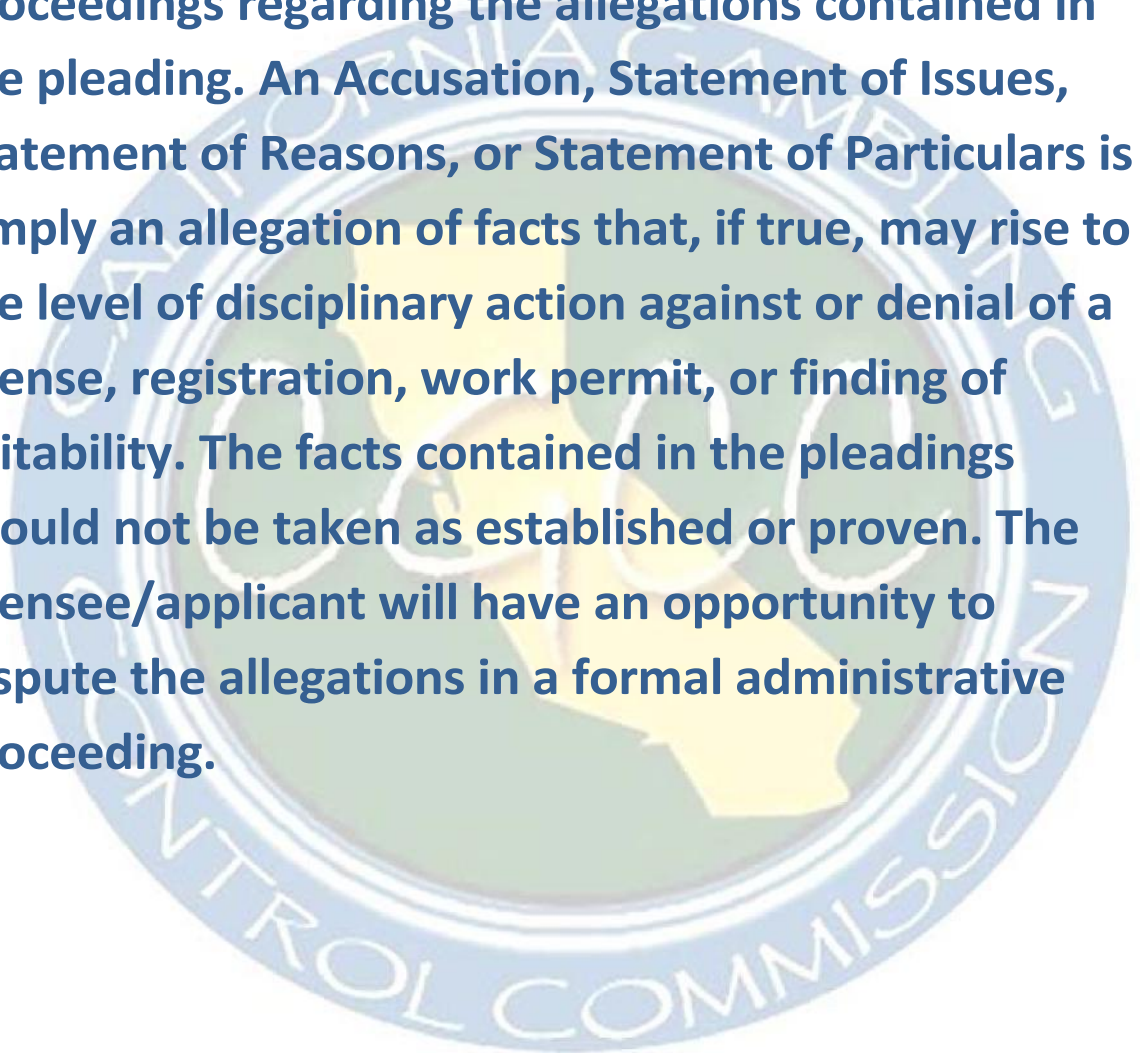


The Commission is providing a copy of this pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation, Statement of Issues, Statement of Reasons, or Statement of Particulars is simply an allegation of facts that, if true, may rise to the level of disciplinary action against or denial of a license, registration, work permit, or finding of suitability. The facts contained in the pleadings should not be taken as established or proven. The licensee/applicant will have an opportunity to dispute the allegations in a formal administrative proceeding.



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

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

Case Nos. CGCC-2020-1029-14Cii
BGC-HQ2021-00004SL

17 **Ricardo Gil Mendez**
18 [REDACTED]

STATEMENT OF REASONS

19
20 Respondent.

21 Complainant alleges as follows:

22 **PARTIES**

23 1. Nathan DaValle (Complainant) brings this Statement of Reasons for Denial of
24 Application for a Third-Party Proposition Player Services Supervisor License solely in his official
25 capacity as the Acting Director of the California Department of Justice, Bureau of Gambling
26 Control (Bureau).

1 **FIRST CAUSE FOR DENIAL**

2 **(Providing Untrue or Misleading Information)**

3 9. Respondent's Application is subject to denial and his registration voided because
4 Respondent, under penalty of perjury, failed to disclose derogatory financial information on his
5 Application. Respondent failed to disclose that he was a party to a lawsuit and has a judgment
6 filed against him. By not disclosing this information, Respondent failed to disclose required
7 information that is material to his Application. When asked by the Bureau to provide information
8 concerning the outstanding judgment, Respondent provided information in conflict with available
9 records. (Bus. & Prof. Code, §§ 19856, 19857, subd. (a), 19859, subds. (a) & (b) [mandatory
10 denial], 19866; Cal. Code Regs., tit. 4, §§ 12040, subds. (a)(1), (2) [mandatory denial].)

11 **PRAYER**

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

- 14 1. Denying Respondent's Application for Third-Party Proposition Player Services
15 License;
16 2. Voiding Respondent's registration number TPSU-001441; and
17 3. Taking such other and further action as the Commission may deem appropriate.

18
19 Dated: June 28, 2021



20 _____
21 Nathan DaValle, Acting Director
22 Bureau of Gambling Control
23 California Department of Justice
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1 register with the commission, apply for a finding of suitability as defined in
2 subdivision (i) of 19805, or apply for a gambling license:

3 * * *

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

6 5. Business and Professions Code section 19856 provides, in part:

7 (a) The burden of proving his or her qualifications to receive any license is on
8 the applicant.

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

12 6. Business and Professions Code, section 19857 provides, in part:

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

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

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

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

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

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

26 8. Business and Professions Code section 19866 provides:

27 An applicant for licensing or for any approval or consent required by this chapter,
28 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.

9. Business and Professions Code, section 19870 provides:

(a) The commission, after considering the recommendation of the chief³ 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.

³ "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)

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

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

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

7 (e) A decision of the commission denying a license or approval, or imposing
8 any condition or restriction on the grant of a license or approval may be reviewed by
9 petition pursuant to Section 1085 of the Code of Civil Procedure. Section 1094.5 of
10 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.

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

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

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

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

16 (A) To call and examine witnesses.

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

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

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

20 (E) To offer rebuttal evidence.

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

23 (4) The meeting need not be conducted according to technical rules
relating to evidence and witnesses. Any relevant evidence may be considered, and is
24 sufficient in itself to support a finding, if it is the sort of evidence on which
25 responsible persons are accustomed to rely in the conduct of serious affairs,
26 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.

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

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

1 11. Business and Professions Code section 19984, subdivision (b), provides, in part:
2 The commission shall establish reasonable criteria for, and require the licensure and
3 registration of, any person or entity that provides proposition player services to
4 gambling establishments pursuant to this section, including owners, supervisors, and
5 players . . . The commission may impose licensing requirements, disclosures,
6 approvals, conditions, or limitations as it deems necessary to protect the integrity of
7 controlled gambling in this state. . . .

8 12. California Code of Regulations, title 4, section 12040, subdivisions (a)(1) and (a)(2),
9 provide:

10 (a) An application for an initial or renewal license:

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

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

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

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

21 14. California Code of Regulations, title 4, section 12060 provides, in part:

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

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

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

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

16 16. California Code of Regulations, title 4, section 12130, subdivision (d), provides:

(d) A TPPPS [Third-Party Proposition Player Services] registration includes

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all conditions of a temporary license provided in subsections (a), (b), and subsections (d) and (e) of Section 12122.

17. California Code of Regulations, title 4, section 12270, subdivisions (b)(8) and (b)(9), provide:

* * *

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

(9) That proposition player services may be provided only by authorized players with current licensing under Chapter 2.