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**BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION
STATE OF CALIFORNIA**

**In the Matter of the Statement of Reasons
Against:**

AMBER JEANINE CADENA


Registration number TPPL-013174.

Respondent.

**BGC Case No. BGC-HQ2016-00003SL
CGCC Case No. CGCC-2016-0211-9**

STATEMENT OF REASONS

1 Complainant alleges as follows:

2 **PARTIES**

3 1. Wayne J. Quint, Jr. (Complainant) brings this Statement of Reasons solely in his
4 official capacity as the Chief of the California Department of Justice, Bureau of Gambling
5 Control (Bureau).

6 2. On or about February 11, 2014, Amber Cadena (Respondent) submitted an
7 application for third-party proposition player services registration to the Bureau. Subsequently,
8 on or about February 28, 2014, the California Gambling Control Commission (Commission)
9 issued third-party proposition player services registration number TPPL-013174 to Respondent.
10 Respondent is currently employed as a third-party proposition player by Qualified Player
11 Services, LLC, a licensed third-party provider of proposition player services.

12 3. On or about March 4, 2014, Respondent submitted an Application for Third-Party
13 Proposition Player Services License, together with supplemental information forms (Application),
14 to the Bureau.

15 4. At its February 11, 2016 meeting, the Commission referred consideration of
16 Respondent's Application to an evidentiary hearing. At that same Commission meeting, the
17 Commission determined that Respondent could continue working in her current position as a
18 player for Qualified Player Services, LLC, pending the outcome of the evidentiary hearing.

19 5. On or about February 16, 2016, the Commission notified Respondent of the
20 Commission's decision to refer the matter to an evidentiary hearing. Included with that written
21 notice was a Notice of Defense form for Respondent to complete and return. On or about March
22 8, 2016, the Commission received Respondent's completed Notice of Defense form.

23 6. On or about June 14, 2016, the Commission's Executive Director set the matter for a
24 hearing to be conducted pursuant to Business and Professions Code section 19870, and California
25 Code of Regulations, title 4, section 12056, subdivision (a), and section 12060, subdivision (b).¹

26
27 ¹ The statutes and regulations applicable to this Statement of Reasons are quoted in
28 pertinent part in Appendix A.

1 **FIRST CAUSE FOR DENIAL**

2 **(Conviction of a Crime of Dishonesty or Moral Turpitude)**

3 7. Respondent's Application is subject to denial pursuant to Business and Professions
4 Code section 19857 in that Respondent was convicted of crimes involving dishonesty or moral
5 turpitude. Specifically, on or about December 12, 2003, Respondent was convicted, upon a plea
6 of guilty, of violating Penal Code section 484, theft, a misdemeanor, and Penal Code section
7 490.5, theft of retail merchandise, a misdemeanor, in the case of *People v. Amber Jeanine Cadena*
8 (Super. Ct. San Diego County, 2003, No. CN160017).²

9 **SECOND CAUSE FOR DENIAL**

10 **(Failure to Disclose)**

11 8. Respondent's Application is subject to denial pursuant to Business and Professions
12 Code section 19857 and section 19866 and mandatory denial pursuant to Business and
13 Professions Code section 19859, subdivision (b) in that Respondent failed to disclose the
14 following convictions on her Application:

15 a. On or about February 22, 2006, Respondent was convicted, upon a plea of
16 guilty, of violating Vehicle Code section 14601.1, driving when privilege suspended or revoked, a
17 misdemeanor, in the case of *People v. Amber Jeanine Cadena* (Super. Ct. Riverside County,
18 2006, No. SWM042689).

19 b. On or about October 1, 2004, Respondent was convicted, upon a plea of guilty,
20 of violating Vehicle Code section 12500, subdivision (a), driving without a license, a
21 misdemeanor, in the case of *People v. Amber Jeanine Cadena* (Super. Ct. Riverside County,
22 2004, No. SWM030800).

23 c. On or about December 12, 2003, Respondent was convicted, upon a plea of
24 guilty, of violating Penal Code section 484, theft, a misdemeanor, and Penal Code section 490.5,
25

26 _____
27 ² Although Respondent's conviction was for crimes involving dishonesty or moral
28 turpitude, the conviction occurred more than 10 years prior to the date the Application was
submitted.

1 theft of retail merchandise, a misdemeanor, in the case of *People v. Amber Jeanine Cadena*
2 (Super. Ct. San Diego County, 2003, No. CN160017).

3 **THIRD CAUSE FOR DENIAL**

4 **(Criminal Convictions)**

5 9. Respondent's Application is subject to denial pursuant to Business and Professions
6 Code section 19857 in that Respondent has engaged in illegal behavior, demonstrating a pattern
7 and practice of an inherent willingness to violate the law and a conscious disregard for the health,
8 safety, and welfare of others. Respondent's convictions include:

9 a. On or about February 22, 2006, Respondent was convicted, upon a plea of
10 guilty, of violating Vehicle Code section 14601.1, driving when privilege suspended or revoked, a
11 misdemeanor, in the case of *People v. Amber Jeanine Cadena* (Super. Ct. Riverside County,
12 2006, No. SWM042689).

13 b. On or about September 2, 2005, Respondent was convicted, upon a plea of
14 guilty, of violating Vehicle Code section 14601.1, driving when privilege suspended or revoked, a
15 misdemeanor, in the case of *People v. Amber Jeanine Cadena* (Super. Ct. Riverside County,
16 2005, No. SWM039115).

17 c. On or about October 1, 2004, Respondent was convicted, upon a plea of guilty,
18 of violating Vehicle Code section 12500, subdivision (a), driving without a license, a
19 misdemeanor, in the case of *People v. Amber Jeanine Cadena* (Super. Ct. Riverside County,
20 2004, No. SWM030800).

21 d. On or about December 12, 2003, Respondent was convicted, upon a plea of
22 guilty, of violating Penal Code section 484, theft, a misdemeanor, and Penal Code section 490.5,
23 theft of retail merchandise, a misdemeanor, in the case of *People v. Amber Jeanine Cadena*
24 (Super. Ct. San Diego County, 2003, No. CN160017).

25 **FOURTH CAUSE FOR DENIAL**

26 **(Failure to Pay Court Fines)**

27 10. Respondent's Application is subject to denial pursuant to Business and Professions
28 Code section 19857 in that Respondent has failed to pay numerous court fines, which

1 demonstrates a pattern and practice of disregarding legal authority and exhibits unsuitable
2 character, habits, and behavior. Specifically, Respondent has failed to pay the following fines:

3 a. On or about September 2, 2005, Respondent was convicted, upon a plea of
4 guilty, of violating Vehicle Code section 14601.1, driving when privilege suspended or revoked, a
5 misdemeanor, in the case of *People v. Amber Jeanine Cadena* (Super. Ct. Riverside County,
6 2005, No. SWM039115). As part of her sentence, Respondent was ordered to pay a fine of
7 \$1,453.00. Nearly 11 years later, Respondent has paid only \$650.67 of this amount, leaving a
8 balance of \$802.33 unpaid.

9 b. On or about October 1, 2004, Respondent was convicted, upon a plea of guilty,
10 of violating Vehicle Code section 12500, subdivision (a), driving without a license, a
11 misdemeanor, in the case of *People v. Amber Jeanine Cadena* (Super. Ct. Riverside County,
12 2004, No. SWM030800). As part of her sentence, Respondent was ordered to pay a fine of
13 \$1,117.00.³ Nearly 12 years later, Respondent has paid only \$160.00 of this amount, leaving a
14 balance of \$957.00 unpaid.

15 c. On or about January 28, 2004, Respondent was found guilty of violating
16 Vehicle Code section 27315, failure to wear a seat belt. Respondent was assessed a fine of
17 \$78.18. More than 12 years later, Respondent still has not paid that fine, and the case currently is
18 being handled by a collection agency.

19 d. On or about December 12, 2003, Respondent was convicted, upon a plea of
20 guilty, of violating Penal Code section 484, theft, a misdemeanor, and Penal Code section 490.5,
21 theft of retail merchandise, a misdemeanor, in the case of *People v. Amber Jeanine Cadena*
22 (Super. Ct. San Diego County, 2003, No. CN160017). As part of her sentence, Respondent was
23 ordered to pay a fine of \$810.00. Respondent has paid only \$521.92 of this amount, leaving a
24 balance of \$288.08 unpaid. More than 12 years later, Respondent still has not paid the fine in
25 full, and the case currently is being handled by a collection agency.

26
27 ³ The fine was originally \$1,417.00, but was later reduced to \$1,117.00, because the court
28 had erroneously added \$300.00 to the total.

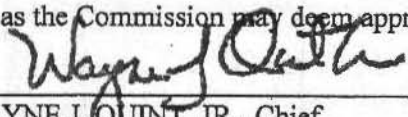
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PRAYER

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;
2. Cancelling Respondent's registration number TPPL-013174; and
3. Taking such other and further action as the Commission may deem appropriate.

Dated: August 19, 2016



WAYNE J. QUINT, JR., Chief
Bureau of Gambling Control
California Department of Justice

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APPENDIX A
JURISDICTION

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

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

2. Business and Professions Code, section 19823 provides:

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

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

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

3. 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,⁴ 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.

⁴ Hereinafter, “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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4. 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.

5. Business and Professions Code, section 19870 provides:

(a) The commission, after considering the recommendation of the chief⁵ 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.

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

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

(e) A decision of the commission denying a 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 1085 of the 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.

6. Business and Professions Code, section 19871 provides:

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

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

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

(A) To call and examine witnesses.

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

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

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

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

5 (E) To offer rebuttal evidence.

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

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

14 (b) Nothing in this section confers upon an applicant a right to discovery of the
15 department's⁶ investigative reports or to require disclosure of any document or
16 information the disclosure of which is otherwise prohibited by any other provision of
17 this chapter.

- 18 7. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in
19 part:

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

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

25 When the Commission has elected to hold a GCA hearing, the Executive Director
26 shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section
27 12052, to the Office of the Attorney General, and to the Bureau no later than 60
28 calendar days in advance of the GCA hearing.

SPECIFIC STATUTORY PROVISIONS

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

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

10. 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:

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

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

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

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

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

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

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

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

19 (c) Conviction of a felony, including a conviction by a federal court or a court in
20 another state for a crime that would constitute a felony if committed in California.

21 (d) Conviction of the applicant for any misdemeanor involving dishonesty or
22 moral turpitude within the 10-year period immediately preceding the submission of
23 the application, unless the applicant has been granted relief pursuant to Section
24 1203.4, 1203.4a, or 1203.45 of the Penal Code; provided, however, that the granting
25 of relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal Code shall not
26 constitute a limitation on the discretion of the commission under Section 19856 or
27 affect the applicant's burden under Section 19857.

28 12. Business and Professions Code section 19866 provides:

An applicant for licensing or for any approval or consent required by this chapter,
shall make full and true disclosure of all 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.

13. California Code of Regulations, title 4, section 12205 provides:

(a) Any regular registration issued in accordance with this chapter⁷ shall be
subject to cancellation pursuant to this section. A registration shall be cancelled if the
Commission determines after a noticed hearing that the registrant is ineligible for
registration, has failed in the application for registration to reveal any fact material to
the holder's qualification for registration, or has supplied information in the
registration application that is untrue or misleading as to a material fact pertaining to
the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set forth in subsection
(a) apply, then the Executive Director shall immediately do all of the following:

⁷ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1,
section 12200 et seq.

1 (1) Provide written notice to the registrant and the Bureau of the
2 cancellation of the registration and the grounds thereof, and provide written notice of
3 the cancellation to the owner, if the registrant is a supervisor, player, or other
4 employee and to any gambling establishment in which the registrant provides
5 proposition player services.

6 (2) Notify the registrant, if an individual, that he or she is required to
7 surrender the registrant's badge to the Commission not more than ten days following
8 the date that the notice of the cancellation was mailed or such greater time as is
9 authorized by the Executive Director.

10 THIRD-PARTY PROPOSITION PLAYER PROVISIONS

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

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

18 15. California Code of Regulations, title 4, section 12200.3, subdivision (g), provides:

19 Registrations, licenses, and badges are specific to the primary owner. Third party
20 proposition player services cannot be provided without first applying for and
21 obtaining a registration, license, or badge.

22 16. California Code of Regulations, title 4, section 12200.7, subdivisions (b)(8) and
23 (b)(9), provide:

24 (b) . . .

25 * * *

26 (8) That proposition player services shall be provided in the gambling
27 establishment only in compliance with laws and regulations pertaining to controlled
28 gambling.

(9) That proposition player services may be provided only by authorized
players with current registration or licensing under this chapter.

17 17. California Code of Regulations, title 4, section 12200.18, subdivisions (a), (b), and
18 (f), provide:

19 The Commission may revoke a registration or license, upon any of the following
20 grounds, after a hearing conducted pursuant to the same procedures applicable to the
21 revocation of a gambling establishment license:

22 (a) The registrant or licensee committed, attempted to commit, or conspired to
23 commit any acts prohibited by the Act⁸ or this chapter.

24 (b) Any act or omission by the registrant that would disqualify the registrant from
25 obtaining registration under this chapter. Any act or omission by the licensee that
26 would disqualify the licensee from obtaining licensing under this chapter.

27 (f) The registrant or licensee concealed or refused to disclose any material fact in
28 any inquiry by the Bureau or the Commission.

⁸ "Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)

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18. California Code of Regulations, title 4, section 12218.11, provides, in part:
A requester shall be ineligible for licensing for any of the following causes:

* * *

(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.

* * *

(i) The requester has failed to comply with one or more of the requirements set forth in paragraphs (8), (9), (15), (16), (17), (18) or (21) of subsection (b) of Section 12200.7 or in paragraph (2) of subsection (c) of Section 12200.7.

(j) The applicant is ineligible based on any other provision of law.