

1 XAVIER BECERRA
Attorney General of California
2 SARA J. DRAKE
Senior Assistant Attorney General
3 T. MICHELLE LAIRD
Supervising Deputy Attorney General
4 THERESE HICKEY
Deputy Attorney General, SBN 237999
5 1300 I Street, Suite 125
P.O. Box 944255
6 Sacramento, CA 94244-2550
Telephone: (916) 210-7835
7 Fax: (916) 327-2319
E-mail: Therese.Hickey@doj.ca.gov
8 *Attorneys for Complainant*



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

13
14 In the Matter of the Statement of Reasons for
Denial of Application for a Third-Party
15 Proposition Player Services License for:

BGC Case No. BGC-HQ2019-00009SL

CGCC Case No: CGCC-2019-0307-8C

16 **ANDREW JOSEPH ARELLANO**
17 [REDACTED]

STATEMENT OF REASONS

18
19 **Respondent.**

20
21 Complainant alleges as follows:

22 **PARTIES**

23 1. Stephanie K. Shimazu (Complainant) brings this Statement of Reasons solely in her
24 official capacity as Director of the California Department of Justice, Bureau of Gambling Control
25 (Bureau).

26 2. On January 13, 2017, the Bureau received an Application for a Third-Party
27 Proposition Player Services License for Supervisor, Player or Other Employee, and a Level I
28 Supplemental Information form, both dated January 5, 2017, from Andrew Joseph Arellano

1 (Respondent).¹ The Application was submitted for the purpose of allowing for Respondent's
2 employment as a third-party proposition player (proposition player) for L. E. Gaming, Inc. (L. E.
3 Gaming). L. E. Gaming is a registered third-party proposition player services provider,
4 registration number TPPP-000118.²

5 3. Respondent has been employed by L. E. Gaming as a proposition player since
6 November 2016. On or about February 8, 2017, the California Gambling Control Commission
7 (Commission) issued Respondent registration number TPPL-018728 for his employment with L.
8 E. Gaming. Respondent's registration expires on December 31, 2020.

9 4. On or about January 30, 2019, the Bureau submitted a Third-Party Player Background
10 Investigation Report to the Commission, in which the Bureau recommended that the Commission
11 deny Respondent's Application.

12 5. At its March 7, 2019 meeting, the Commission referred consideration of
13 Respondent's Application to an evidentiary hearing to be held pursuant to California Code of
14 Regulations, title 4, section 12060.³

15 6. On March 12, 2019, the Commission's Deputy Director, Licensing Division, advised
16 Respondent by letter that an evidentiary hearing on his Application would be conducted pursuant
17 to California Code of Regulations, title 4, section 12060. At the same time, a blank Notice of
18 Defense form was provided to Respondent.

19 7. Respondent failed to return a completed Notice of Defense form within fifteen days
20 of receipt of the Commission's March 12, 2019 letter.

21
22 ¹ The Application for a Third-Party Proposition Player Services License for Supervisor,
23 Player or Other Employee and the Level I Supplemental Information form are herein referred to
collectively as the Application.

24 ² Respondent is required to convert his registration to a license and submit an application
25 for such licensure pursuant to California Code of Regulations, title 4, sections 12205.1 and
26 12218, because L. E. Gaming, Inc. was summoned on January 28, 2015, to submit an application
to convert its registration to a license.

27 ³ The statutes and regulations applicable to this Statement of Reasons are quoted in
28 pertinent part in the Appendix.

1 a. On March 9, 2010, Respondent was convicted in the State of Nevada of
2 violating Nevada Revised Statutes section 484.361, a misdemeanor crime, in *The State of Nevada*
3 *v. Andrew Joseph Arellano* (Nev., Reno J. Ct., 2010, No. 00295392).

4 b. On March 9, 2010, Respondent plead guilty and was convicted in the State of
5 Nevada of violating Nevada Revised Statutes section 205.130, drawing and passing a check
6 without sufficient funds with the intent to defraud, a misdemeanor crime of moral turpitude, in
7 *The State of Nevada v. Andrew Joseph Arellano* (Nev., 2d Jud. Dist., Ct. Washoe County, 2010,
8 No. RCR-2009-050098). As a result of this conviction, Respondent was sentenced to pay \$230
9 in restitution and approximately \$300 in fees and fines.

10 16. Respondent's convictions occurred within the 10-year period immediately prior to the
11 submission of his Application and he has not obtained relief from either conviction pursuant to
12 Penal Code sections 1203.4, 1203.4a, or 1203.45, or their Nevada equivalents.

13 17. Respondent's Application is subject to mandatory denial because he was convicted of
14 a crime of dishonesty or moral turpitude within the 10 years prior to the submission of his
15 Application. In addition, Respondent's criminal history demonstrates he lacks good character,
16 honesty and integrity. Respondent poses a threat to the effective regulation of controlled
17 gambling because his criminal history demonstrates a pattern and practice of disregarding the
18 law.
19 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b) & 19859, subds. (a), (b) & (d); Cal. Code.
20 Regs., tit. 4, §§ 12200.18, subds. (a) & (b), 12205 & 12218.11, subds. (c), (e) & (f).)

21 **SECOND CAUSE FOR DENIAL**

22 **(Failure to Disclose Criminal History)**

23 18. Respondent's Application is subject to denial and his registration is subject to
24 revocation or cancellation because he failed to disclose material information to the Bureau in
25 connection with its investigation. Specifically, Respondent, under penalty of perjury, falsely and
26 affirmatively stated on his application that he had not been convicted of any misdemeanors within
27 the last ten years, that he had never been engaged in any act involving dishonesty or moral
28 turpitude charged or chargeable as a criminal offense, and that he had not been convicted of an

1 offense involving dishonesty or moral turpitude. In fact, Respondent had been convicted of two
2 misdemeanor crimes, one of which was a crime of dishonesty or moral turpitude. Respondent
3 failed to disclose material information about his criminal history as follows:

4 a. On March 9, 2010, Respondent was convicted in the State of Nevada of
5 violating Nevada Revised Statutes section 484.361, a misdemeanor crime, in *The State of Nevada*
6 *v. Andrew Joseph Arellano* (Nev., Reno J. Ct., 2010).

7 b. On March 9, 2010, Respondent plead guilty and was convicted in the State of
8 Nevada of violating Nevada Revised Statutes section 205.130, drawing and passing a check
9 without sufficient funds with the intent to defraud, a misdemeanor crime of moral turpitude, in
10 *The State of Nevada v. Andrew Joseph Arellano* (Nev., 2d Jud. Dist., Ct. Washoe County, 2010,
11 No. RCR-2009-050098).

12 19. Respondent's failure to disclose material information to the Bureau reflects he lacks
13 requisite good character, honesty and integrity and poses a threat to the effective regulation and
14 control of controlled gambling. In addition, Respondent's application is subject to denial because
15 he supplied information that was untrue or misleading as to material facts regarding his
16 qualification for a license.


17 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), & 19859, subds. (a) & (b); Cal. Code.
18 Regs., tit. 4, §§ 12200.18, subds. (a) & (b), & 12218.11, subds. (e), (f) & (j).)

19 **PRAYER**

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

- 22 1. Denying Respondent's Application for a third-party proposition player license;
23 2. Revoking or Cancelling Respondent's registration, number TPPL-018728; and
24 3. Taking such other and further action as the Commission may deem appropriate.

25 Dated: January 10, 2020

26 
27 _____
28 STEPHANIE K. SHIMAZU, Director
Bureau of Gambling Control
California Department of Justice
Complainant

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

APPENDIX
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

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

1 commission may condition, restrict, discipline, or take action
2 against the license of an individual owner endorsed on the license
3 certificate of the gambling enterprise whether or not the
4 commission takes action against the license of the gambling
5 enterprise.

6 * * *

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

10 4. Business and Professions Code, section 19853, subdivision (a), provides, in part:

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

15 * * *

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

18 5. Business and Professions Code, section 19870 provides:

19 (a) The commission, after considering the recommendation of the
20 chief^[5] and any other testimony and written comments as may be
21 presented at the meeting, or as may have been submitted in writing to
22 the commission prior to the meeting, may either deny the application or
23 grant a license to an applicant who it determines to be qualified to hold
24 the license.

25 (b) When the commission grants an application for a license or
26 approval, the commission may limit or place restrictions thereon as it
27 may deem necessary in the public interest, consistent with the policies
28 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

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

1 court finds that the action of the commission was arbitrary and
2 capricious, or that the action exceeded the commission's jurisdiction.

3 6. Business and Professions Code, section 19871 provides:

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

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

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

10 (A) To call and examine witnesses.

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

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

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

18 (E) To offer rebuttal evidence.

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

22 (4) The meeting need not be conducted according to
23 technical rules relating to evidence and witnesses. Any relevant
24 evidence may be considered, and is sufficient in itself to support a
25 finding, if it is the sort of evidence on which responsible persons
26 are accustomed to rely in the conduct of serious affairs, regardless
27 of the existence of any common law or statutory rule that might
28 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 disclosure of which is
otherwise prohibited by any other provision of this chapter.

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

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

1 The commission shall establish reasonable criteria for, and require
2 the licensure and registration of, any person or entity that provides
3 proposition player services to gambling establishments pursuant to this
4 section, including owners, supervisors, and players The
5 commission may impose licensing requirements, disclosures,
6 approvals, conditions, or limitations as it deems necessary to protect
7 the integrity of controlled gambling in this state

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

10 If the Commission elects to hold an evidentiary hearing, the
11 hearing will be conducted as a GCA hearing under Section 12060,
12 unless the Executive Director or the Commission determines the
13 hearing should be conducted as an APA hearing under Section
14 12058

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

16 (a) If the Executive Director determines it is appropriate, he or he
17 may set an application for consideration at a GCA hearing in advance
18 of a meeting pursuant to Section 12054. The Executive Director shall
19 give notice to the applicant, pursuant to paragraph (2) subsection (c) of
20 Section 12052, to the Office of the Attorney General, and to the Bureau
21 no later than 90 calendar days in advance of the GCA hearing. The
22 Executive Director's determination will be based on information
23 contained in the Bureau's report or other appropriate sources including,
24 without limitation, a request from the Bureau or applicant as well as the
25 Commission's operational considerations. The Commission retains the
26 authority to refer the matter to an APA hearing pursuant to subsection
27 (a) of Section 12056 or hear the matter at a Section 12054 meeting if
28 the Commission deems it appropriate.

 (b) When the Commission has elected to hold a GCA hearing, the
Executive Director shall 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.

 (c) The presiding officer shall have no communication with the
Commission or Commission staff upon the merits, or upon information
or documents related to the application prior to the evidentiary hearing.
The Executive Director shall designate a presiding officer which shall
be:

- (1) A member of the Commission's legal staff; or,
- (2) An Administrative Law Judge.

1 (d) The applicant or the complainant, or the applicant and the
2 complainant, may request a continuance in writing to the Executive
3 Director stating the reason for the continuance and any proposed future
4 hearing dates. The Executive Director or Commission may approve the
5 request.

6 (e) The complainant shall provide to the applicant, at least 45
7 calendar days prior to the GCA hearing, and the applicant shall provide to
8 the complainant, at least 30 calendar days prior to the GCA hearing, the
9 following items:

10 (1) A list of potential witnesses with the general subject of
11 the testimony of each witness;

12 (2) Copies of all documentary evidence intended to be
13 introduced at the hearing and not previously provided;

14 (3) Reports or statements of parties and witnesses, if
15 available; and

16 (4) All other written comments or writings containing
17 relevant evidence.

18 (f) A presiding officer shall rule on the admissibility of evidence
19 and on any objections raised except for objections raised under
20 subsection (g). A ruling by the presiding officer shall be final.

21 (1) In advance of the GCA hearing, upon a motion of a
22 party or by order of the presiding officer, the presiding officer
23 may conduct a pre-hearing conference, either in person, via
24 teleconference, or by email exchange, subject to the presiding
25 officer's availability and shall issue a pre-hearing order if
26 appropriate or requested by either party. The pre-hearing
27 conference and order may address the following:

28 (A) Evidentiary issues;

(B) Witness and exhibit lists;

(C) Alterations in the Bureau recommendation;

(D) Stipulation for undisputed facts including the
admission of the Bureau's report; and

(E) Other issues that may be deemed appropriate to
promote the orderly and prompt conduct of the hearing.

1 (2) The GCA hearing need not be conducted according to
2 technical rules of evidence. Any relevant evidence may be
3 considered, and is sufficient in itself to support findings if it is the
4 sort of evidence on which reasonable persons are accustomed to
5 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.

6 (g) The Commission may, at any time upon a showing of
7 prejudice by the objecting party:

8 (1) Prohibit the testimony of any witness or the
9 introduction of any documentary evidence that has not been
disclosed pursuant to subsection (e); or

10 (2) Continue any meeting or hearing as necessary to
11 mitigate any prejudice.

12 (h) The complainant shall present all facts and information in the
13 Bureau report, if any, and the results of the Bureau's background
14 investigation, and the basis for any recommendation, if the Bureau filed
15 one with the Commission according to Business and Professions Code
16 section 19868, to enable the Commission to make an informed decision
on whether the applicant has met his, his, or its burden of proof. The
complainant may but is not required to recommend or seek any
particular outcome during the evidentiary hearing, unless it so chooses.

17 (i) The burden of proof is on the applicant at all times to prove his,
18 his, or its qualifications to receive any license or other approval under
the Act.

19 (j) The applicant may choose to represent himself, herself, or
20 itself, or may retain an attorney or lay representative.

21 (k) Except as otherwise provided in subsection (g), the
22 complainant and applicant shall have the right to call and examine
23 witnesses under oath; to introduce relevant exhibits and documentary
24 evidence; to cross-examine opposing witnesses on any relevant matter,
even if the matter was not covered in direct examination; to impeach
25 any witness, regardless of which party first called the witness to testify;
26 and to offer rebuttal evidence. If the applicant does not testify on his,
his or its own behalf, the applicant may be called and examined, under
27 oath, as if under cross-examination.
28

1 (l) Oral evidence shall be taken upon oath or affirmation, which
2 may be administered by the Executive Director, a member of the
3 Commission, or the presiding officer, if an Administrative Law Judge.

4 (m) At the conclusion of the evidentiary hearing, the members of
5 the Commission shall take the matter under submission, may discuss
6 the matter in a closed session meeting, and may schedule future closed
7 session meetings for deliberation.

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

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

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

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

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

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

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

12. California Code of Regulations, title 4, section 12205.1, provides:

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

1 (a) As expeditiously as possible in light of available program
2 resources, the Bureau shall summon persons registered as primary
3 owners, owners, supervisors, players, and other employees for the
4 purpose of applying for licenses under this chapter. The registration of
5 any registrant that fails or refuses to submit the applicable Application
6 for Third Party Proposition Player Services License for Business
7 Entities and Owners (BGC-433 (Rev. 10/17)) or Application for Third-
8 Party Proposition Player Services License for Supervisors, Players or
9 Other Employees (BGC-434 (Rev. 10/17)), which are hereby
10 incorporated by reference, including any fees to the Bureau within 30
11 days of receiving a summons shall expire by operation of law on the
12 following day. Prior to and during review of a request to convert a
13 registration to a license, a registration shall remain valid and may be
14 renewed by the registrant as necessary, upon application and approval
15 of renewal of registration as provided in Section 12203A.

16 (b) Any person who became affiliated with a primary owner
17 following receipt of a summons from the Bureau shall apply for
18 registration pursuant to this chapter and shall be called forward by the
19 Bureau expeditiously.

20 (c) If the registration expires by operation of law, the former
21 registrant shall submit a new Application for Third Party Proposition
22 Player Services License for Business Entities and Owners (BGC-433)
23 or Application for Third-Party Proposition Player Services License for
24 Supervisors, Players or Other Employees (BGC-434), which are
25 referenced in subsection (a), and a new nonrefundable application fee
26 as specified in paragraph (1), and the applicable additional fee specified
27 in paragraph (3), (4), or (5) of subsection (d) of Section 12008.

28 13. California Code of Regulations, title 4, section 12218 provides:

(a) A request to convert a registration to a license shall be
submitted to the Bureau only in response to a written summons to a
primary owner pursuant to Section 12205.1. Each primary owner's
request shall be accompanied by the requests of all affiliated owners,
supervisors, players, and other employees.

(b) The request to convert a registration to a license shall designate
whether the license is requested as a primary owner, owner, supervisor,
player, or other employee. The request shall be signed by the
individual requester or, if the requester is a business entity, by the chief
executive officer or other designated officer of the business entity.

(c) The request to convert a registration to a license shall include
all of the following:

1 (1) A completed Application for Third Party Proposition
2 Player Services License for Business Entities and Owners (BGC-
3 433) or Application for Third-Party Proposition Player Services
4 License for Supervisors, Players or Other Employees (BGC-
5 434), referenced in Section 12205.1.

6 (2) If applicable, the Trust Supplemental Background
7 Investigation Information, BGC-APP-143 (Rev. 05/08),
8 referenced in Section 12342 of this division.

9 (3) The applicable nonrefundable application fee in the
10 amount specified in subsection (d) of Section 12008.

11 (4) Two 2x2 inch color passport-style photographs of a
12 requester that is an individual taken no more than one year
13 before submission of the request to the Bureau.

14 (5) The supplemental information package as defined in
15 Section 12200(b).

16 (6) A sum of money that, in the judgment of the Chief of
17 the Bureau, will be adequate to pay the anticipated investigation
18 and processing costs, in accordance with Business and
19 Professions Code sections 19867 and 19984(c).

20 (7) A copy of the summons issued by the Bureau.

21 (d) Nothing in this chapter shall require the Commission or
22 Bureau to divulge to the requester any confidential information
23 received from any law enforcement agency or any information
24 received from any person with assurances that the information would
25 be maintained as confidential. Nothing in this chapter shall require the
26 Commission or Bureau to divulge any information that might reveal
27 the identity of any source of information or jeopardize the safety of
28 any person.

SPECIFIC STATUTORY PROVISIONS

14. 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 his qualifications to receive any license is on the applicant.

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

3 (c) In reviewing an application for any license, the commission shall
4 consider whether issuance of the license is inimical to public health,
5 safety, or welfare, and whether issuance of the license will undermine
6 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.

7 15. Business and Professions Code, section 19857 provides:

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

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

11 (b) A person whose prior activities, criminal record, if any,
12 reputation, habits, and associations do not pose a threat to the
13 public interest of this state, or to the effective regulation and
14 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.

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

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

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

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

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

25 * * *

26 (d) Conviction of the applicant for any misdemeanor
27 involving dishonesty or moral turpitude within the 10-year period
28 immediately preceding the submission of the application, unless the
applicant has been granted relief pursuant to Section 1203.4,
1203.4a, or 1203.45 of the Penal Code; provided, however, that the

1 granting of relief pursuant to Section 1203.4, 1203.4a, or 1203.45
2 of the Penal Code shall not constitute a limitation on the discretion
3 of the commission under Section 19856 or affect the applicant's
burden under Section 19857.

4 17. Business and Professions Code section 19866 provides:

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

8
9 18. California Code of Regulations, title 4, section 12200.18, provides, in part:

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

12 (a) The registrant or licensee committed, attempted to
13 commit, or conspired to commit any acts prohibited by the Act^[8]
or this chapter.

14 (b) Any act or omission by the registrant that would
15 disqualify the registrant from obtaining registration under this
chapter. Any act or omission by the licensee that would disqualify
16 the licensee from obtaining licensing under this chapter.

17 * * *

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

20 19. California Code of Regulations, title 4, section 12218.11, provides, in part:

21 A requester shall be ineligible for licensing for any of the
22 following causes:

* * *

23 (c) The requester has, within the ten (10) year period immediately preceding the
24 submission of the request to convert, been convicted of a misdemeanor involving a firearm or
25 other deadly weapon, gaming or gaming-related activities . . . violations of the Act, or dishonesty
26 or moral turpitude, unless the applicant has been granted relief pursuant to Penal Code section
1203.4, 1203.4a, or 1203.45, provided, however, that the granting of relief pursuant to Penal
Code section 1203.4, 1203.4a, or 1203.45 shall not constitute a limitation on the discretion of the
Commission.

27 * * *

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).