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1 ROB BONTA
Attorney General of California
2 T. MICHELLE LAIRD
Acting Senior Assistant Attorney General
3 ERICA BECKER
Deputy Attorney General
4 State Bar No. 348211
1300 I Street
5 Sacramento, CA 95814
Telephone: (916) 210-7754
6 Fax: (916) 327-2319
E-mail: Erica.Becker@doj.ca.gov
7 *Attorneys for Complainant*

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

12 In the Matter of the Statement of Reasons for
Denial of Application for Third-Party
13 Proposition Player Services Worker License
for:

14
15 **FRANCISCO JAVIER PAREDEZ, SR.**

16
17 **Respondent.**
18

BGC Case No. BGC-HQ2023-00002AL

CGCC Case No: CGCC-2023-0112-6Cii

19 **STATEMENT OF REASONS**

Hearing Date: December 20, 2023
Hearing Time: 10:00 a.m.
Hearing Place: 2399 Gateway Oaks, Ste. 100
Sacramento, CA 95833

**This hearing will be conducted by means of
video conferencing on Zoom. The Zoom
meeting code is 285 757 8614.**

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21
22 Complainant alleges as follows:

23 **PARTIES**

24 1. Yolanda Morrow (Complainant) brings this Statement of Reasons for Denial of
25 Application for a Third-Party Proposition Player Services Worker License solely in her official
26 capacity as Director of the California Department of Justice, Bureau of Gambling Control
27 (Bureau).
28

1 2. Francisco Javier Paredez, Sr. (Respondent) has been employed by third-party
2 proposition player services provider Global Player Services, Inc. (TPPP-000094) since
3 approximately November 2021.

4 **THE APPLICATION AND THIS PROCEEDING**

5 3. In connection with Respondent’s employment with Global Player Services, Inc., on or
6 about November 12, 2021, the Bureau received from Respondent an initial Application for
7 Employee Category License, together with a Commission Work Permit or Third-Party
8 Proposition Player Services (TPPPS) Worker: Supplemental Information form (collectively,
9 Application).

10 4. In connection with Respondent’s Application, on or about November 30, 2021, the
11 California Gambling Control Commission (Commission) issued to Respondent temporary third-
12 party proposition worker services license number TPWK-002813, which is valid through
13 November 30, 2023.

14 5. On or about November 8, 2022, the Bureau submitted a Third-Party Worker Initial
15 Background Investigation Report, Level III, to the Commission recommending that Respondent’s
16 Application be denied.

17 6. At its January 12, 2023 meeting, the Commission referred consideration of
18 Respondent’s Application to an evidentiary hearing to be conducted pursuant to Business and
19 Professions Code sections 19870 and 19871, and California Code of Regulations, title 4, section
20 12060.¹ On January 13, 2023, the Commission notified Respondent of its action upon the
21 Application and provided Respondent with a Notice of Defense form.

22 7. On or about February 4, 2023, Respondent submitted a completed Notice of Defense
23 form to the Commission and the Bureau requesting an evidentiary hearing.
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26 _____
27 ¹ The statutes and regulations applicable to this Statement of Reasons are quoted in
28 pertinent part in Appendix A. The full text of the Gambling Control Act is found at Business and Professions Code section 19800 et seq.

1 8. On or about September 1, 2023, the Commission notified Respondent that an
2 evidentiary hearing would be held via Zoom before the Commission starting at 10:00 a.m. on
3 December 20, 2023.

4 **BURDEN OF PROOF**

5 9. Respondent has the burden of proving he is qualified to receive a license. (Bus. &
6 Prof. Code, § 19856, subd. (a); Cal. Code Regs., tit. 4, §12060, subd. (k).)

7 **FIRST CAUSE FOR DENIAL**

8 **(Failure to Disclose Required Material Information –**
9 **Misdemeanor Convictions and Active Warrants)**

10 10. Respondent's Application is subject to mandatory denial, and his temporary license
11 subject to cancellation, because Respondent failed to disclose to the Bureau information material
12 to his Application concerning criminal convictions, and provided inaccurate and misleading
13 information concerning adverse employment history.

14 11. Respondent failed to disclose in his Application that he was convicted of four
15 misdemeanors.

16 a. On or about June 4, 2002, Respondent was convicted of
17 violating Penal Code section 594, subdivision (b)(1), vandalism, a
18 misdemeanor, and failed to disclose the conviction in his
19 Application.

20 b. On or about July 12, 2010, Respondent was convicted of
21 violating Vehicle Code section 23103, reckless driving, a
22 misdemeanor, and failed to disclose the conviction in his
23 Application.

24 c. On or about December 6, 2010, Respondent was convicted of
25 violating Vehicle Code section 14601.2, subdivision (a), driving on
26 a suspended license, a misdemeanor, and failed to disclose the
27 conviction in his Application.

1 d. On or about June 20, 2017, Respondent was convicted of
2 violating Penal Code section 243, subdivision (e)(1), battery against
3 a spouse or former partner, a misdemeanor, and failed to disclose
4 the conviction in his Application.

5 As a result of these convictions, Respondent was sentenced, in sum, to complete twelve years of
6 probation, to serve 42 days in jail, to complete a work program, and to pay multiple fines.

7 Respondent's driver's license was also suspended. On his Application, Respondent asserted that
8 he had never been convicted of any crime.

9 12. Respondent's Application is further subject to denial, and his temporary license
10 subject to cancellation, because Respondent failed to provide required details about his criminal
11 convictions, including that he had two active warrants at the time he completed his Application
12 for failing to appear in court for hearings in connection with his July 12, 2010, and December 6,
13 2010, convictions.

14 13. Respondent's Application is further subject to denial, and his temporary license
15 subject to cancellation, because Respondent provided incomplete and misleading information
16 regarding his termination from previous employment.

17 14. Respondent therefore failed to disclose to the Bureau information material to his
18 Application and provided inaccurate and misleading information.

19 (Bus. & Prof. Code, §§ 19859, subd. (b) [mandatory denial], 19866; Cal. Code Regs., tit. 4, §
20 12040, subd. (a)(2) [mandatory denial].)

21 **SECOND CAUSE FOR DENIAL**

22 **(Failure to Establish Qualification for Licensure – Good Character, Honesty, and Integrity)**

23 15. Respondent's Application is further subject to mandatory denial, and his temporary
24 license subject to cancellation, because Respondent has failed to establish he is a person of good
25 character, honesty, and integrity. As described in paragraphs 10 through 14 above, Respondent
26 failed to make full and true disclosures in his Application as required by the Gambling Control
27 Act, and supplied information that is untrue or misleading. Respondent also engaged in illegal
28 behavior, demonstrating a willingness to violate the law and a conscious disregard for the health,

1 safety, and welfare of others. By acting in the manner described herein, Respondent has failed to
2 establish that his prior activities, criminal record, and habits do not pose a threat to the public
3 interest of this state, or to the effective regulation and control of controlled gambling.

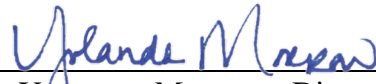
4 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subd. (a), 19866; Cal. Code Regs.,
5 tit. 4, §12040, subd. (a)(1), (2) [mandatory denial].)

6 **PRAYER**

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

- 9 1. Denying Respondent's Application for a Third-Party Proposition Player Services
10 Worker License;
- 11 2. Cancelling Respondent's temporary license number TPWK-002813; and
- 12 3. Taking such other and further action as the Commission may deem appropriate.

13
14 Dated: October 20, 2023



15 _____
16 YOLANDA MORROW, Director
17 Bureau of Gambling Control
18 California Department of Justice
19 Complainant

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APPENDIX A

BUSINESS AND PROFESSIONS CODE

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,^[2] 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

² “Chapter” refers to Business and Professions Code, division 8, chapter 5, (commencing with section 19800), also known as the Gambling Control Act.

1 individual owner endorsed on the license certificate of the gambling
2 enterprise whether or not the commission takes action against the
license of the gambling enterprise.

3 * * *

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

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

7 The commission, by regulation or order, may require that the
8 following persons register with the commission, apply for a finding of
9 suitability as defined in subdivision (j) of 19805, or apply for a
gambling license:

10 * * *

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

12
13 5. Business and Professions Code section 19856 provides:

14 (a) Any person who the commission determines is qualified to
15 receive a state license, having due consideration for the proper
16 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
17 issued a license. The burden of proving his or her qualifications to
receive any license is on the applicant.

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

20 (c) In reviewing an application for any license, the commission
21 shall consider whether issuance of the license is inimical to public
22 health, safety, or welfare, and whether issuance of the license will
23 undermine public trust that the gambling operations with respect to
24 which the license would be issued are free from criminal and dishonest
25 elements and would be conducted honestly.

1 6. Business and Professions Code section 19857 provides:

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

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

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

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

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

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

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

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

25 8. Business and Professions Code section 19866 provides:

26 An applicant for licensing or for any approval or consent required
27 by this chapter, shall make full and true disclosure of all information
28 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
2 approval, the commission may limit or place restrictions on the license
3 or approval as it may deem necessary in the public interest, consistent
4 with the policies described in this chapter.

* * *

5 (d) When an application is denied after an evidentiary hearing,
6 the commission shall prepare and file a detailed statement of its
7 reasons for the denial.

8 (e) All proceedings relating to an application at a meeting of the
9 commission or at an evidentiary hearing shall be recorded
10 stenographically or by audio or video recording.

11 (f) A decision of the commission after an evidentiary hearing,
12 denying a license or approval, or imposing any condition or restriction
13 on the grant of a license or approval may be reviewed by petition
14 pursuant to Section 1085 of the Code of Civil Procedure. Section
15 1094.5 of the Code of Civil Procedure does not apply to any judicial
16 proceeding held to consider that petition, and the court may grant the
17 petition only if the court finds that the action of the commission was
18 arbitrary and capricious, or that the action exceeded the commission's
19 jurisdiction.

20 10. Business and Professions Code section 19871 provides:

21 (a) An evidentiary hearing described in Section 19870 shall be
22 conducted in accordance with regulations of the commission and as
23 follows:

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

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

27 (A) To call and examine witnesses.

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

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

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

(E) To offer rebuttal evidence.

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

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

9 (b) This section does not confer upon an applicant a right to
10 discovery of the department's^[4] investigative reports or to require
11 disclosure of any document or information the disclosure of which is
12 otherwise prohibited by any other provision of this chapter.

13 CALIFORNIA CODE OF REGULATIONS

14 11. California Code of Regulations, title 4, section 12040, subdivision (a) provides, in
15 part:

16 An application for an initial or renewal license:

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

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

23 12. California Code of Regulations, title 4, section 12054, subdivision (a)(2) provides:

24 (a) At a Commission meeting, the Commission may take, but is
25 not limited to taking, one of the following actions:

26 * * *

27 (4) Elect to hold or retract an evidentiary hearing in
28 accordance with Section 12056 and, for a renewal application,
issue an interim renewal license pursuant to Section 12035. The
Commission will identify those issues for which it requires
additional information or consideration related to the applicant's
suitability.

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

15 If the Commission elects to hold an evidentiary hearing, [. . .] the
16 hearing will be conducted as a GCA hearing under Section 12060,

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

1 unless the Executive Director or the Commission determines the
2 hearing should be conducted as an APA hearing under Section
3 12058

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

(a) If the Executive Director determines it is appropriate, he or she may set an application for consideration at a GCA hearing in advance of a meeting pursuant to Section 12054. 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 90 calendar days in advance of the GCA hearing. The Executive Director's determination will be based on information contained in the 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 a GCA hearing is elected pursuant to Section 12056, subsection (a), 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.

(c) An applicant may request that his, her, or its GCA hearing be held at a Southern California location instead of the Commission's principal office in Sacramento, by completing the appropriate section on the Notice of Defense, CGCC-CH1-03 (Rev. 08/21). The request must be made on the initial Notice of Defense form submitted to the Commission and Bureau within the timeframes specified on the form.

(1) The Executive Director will approve a Southern California GCA hearing, if the request is timely made on the initial Notice of Defense form and meets all of the following criteria:

(A) The GCA hearing is estimated by Commission staff to last no longer than four hours.

(B) The primary residence of the applicant is located in one of the following counties: Imperial, Kern, Los Angeles, Orange, Riverside, San Diego, San Luis Obispo, San Bernardino, Santa Barbara, or Ventura.

(C) A GCA hearing will be noticed for a Southern California location only when it is in the best public interest, promotes judicial economy, and comports with the Commission's availability.

(2) If at any time before the hearing, the Executive Director determines that the criteria in subparagraphs (A) through (C) of paragraph (1) are no longer met, Commission staff may cancel the Southern California GCA hearing and issue a new notice for a hearing at the Commission's principal office in Sacramento.

(d) The presiding officer and her or his support staff will have no

1 communication with the Commission or Commission staff upon the
2 merits of an application prior to the evidentiary hearing. The Executive
Director will designate a presiding officer which will be:

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

5 (e) The applicant or the complainant, or the applicant and the
6 complainant, may request a continuance in writing to the Executive
7 Director stating the reason for the continuance and any proposed future
8 hearing dates. The Executive Director or Commission may approve the
9 request. For a Southern California GCA hearing, if a continuance is
granted, the hearing may be scheduled in Sacramento or Southern
California based on the criteria specified in subparagraphs (A) through
(C) of paragraph (1) of subsection (c).

10 (f) The complainant will provide to the applicant, subject to
11 subsection (b) of Section 12056, at least 45 calendar days prior to the
GCA hearing, and the applicant must provide to the complainant, at least
30 calendar days prior to the GCA hearing, the following items:

- 12 (1) A list of potential witnesses with the general subject of
13 the testimony of each witness;
14 (2) Copies of all documentary evidence intended to be
introduced at the hearing and not previously provided;
15 (3) Reports or statement of parties and witnesses, if
16 available; and
17 (4) All other written comments, writings, or other items
containing relevant evidence.

18 (g) The provisions of subsection (f) of this section provide the
19 exclusive right to and method of discovery between the applicant and
20 complainant to a GCA hearing. Discovery is not permitted upon a
21 Commission member or an advisor of the Commission unless a showing
22 is made that they have direct personal factual information pertaining to
material issues related to the application at issue and the information to
be gained from the Commission member or advisor of the Commission is
not available through any other sources.

23 (h) A presiding officer will rule on the admissibility of evidence and
24 on any objections raised except for objections raised under subsection
(h). A ruling by the presiding officer is final.

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

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(A) Evidentiary issues;

(B) Witness and exhibit lists;

(C) Alterations in the Bureau recommendation;

(D) Stipulations for undisputed facts and/or the admission of evidence including without limitation the Bureau's report;

(E) Authorizing offsite livestreaming appearances for parties or witnesses if good cause has been presented and only if the process for offsite livestreaming has been approved by the Executive Director; and,

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

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

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

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

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

(j) The complainant will present all facts and information in the Bureau report, if any, and the results of the Bureau's background investigation, and the basis for any recommendation, if the Bureau filed one with the Commission according to Business and Professions Code section 19868, to enable the Commission to make an informed decision on whether the applicant has met his, her, 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.

(k) The burden of proof is always on the applicant to prove his, her, or its qualifications to receive any license or other approval under the Act.

(l) The applicant may choose to represent himself, herself, or itself, or may retain an attorney or lay representative. Lay representatives may assist the applicant but are not authorized to serve as an attorney as otherwise defined and regulated by state law.

(m) Except as otherwise provided in subsection (i), the complainant

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and applicant will have the right to call and examine witnesses under oath; to introduce relevant exhibits and documentary evidence; to cross-examine opposing witnesses on any relevant matter, even if the matter was not covered in direct examination; to impeach any witness, regardless of which party first called the witness to testify; and to offer rebuttal evidence. If the applicant does not testify on his, her or its behalf, the applicant may be called and examined, under oath, as if under cross-examination.

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

(o) At the conclusion of the evidentiary hearing, the members of the Commission will take the matter under submission, may discuss the matter in a closed session meeting, and may schedule future closed session meetings for deliberation.