

RECEIVED BY
CGCC LEGAL DIVISION

2013 MAR 14 PM 2: 55

1 KAMALA D. HARRIS
Attorney General of California
2 SARA J. DRAKE
Senior Assistant Attorney General
3 RONALD L. DIEDRICH
Deputy Attorney General, SBN 95146
4 1300 I Street, Suite 125
P.O. Box 944255
5 Sacramento, CA 94244-2550
Telephone: (916) 322-1043
6 Fax: (916) 327-2319
E-mail: Ronald.Diedrich@doj.ca.gov
7 *Attorneys for Complainant*

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

12
13 **In the Matter of the Statement of Reasons**
14 **for Denial of License Applications and**
15 **Cancelation of Registrations Regarding:**

16 **SAMNANG PHOUNG**
17 

18 **Registration Nos. TPSU-000222 (TP)**
19 **TPSU-000207 (GB)**

20 **Respondent.**

BGC Case No. BGC-HQ2012-00008AL
CGCC Case No: CGCC-2012-0702

FIRST AMENDED STATEMENT OF
REASONS

Hearing Date: March 12 - 14, 2013
Time: 10:00 a.m.

21
22 Complainant alleges as follows:

23 **PARTIES**

24 1. Wayne J. Quint, Jr., (Complainant) brings this First Amended Statement of Reasons
25 for Denial of License Applications and Cancelation of Registrations solely in his official capacity
26 as the Chief of the California Department of Justice, Bureau of Gambling Control (Bureau).

27 2. Samnang Phoung (Respondent) holds a registration as a third-party proposition player
28 supervisor, registration number TPSU-000222. He is employed in that capacity by Premier Player

1 Providers, Inc., (Premier), a licensed provider of third-party proposition player services, license
2 number TPPP-000040. Respondent's registration as a third-party proposition player supervisor
3 will expire on September 15, 2013, unless renewed.

4 3. Respondent holds a registration as a gambling business supervisor, registration number
5 TPSU-000207 as well. He is also employed by Premier as part of its licensed gambling business,
6 license number TPPP-000041. Respondent's registration as a gambling business supervisor will
7 expire on September 15, 2013, unless renewed.

8 4. On or about August 25, 2010, the Bureau received an Application for a Third-Party
9 Proposition Player Services License, application number 56066, submitted by Respondent to
10 convert his registration as a third-party proposition player supervisor to a license.¹

11 5. On or about August 23, 2010, the California Gambling Control Commission
12 (Commission) received an Application for a State Gambling Business License, application number
13 56067, submitted by Respondent to convert his registration as a gambling business supervisor to a
14 license.²

15 6. At its July 26, 2012 meeting, the Commission denied both of Respondent's
16 applications for licensure. Respondent then requested an administrative hearing to appeal the
17 Commission's denials.

18 7. On or about September 7, 2012, pursuant to California Code of Regulations, title 4,
19 section 12050, subdivision (b), the Executive Director of the Commission set the matter for a
20 hearing to be conducted pursuant to the provisions of Business and Professions Code sections
21 19870 and 19871.

22
23
24
25 ¹ Respondent was required to submit a request to convert his registration as a third-party
26 proposition player supervisor to a license pursuant to Business and Professions Code section
19984, and California Code of Regulations, title 4, sections 12205.1 and 12218.

27 ² Respondent was required to submit a request to convert his registration as a gambling
28 business supervisor to a license pursuant to Business and Professions Code section 19984,
subdivision (a)(3), and California Code of Regulations, title 4, sections 12225.1 and 12233.

JURISDICTION

8. 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.

9. 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 whose operations 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.

10. Business and Professions Code section 19876 provides in part:

(a) Subject to the power of the commission to deny, revoke, suspend, condition, or limit any license, as provided in this chapter³, a license shall be renewed biennially.

11. 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

³ "Chapter" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)

1 this chapter, including, without limitation, the power to do all of the
2 following:

3 * * *

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

13 * * *

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

17 12. Business and Professions Code section 19870 provides:

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

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

28 (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

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

3 13. 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 affirmation.

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

9 (A) To call and examine witnesses.

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

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

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

16 (E) To offer rebuttal evidence.

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

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

27 (b) Nothing in this section confers upon an applicant a right to
28 discovery of the department's⁴ 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.

⁴ "Department" refers to the Department of Justice, Bureau of Gambling Control. (Bus. & Prof. Code, § 19805, subd. (h).)

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

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

7 15. Business and Professions Code section 19853, subdivision (a)(3), 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:

11 * * *

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

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

15 Any regular registration [as a third-party proposition player
16 supervisor] issued in accordance with this chapter⁵ shall be subject to
17 cancellation pursuant to this section. A registration shall be cancelled if
18 the Commission determines after a noticed hearing that the registrant is
19 ineligible for registration, has failed in an application for registration to
20 reveal a fact material to the holder's qualification for registration, or has
21 supplied information in the registration application that is untrue or
22 misleading as to a material fact pertaining to the criteria for issuance of
23 registration.

21 17. California Code of Regulations, title 4, section 12225, subdivision (a), provides:

22 Any regular registration [as a gambling business] issued in
23 accordance with this chapter⁶ shall be subject to cancellation pursuant
24 to this section. A registration shall be cancelled if the Commission
25 determines after a noticed hearing that the registrant is ineligible for
26 registration, has failed in an application for registration to reveal a fact

26 ⁵ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1,
27 section 12200 et seq.

28 ⁶ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.2,
section 12220 et seq.

1 material to the holder's qualification for registration, or has supplied
2 information in the registration application that is untrue or misleading as
3 to a material fact pertaining to the criteria for issuance of registration.

4 **COST RECOVERY**

5 18. Business and Professions Code section 19930 provides in part:

6 (d) In any case in which the administrative law judge recommends
7 that the commission revoke, suspend, or deny a license, the administrative
8 law judge may, upon presentation of suitable proof, order the licensee or
9 applicant for a license to pay the department the reasonable costs of the
10 investigation and prosecution of the case.

11 * * *

12 (f) For purposes of this section, "costs" include costs incurred for any
13 of the following:

14 (1) The investigation of the case by the department.

15 (2) The preparation and prosecution of the case by the
16 Office of the Attorney General.

17 **SPECIFIC STATUTORY AND REGULATORY PROVISIONS**

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

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

21 20. Business and Professions Code section 19857 provides:

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

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

26 (b) A person whose prior activities, criminal record, if any,
27 reputation, habits, and associations do not pose a threat to the public
28 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.

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

3 21. Business and Professions Code section 19859 provides in part:

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

6 (a) Failure of the applicant to clearly establish eligibility and
7 qualifications in accordance with this chapter.^[7]

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

13 * * *

14 (d) Conviction of the applicant for any misdemeanor involving
15 dishonesty or moral turpitude within the 10-year period proceeding the
16 submission of the application, unless the applicant has been granted
17 relief pursuant to Section 1203.4, 1203.4a, or 1203.45 of the Penal
18 Code; provided, however, that granting of relief pursuant to Section
19 1203.4, 1203.4a, or 1203.45 of the Penal Code shall not constitute a
20 limitation on the discretion of the commission under Section 19856 or
21 affect the applicant's burden under Section 19857.

22 22. Business and Professions Code section 19866 provides:

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

28 **THIRD-PARTY PROPOSITION PLAYER SUPERVISOR**

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

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

27 ⁷ "Chapter" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800-et seq.)

1 24. California Code of Regulations, title 4, section 12200.7, subdivision (b), provides in
2 part that proposition player contracts must require:

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

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

9 25. California Code of Regulations, title 4, section 12200.18, provides:

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

14 (a) The registrant or licensee committed, attempted to commit, or
15 conspired to commit any acts prohibited by the Act⁸ or this chapter.⁹

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

20 * * *

21 (f) The registrant or licensee failed or refused to disclose any
22 material fact in any inquiry by the Bureau or Commission.

23 26. California Code of Regulations, title 4, section 12201, subdivision (a), provides:

24 On or after March 31, 2004, in addition to the requirements of
25 Section 12200.9(a)(1), no person may provide proposition player
26 services or obtain a badge, as required by Section 12200.3, without a
27 current valid registration issued by the Commission.
28

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

27 ⁹ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1,
28 section 12200 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

27. California Code of Regulations, title 4, section 12202, subdivision (d), provides:

An applicant for registration [as a third-party proposition player supervisor] or for any approval required by this chapter¹⁰ shall make full and true disclosure of all information to the Commission and Bureau as required for the application and as requested by the Commission or Bureau to carry out the policies of this state relating to controlled gambling.

28. California Code of Regulations, title 4, section 12218.11, provides in pertinent part:

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

* * *

(c) The requester has, within the ten (10) year period immediately preceding the submission of the request to convert, been convicted of a misdemeanor involving . . . moral turpitude, unless the applicant has been granted relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, provided, however, that granting relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, shall not constitute a limitation on the discretion of the Commission.

* * *

(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).

* * *

(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) and subsection(e) of Section 12200.7.

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

¹⁰ "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.1, section 12200 et seq.

GAMBLING BUSINESS SUPERVISOR

29. California Code of Regulations, title 4, section 12220.3, subdivision (g), provides:

Registrations, licenses and badges are specific to the primary owner. A gambling business cannot be operated without first applying for and obtaining a registration, license, or badge.

30. California Code of Regulations, title 4, section 12220.18, provides in pertinent part:

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

(a) The registrant or licensee committed, attempted to commit, or conspired to commit any acts prohibited by the Act^[11] or this chapter.^[12]

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

* * *

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

31. California Code of Regulations, title 4, section 12222, subdivision (d) provides:

An applicant for registration shall make full and true disclosure of all information to the Commission and Bureau as required for the application and as requested by the Commission or Bureau to carry out the policies of this state relating to controlled gambling.

32. California Code of Regulations, title 4, section 12224, provides in pertinent part:

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

* * *

¹¹ "Act" refers to the "Gambling Control Act." (Bus. & Prof. Code, § 19800 et seq.)

¹² "Chapter" refers to California Code of Regulations, title 4, division 18, chapter 2.2, section 12220 et seq.

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

4 * * *

5 (g) The applicant is ineligible based on any other provision of
6 law.

7 33. California Code of Regulations, title 4, section 12225, subdivision (a) provides:

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

16 34. California Code of Regulations, title 4, section 12236, provides in pertinent part:

17 A requester shall be ineligible for licensing for any of the
18 following causes:

19 * * *

20 (c) The requester has, within the ten (10) year period
21 immediately preceding the submission of the request to convert, been
22 convicted of a misdemeanor involving . . . moral turpitude, unless the
23 applicant has been granted relief pursuant to Penal Code section
24 1203.4, 1203.4a, or 1203.45, provided, however, that granting relief
25 pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, shall not
26 constitute a limitation on the discretion of the Commission.

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).

* * *

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

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

**FIRST CAUSE FOR DENIAL OF LICENSE APPLICATIONS
AND CANCELATION OF CURRENT REGISTRATIONS**

(Criminal Conviction – Crime of Moral Turpitude)

35. Respondent's license applications are subject to denial and his registrations are subject to cancelation pursuant to Business and Professions Code sections 19857, subdivision (b), and 19859, subdivision (d), and California Code of Regulations, title 4, sections 12200.18, subdivision (a), 12218.11, 12220.18, and 12225, subdivision (a), in that on or about October 26, 2004, Respondent was convicted of violating Penal Code section 273.5, subdivision (a), willful infliction of corporal injury on a spouse, a misdemeanor and crime of moral turpitude in the case of *People v. Samnang Phoung* (Super. Ct. San Joaquin County, 2004, No. SM228247A). Although Respondent's conviction was expunged on or about October 31, 2008, pursuant to Penal Code section 1203.4, the Commission still has the discretion to deny Respondent's license applications and cancel his registrations based upon this conviction.

**SECOND CAUSE FOR DENIAL OF LICENSE APPLICATIONS
AND CANCELATION OF CURRENT REGISTRATIONS**

(Criminal Convictions – Unqualified for Licensure)

36. Respondent's license applications are subject to denial and his registrations are subject to cancelation pursuant to Business and Professions Code sections 19857, subdivision (b), and California Code of Regulations, title 4, sections 12200.18, subdivision (a), 12218.11, subdivision (e), 12220.18, subdivision (a), 12225, subdivision (a), and 12236, subdivision (e), in that Respondent's prior activities and criminal record demonstrate that Respondent poses 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. In addition to the October 2004 criminal conviction plead above and incorporated herein by reference, on or about May 17, 1999, Respondent was convicted of violating Penal Code section 415, fighting, a misdemeanor, in the case of *People v. Samnang Phoung* (Super. Ct. San Joaquin County, 2004, No. SM207085A). Although Respondent's

1 conviction was expunged on or about October 31, 2008, pursuant to Penal Code section 1203.4,¹³
2 the Commission still has the discretion to deny Respondent's license applications and cancel his
3 registrations based upon these convictions.

4 **THIRD CAUSE FOR DENIAL OF LICENSE APPLICATIONS**
5 **AND CANCELATION OF CURRENT REGISTRATIONS**

6 **(Failure to Disclose Criminal Conviction)**

7 37. Respondent's license applications are subject to denial and his registrations are subject
8 to cancelation pursuant to Business and Professions Code sections 19857, subdivision (a), 19859,
9 subdivision (b), and 19866, and California Code of Regulations, title 4, sections 12200.18,
10 subdivisions (a), (b) and (f), 12202, subdivision (d), 12218.11, subdivisions (e), (f) and (j),
11 12220.18, subdivisions (a), (b) and (f), 12222, subdivision (d), 12224, subdivisions (e) and (g), and
12 12225, subdivisions, (a), (e), (f) and (h), in that on multiple occasions, under penalty of perjury,
13 Respondent dishonestly and falsely responded "No" when asked either if within the last ten years
14 he had ever been convicted of a misdemeanor involving moral turpitude or if he had ever been
15 convicted of an offense involving moral turpitude.

16 a. Prior to the October 2008 expungement of his October 2004 criminal conviction as
17 pled above and incorporated herein by reference, those occasions include the following:

- 18 (1) In response to question 2 on the Third Party Proposition Players Services
19 Registration Supplemental Information (CGCC-436) form, which Respondent
20 submitted to the Commission on or about February 3, 2005 in furtherance of the
21 Application for Third Party Proposition Player Services Registration (CGCC-
22 435) he submitted to the Commission for Registration number TPPL-000903.
- 23 (2) In response to question E in section 3 on the Level II Supplemental Information
24 form, which Respondent submitted to the Commission on or about February 20,
25 2007, in furtherance of the Request for Conversion of a Third Party Proposition
26

27 ¹³ Respondent's May 17, 1999 conviction and his October 26, 2004 conviction were both
28 expunged on October 31, 2008.

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

Players Services Registration to a License (CGCC-437) he submitted to the Commission for Registration number TPSU-000222.

(3) In response to question E in section 3 on the Level II Supplemental Information form, which Respondent submitted to the Commission on or about March 9, 2007, in furtherance of the Request for Conversion of a Gambling Business Registration to a License (CGCC-537) he submitted to the Commission for Registration number TPSU-000207.

(4) In response to question 5 in section 4 on the Level I Supplemental Information form, which Respondent submitted to the Bureau on or about March 19, 2007, in furtherance of the Request for Conversion of a Third Party Proposition Players Services Registration to a License (CGCC-437) he submitted to the Commission for Registration number TPSU-000206.

(5) In response to question 2 on the Third Party Proposition Players Services Registration Supplemental Information (CGCC-436) form, which Respondent submitted to the Commission on or about February 23, 2008 in furtherance of the Application for Third Party Proposition Player Services Registration (CGCC-435) he submitted to the Commission for Registration number TPPL-005213.

(6) In response to question 2 on the Gambling Business Registration Supplemental Information (CGCC-536) form, which Respondent submitted to the Commission on or about February 26, 2008 in furtherance of the Application for a Gambling Business License (CGCC-535) he submitted to the Commission for Registration number TPSU-000207.

b. Subsequent to the October 2008 expungement of his October 2004 criminal conviction as pled above and incorporated herein by reference, those occasions include the following:¹⁴

¹⁴ Respondent was aware that that he had been convicted of a crime of moral turpitude and that it was required to be reported to the Commission and Bureau as part of the application process. On two occasions after October 2008 Respondent disclosed on his Level I Supplemental Information form that he had been convicted of an offense involving moral turpitude by answering question 5 of section 4 "yes." That occurred on or about September 15, 2009, in furtherance of the Request for Conversion of a Third Party Proposition Player Services Registration to a License

(continued...)

- 1 (1) In response to question 2 on the Third Party Proposition Players Services
2 Registration Supplemental Information (CGCC-436) form, which Respondent
3 submitted to the Commission on or about August 31, 2009, in furtherance of the
4 Application for Third Party Proposition Player Services Registration (CGCC-
5 435) he submitted to the Commission for Registration number TPPL-006852.
- 6 (2) In response to question E in section 3 on the Level II Supplemental Information
7 form, which Respondent submitted to the Bureau on or about August 25, 2010,
8 in furtherance of the Application for Third-Party Proposition Players Services
9 License for Supervisor, Player or Other Employee CGCC-437 (New 05-09) he
10 submitted to the Commission for Registration number TPSU-000222.
- 11 (3) In response to question 2 on the Third Party Proposition Players Services
12 Registration Supplemental Information (CGCC-436) form, which Respondent
13 submitted to the Commission on or about May 16, 2011, in furtherance of the
14 Application for Third Party Proposition Player Services Registration (CGCC-
15 435) he submitted to the Commission for Registration number TPPL-000222.
- 16 (4) In response to question 2 on the Third Party Proposition Players Services
17 Registration Supplemental Information (CGCC-436) form, which Respondent
18 submitted to the Commission on or about May 16, 2011, in furtherance of the
19 Application for Gambling Business Registration (CGCC-535) he submitted to
20 the Commission for Registration number TPSU-000207.
- 21 (5) In response to question 2 on the Third Party Proposition Players Services
22 Registration Supplemental Information CGCC-436 form, which Respondent
23 submitted to the Commission on or about July 26, 2012, in furtherance of the
24

25 _____
26 (...continued)

27 (CGCC-437) he submitted to the Commission for Registration number TPPL-006852, and again
28 on or about May 20, 2010, in furtherance of the Request for Conversion of a Third Party
Proposition Player Services Registration to a License (CGCC-437) he submitted to the
Commission for Registration number TPPL-007063.

1 Application for Third Party Proposition Player Services Registration CGCC-435
2 he submitted to the Commission for Registration number TPPL-000222.

3 **FOURTH CAUSE FOR DENIAL OF LICENSE APPLICATIONS**
4 **AND CANCELATION OF CURRENT REGISTRATIONS**

5 **(Provided Third Party Proposition Player Services Without a Valid Registration)**

6 38. Respondent's license applications are subject to denial and his registrations are subject
7 to cancelation pursuant to Business and Professions Code sections 19984, subdivision (b), and
8 California Code of Regulations, title 4, sections 12200.3, subdivision (g), 12200.7, subdivisions
9 (b)(8) and (b)(9), 12201, subdivision (a), 12218.11, subdivision (i), and 12220.3, subdivision (g),
10 in that on multiple occasions, from October 2008 through August 2009, Respondent provided
11 third-party proposition players services for Red Dog Partners, Inc., without a valid registration.
12 Also, from August 2009 through December 2009, Respondent supervised third-party proposition
13 player services without a valid registration.

14 **PRAYER**

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


- 17 1. Denying Respondent's Application for a Third-Party Proposition Player Services
18 License, application number 56066, to convert his registration as a third-party proposition player
19 supervisor to a license;
- 20 2. Canceling Respondent's registration as a third-party proposition player supervisor,
21 registration number TPSU-000222;
- 22 3. Denying Respondent's Application for a State Gambling Business License,
23 application number 56067, to convert his registration as a gambling business supervisor to a
24 license;
- 25 4. Canceling Respondent is registration as a gambling business supervisor, registration
26 number TPSU-000207;
- 27 5. Awarding Complainant the costs of investigation and costs of bringing this Statement
28 of Reasons for Denial of License Applications and Cancelation of Registrations before the

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

Commission, pursuant to Business and Professions Code section 19930, subdivisions (d) and (f),
in a sum according to proof; and

6. Taking such other and further action as the Commission may deem appropriate.

Dated: February 26, 2013


Wayne J. Quint, Jr., Chief
Bureau of Gambling Control
California Department of Justice
Complainant