 (b) Nothing in this section confers upon an applicant a right to  
7 discovery of the department's<sup>[2]</sup> investigative reports or to require  
8 disclosure of any document or information the disclosure of which is  
9 otherwise prohibited by any other provision of this chapter.

10 11. Business and Professions Code section 19984, subdivision (b), provides in part:

11 The commission shall establish reasonable criteria for, and require  
12 the licensure and registration of, any person or entity that provides  
13 proposition player services to gambling establishments pursuant to this  
14 section, including owners, supervisors, and players. . . . The  
15 commission may impose licensing requirements, disclosures, approvals,  
16 conditions, or limitations as it deems necessary to protect the integrity of  
17 controlled gambling in this state . . . .

18 12. Business and Professions Code section 19853, subdivision (a)(3), provides:

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

23 \* \* \*

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

26  
27 <sup>2</sup> "Department" refers to the Department of Justice, Bureau of Gambling Control. (Bus. &  
28 Prof. Code, § 19805, subd. (h).)

1 13. California Code of Regulations, title 4, section 12205, subdivision (a), provides:

2 Any regular registration [as a third-party proposition player] issued  
3 in accordance with this chapter<sup>3</sup> shall be subject to cancellation pursuant  
4 to this section. A registration shall be cancelled if the Commission  
5 determines after a noticed hearing that the registrant is ineligible for  
6 registration, has failed in an application for registration to reveal a fact  
7 material to the holder's qualification for registration, or has supplied  
8 information in the registration application that is untrue or misleading as  
9 to a material fact pertaining to the criteria for issuance of registration.

10 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

11 14. Business and Professions Code section 19856, subdivision (a) provides in part:

12 The burden of proving his or her qualifications to receive any license  
13 is on the applicant.

14 15. Business and Professions Code section 19857 provides:

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

18 (a) A person of good character, honesty and integrity.

19 (b) A person whose prior activities, criminal record, if any,  
20 reputation, habits, and associations do not pose a threat to the public  
21 interest of this state, or to the effective regulation and control of  
22 controlled gambling, or create or enhance the dangers of unsuitable,  
23 unfair, or illegal practices, methods, and activities in the conduct of  
24 controlled gambling or in the carrying on of the business and financial  
25 arrangements incidental thereto.

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

28 16. 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:

\* \* \*

<sup>3</sup> "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.



1 (d) Conviction of the applicant for any misdemeanor involving  
2 dishonesty or moral turpitude within the 10-year period proceeding the  
3 submission of the application, unless the applicant has been granted  
4 relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal  
5 Code; provided, however, that granting of relief pursuant to Section  
6 1203.4, 1203.4a, or 1203.45 of the Penal Code shall not constitute a  
7 limitation on the discretion of the commission under Section 19856 or  
8 affect the applicant's burden under Section 19857.

9  
10  
11 17. California Code of Regulations, title 4, section 12204 provides in part:

12 An applicant shall be ineligible for registration for any of the  
13 following causes:

14 \* \* \*

15 (d) The applicant . . . had an application denied under this  
16 chapter<sup>[4]</sup> of the [Gambling Control] Act.

17 \* \* \*

18 (i) The applicant is ineligible based on any other provision of  
19 law.

20 **CAUSE FOR DENIAL OF LICENSE APPLICATION AND**  
21 **CANCELLATION OF CURRENT REGISTRATION**

22 **(Unqualified for Licensure – Criminal Record)**

23 18. Respondent's license application is subject to denial and her registration is subject to  
24 cancellation pursuant to Business and Professions Code, section 19857, subdivisions (a) and/or  
25 (b), and California Code of Regulations, title 4, sections 12205, subdivision (a), and 12204,  
26 subdivisions (d)<sup>5</sup> and/or (i), in that Respondent lacks the requisite good character, honesty and  
27 integrity, and/or that licensing Respondent poses a threat to the public interests of this state.  
28 Respondent also has shown a disregard for the law and the consequences thereof. Respondent has  
suffered the following criminal convictions.

<sup>4</sup> "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

<sup>5</sup> Respondent has not yet had an application denied. However, should the Commission deny Respondent's application for licensure as pled for by the Complainant in this case, such a denial would provide a contemporaneous basis to cancel Respondent's registration.

1 a. On or about August 15, 2002, Respondent was convicted of two counts of violating  
2 Penal Code section 245, subdivision (a)(1), assault with a deadly weapon – not a firearm, both  
3 misdemeanors and crimes of moral turpitude,<sup>6</sup> in the case of *People v. Karina Patricia Corona*  
4 (Super. Ct. Kern County, 2002, No. BM624039A).

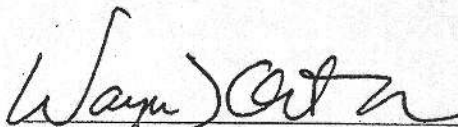
5 b. On or about March 15, 2013, Respondent was convicted of violating Vehicle Code  
6 section 23152, subdivision (a), driving under the influence of alcohol/drugs, a misdemeanor, in the  
7 case of *People v. Karina Patricia Corona* (Super. Ct. Kern County, 2013, No. BM816693A).

8 **PRAYER**

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

- 11 1. Denying Respondent's Application for a Third-Party Proposition Player Services  
12 License to convert her registration as a third-party proposition to a license;
- 13 2. Cancelling Respondent's registration as a third-party proposition player, registration  
14 number TPPL-011145; and
- 15 3. Taking such other and further action as the Commission may deem appropriate.

16  
17 Dated: September 16, 2014

18   
19 Wayne J. Quint, Jr., Chief  
20 Bureau of Gambling Control  
21 California Department of Justice  
22 Complainant

23  
24  
25  
26 <sup>6</sup> Although these were misdemeanor convictions for a crime of moral turpitude, they  
27 occurred prior to the 10-year period preceding the submission of her application for licensure.  
28 Additionally, on or about January 27, 2011, she was granted relief from these convictions pursuant  
to Penal Code section 1203.4. (Bus. & Prof. Code, § 19859, subd. (d).)