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

14
 15 In the Matter of the Statement of Particulars
 for:
 16 **ALAN WEI DA TAN (TPSU-001232),**
 17 Respondent.

CGCC Case No. CGCC-2021-0708-9B
 BGC Case No. BGC-HQ2021-00029SL

STATEMENT OF PARTICULARS

Hearing Date: May 25, 2022
 Hearing Time: 10:00 a.m.
 Hearing Place: 2399 Gateway Oaks
 Sacramento, CA 95833

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

23 Complainant alleges as follows:

24 **PARTIES AND THIS PROCEEDING**

25 1. Yolanda Morrow (Complainant) submits this Statement of Particulars solely in her
 26 official capacity as Acting Director of the California Department of Justice, Bureau of Gambling
 27 Control (Bureau).
 28

1 unsuitable persons are associated with controlled gambling activities. (Bus. & Prof. Code, §
2 19824, subs. (b) & (d).)

3 7. Respondent has the burden of proving that he is suitable for licensure and qualified to
4 hold a third-party proposition player or supervisor license. (Bus. & Prof. Code, § 19856, subd.
5 (a).)

6 **LICENSURE CONSIDERATIONS**
7 **(Factors in Aggravation and Mitigation)**

8 8. When the Bureau reviewed Respondent's bank statements from December 2017
9 through December 2019, the Bureau discovered that Respondent's deposits and withdrawals from
10 his bank account in 2019 were significantly more than his gross income as reported on his tax
11 return for that year. Respondent explained that the significant deposits and withdrawals were
12 related to his gambling winnings and losses.

13 9. Respondent did not claim his gambling winnings as income on his 2017, 2018, or
14 2019 tax returns. When asked to explain why he did not report his gambling winnings as income,
15 Respondent stated that his accumulated gambling losses over those three tax years offset his
16 winnings, and therefore his tax preparer told him that he does not need to report it on his tax
17 return because he had a net loss over those three years in an amount of less than \$2,000.

18 10. Respondent gambled at Artichoke Joe's Casino and Oaks Card Club at various times
19 in the 2017 through 2019 time period. When asked about a potential discrepancy between
20 Respondent's claimed net winnings he provided in a statement to the Bureau and the net positive
21 cash-in and cash-out shown on Artichoke Joe's Casino's 2019 Multi-Transaction Log (MTL)
22 maintained for Respondent, Respondent explained that the Bureau's information from Artichoke
23 Joe's does not capture all chip transactions, including not accounting for "chips purchased
24 directly from the dealer at the gaming table." The Bureau noted that the MTL for Artichoke Joe's
25 Casino only captured transactions in excess of \$2,000 and the MTL for Oaks Card Club only
26 captured transactions in excess of \$1,000.

27 11. In 2019, Respondent made a series of deposits into his Citibank checking account that
28 were in amounts just under the \$10,000 reporting threshold under the Bank Secrecy Act (31

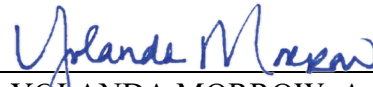
1 U.S.C. § 5311 et seq.). A number of these deposits were made in close temporal proximity, and
2 some on consecutive days.

3 12. Respondent has worked for Fortune Players Group, Inc. since 2011, and as a
4 supervisor since 2022, with no reported derogatory incidents. He does not have a negative credit
5 profile.

6 **CONCLUSION**

7 WHEREFORE, Acting Director Morrow requests that following the hearing to be held on
8 the matters herein alleged, the Commission take such action as it may deem appropriate.

9
10 Dated: March 30, 2022



11 _____
12 YOLANDA MORROW, Acting Director
13 Bureau of Gambling Control
14 California Department of Justice
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1 **APPENDIX A**

2 1. Business and Professions Code section 19801 provides, in part:

3 (h) Public trust and confidence can only be maintained by strict
4 comprehensive regulation of all persons, locations, practices, associations,
5 and activities related to the operation of lawful gambling establishments and
6 the manufacture and distribution of permissible gambling equipment.

7 (i) All gambling operations, all persons having a significant
8 involvement in gambling operations, all establishments where gambling is
9 conducted, and all manufacturers, sellers, and distributors of gambling
10 equipment must be licensed and regulated to protect the public health, safety,
11 and general welfare of the residents of this state as an exercise of the police
12 powers of the state.

13 * * *

14 (k) Any license or permit issued, or other approval granted pursuant
15 to this chapter, is declared to be a revocable privilege, and no holder
16 acquires any vested right therein or thereunder.

17 2. Business and Professions Code section 19805 provides, in part:

18 (d) “Chief” means the head of the entity within the department that
19 is responsible for fulfilling the obligations imposed upon the department
20 by this chapter.

21 (e) “Commission” means the California Gambling Control
22 Commission.

23 * * *

24 (h) “Department” means the Department of Justice.

25 * * *

26 (p) “Gambling license” or “state gambling license” means any
27 license issued by the state that authorizes the person named therein to
28 conduct a gambling operation.

* * *

(z) “License” means a gambling license, key employee license, or
any other license issued by the commission pursuant to this chapter or
regulations adopted pursuant to this chapter.

1 3. Business and Professions Code section 19811 provides, in part:

2 (b) Jurisdiction, including jurisdiction over operation and
3 concentration, and supervision over gambling establishments in this state
4 and over all persons or things having to do with the operations of
5 gambling establishments is vested in the commission.

6 4. Business and Professions Code section 19823 provides:

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

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

12 (2) Assuring that there is no material involvement,
13 directly or indirectly, with a licensed gambling operation, or the
14 ownership or management thereof, by unqualified or disqualified
15 persons, or by persons whose operations are conducted in a
16 manner that is inimical to the public health, safety, or welfare.

17 (b) For the purposes of this section, “unqualified person” means a
18 person who is found to be unqualified pursuant to the criteria set forth in
19 Section 19857, and “disqualified person” means a person who is found to
20 be disqualified pursuant to the criteria set forth in Section 19859.

21 5. Business and Professions Code section 19824 provides, in part:

22 The commission shall have all powers necessary and proper to enable
23 it fully and effectually to carry out the policies and purposes of this
24 chapter, including, without limitation, the power to do all of the following:

25 * * *

26 (b) For any cause deemed reasonable by the commission, deny
27 any application for a license, permit, or approval provided for in this
28 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 or an individual owner
endorsed on the license certificate of the gambling enterprise whether
or not the commission takes action against the license of the gambling
enterprise.

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

6. Business and Professions Code section 19826 provides, in part:

The department . . . shall have all of the following responsibilities:

* * *

(c) To investigate suspected violations of this chapter or laws of this state relating to gambling

* * *

(e) To initiate, where appropriate, disciplinary actions as provided in this chapter. In connection with any disciplinary action, the department may seek restriction, limitation, suspension, or revocation of any license or approval, or the imposition of any fine upon any person licensed or approved.

7. Business and Professions Code section 19850 provides, in part:

Every person who, either as owner, lessee, or employee, whether for hire or not, either solely or in conjunction with others, deals, operates, carries on, conducts, maintains, or exposes for play any controlled game in this state, or who receives, directly or indirectly, any compensation or reward, or any percentage or share of the money or property played, for keeping, running, or carrying on any controlled game in this state, shall apply for and obtain from the commission, and shall thereafter maintain, a valid state gambling license, key employee license, or work permit, as specified in this chapter.

8. Business and Professions Code section 19853, subdivision (a) provides:

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

* * *

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

1 9. Business and Professions Code section 19856 provides:

2 (a) Any person who the commission determines is qualified to
3 receive a state license, having due consideration for the proper protection
4 of the health, safety, and general welfare of the residents of the State of
5 California and the declared policy of this state, may be issued a license.
6 The burden of proving his or her qualifications to receive any license is
7 on the applicant.

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

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

17 10. Business and Professions Code section 19857 provides:

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

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

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

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

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

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

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

1 (b) Failure of the applicant to provide information,
2 documentation, and assurances required by this chapter or requested
3 by the chief, or failure of the applicant to reveal any fact material to
4 qualification, or the supplying of information that is untrue or
5 misleading as to a material fact pertaining to the qualification
6 criteria.

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11 12. Business and Professions Code section 19866 provides:

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

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21 13. Business and Professions Code section 19870 provides:

22 (a) The commission, after considering the recommendation of
23 the chief and any other testimony and written comments as may be
24 presented at the meeting, or as may have been submitted in writing 36
25 to the commission prior to the meeting, may deny the application,
26 grant a license to an applicant who it determines to be qualified to hold
27 the license, or refer the application to an evidentiary hearing.

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

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

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

(e) A decision of the commission denying a license or approval,
or imposing any condition or restriction on the grant of a license or
approval may be reviewed by petition pursuant to Section 1085 of the
Code of Civil Procedure. Section 1094.5 of the Code of Civil
Procedure shall not apply to any judicial proceeding described in the
foregoing sentence, and the court may grant the petition only if the
court finds that the action of the commission was arbitrary and
capricious, or that the action exceeded the commission's jurisdiction.

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14. Business and Professions Code section 19871 provides:

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

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

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

(A) To call and examine witnesses.

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

(C) To cross-examine opposing witnesses on any matters relevant to the issues, even though 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 in his or her own behalf, he or she may be called and examined as if under cross-examination.

(4) The meeting need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be considered, and is sufficient in itself to support a finding, if it is the sort of evidence on which responsible 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.

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

15. Business and Professions Code section 19971 provides:

This act is an exercise of the police power of the state for the protection of the health, safety, and welfare of the people of the State of California, and shall be liberally construed to effectuate those purposes.

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

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

9 17. California Code of Regulations, title 4, section 12040 provides, in part:

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

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

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

17 * * *

18 (c) An application for a TPPS category license:

19 (1) May be denied if the Commission finds the applicant has
20 violated one or more of the contract criteria set forth in paragraphs (5),
21 (11), or (20) of subsection (b) of Section 12270 or paragraphs (1) and (3)
22 of subsection (c) of Section 12270.

23 (2) May be denied if the Commission finds the applicant has
24 failed to comply with one or more of the contract criteria set forth in
25 paragraphs (8), (9), (15), (16), (17), (18) and (21) of subsection (b) of
26 Section 12270, or in paragraph (2) of subsection (c) or subsection (e) of
27 Section 12270.

28 18. California Code of Regulations, title 4, section 12056 provides, in part:

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

1 19. California Code of Regulations, title 4, section 12060 provides, in part:

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

11 (b) When the Commission has elected to hold a GCA hearing, the
12 Executive Director will give notice to the applicant, pursuant to paragraph (2)
13 subsection (c) of Section 12052, to the Office of the Attorney General, and to
14 the Bureau no later than 60 calendar days in advance of the GCA hearing.

15 (c) The presiding officer and her or his support staff will have no
16 communication with the Commission or Commission staff upon the merits of
17 an application prior to the evidentiary hearing. The Executive Director will
18 designate a presiding officer which will be:

19 (1) A member of the Commission's legal staff; or,

20 (2) An Administrative Law Judge.

21 (d) The applicant or the complainant, or the applicant and the
22 complainant, may request a continuance in writing to the Executive Director
23 stating the reason for the continuance and any proposed future hearing dates.
24 The Executive Director or Commission may approve the request.

25 (e) The complainant will provide to the applicant, subject to
26 subsection (b) of Section 12056, at least 45 calendar days prior to the GCA
27 hearing, and the applicant must provide to the complainant, at least 30
28 calendar days prior to the GCA hearing, the following items:

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

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

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

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

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

4 (1) In advance of the GCA hearing, upon a motion of a party or
5 by order of the presiding officer, the presiding officer may conduct a
6 pre-hearing conference, either in person, via teleconference, or by email
7 exchange, subject to the presiding officer's availability and shall issue a
8 pre-hearing order if appropriate or requested by either party. The pre-
9 hearing conference and order may address the following:

10 (A) Evidentiary issues;

11 (B) Witness and exhibit lists;

12 (C) Alterations in the Bureau recommendation;

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

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

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

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

28 (g) 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 (e); or

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

(h) 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

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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.

(i) 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.

(j) 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.

(k) Except as otherwise provided in subsection (g), the complainant 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

(l)) 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.

(m) 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.

20. 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.

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21. 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.