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

14 **In the Matter of the Accusation Against:**

15 **BLACKSTONE GAMING, LLC (TPPP-**
 16 **000119); and**

17 **TUAN VAN THAI (TPOW-000526), its sole**
 18 **member.**

19 **100 W. Broadway, Suite 255**
 20 **Long Beach, CA 90802**

21 Respondents.

Case No. BGC-HQ2021-00001AL

OAH Case No. 2024010702

**STIPULATED SETTLEMENT
 DECISION AND ORDER**

23 **PURPOSE OF THIS STIPULATED SETTLEMENT**

24 This Stipulated Settlement resolves five pending matters: (1) the Second Amended
 25 Accusation (Accusation)¹ filed on or about May 7, 2024, which seeks to discipline the licenses of
 26

27 ¹ The original Accusation was filed and served on December 9, 2021. The First Amended
 28 Accusation was filed and served on January 23, 2024. The Second Amended Accusation was
 filed and served on May 7, 2024.

1 Blackstone Gaming, LLC, (Blackstone), and Tuan Van Thai, its sole member; (2) the petition to
2 terminate third party provider contract between Blackstone and Garden City, Inc., dba Casino
3 M8trix, filed on or about December 28, 2023, seeking to terminate the contract; (3) the petition to
4 terminate third party provider contract between Blackstone and Casino, LLC, dba Larry Flynt’s
5 Lucky Lady Casino, filed on or about December 28, 2023, seeking to terminate the contract; (4)
6 the petition to terminate third party provider contract between Blackstone and Celebrity Casinos,
7 Inc., dba Crystal Casino, filed on or about December 28, 2023, seeking to terminate the contract;
8 and (5) the petition to terminate third party provider contract between Blackstone and El Dorado
9 LF, LLC, dba Hustler Casino, filed on or about December 28, 2023, seeking to terminate the
10 contract. The Accusation and the petitions are referred to collectively herein as the Operative
11 Pleadings. The Operative Pleadings allege violations of the Gambling Control Act (Act) (Bus. &
12 Prof. Code, § 19800 et seq.), and the regulations promulgated thereunder.

13 **PARTIES**

14 1. Yolanda Morrow (Complainant) filed the Operative Pleadings with the California
15 Gambling Control Commission (Commission) and Office of Administrative Hearings (OAH)
16 solely in her official capacity as the Director of the Bureau of Gambling Control (Bureau).

17 2. Licensee Blackstone Gaming is a licensed third party provider. Blackstone holds
18 record number TPPP-000119.

19 3. Licensee Tuan Van Thai is the sole member of Blackstone. Mr. Thai holds record
20 number TPOW-000526.

21 **JURISDICTION**

22 4. Tiffany Lichtig, designated agent for licensees Blackstone and Mr. Thai (Licensees or
23 Respondents), was served with the Operative Pleadings, a Statement to Applicants (for purposes
24 of an administrative hearing under the Act), and a copy of Business and Professions Code
25 sections 19870 and 19871, and California Code of Regulations, title 4, sections 12060 and 12270.
26 The petitions to terminate TPPPS contracts were served on December 28, 2023. The Second
27 Amended Accusation was served on May 7, 2024. True and correct copies of the Operative
28 Pleadings are attached hereto as Exhibit A.

1 5. Licensees had previously served Complainant with a timely Notice of Defense in
2 connection with the Accusation.

3 6. The Commission has jurisdiction over the matters initiated by the Operative
4 Pleadings. The Commission has jurisdiction over the operation and concentration of gambling
5 establishments and all persons and things having to do with the operation of gambling
6 establishments. (Bus. & Prof. Code, § 19811, subd. (b).) The Commission has all powers
7 necessary and proper to fully and effectually carry out the policies and purposes of the Act
8 including, without limitation, the power to condition any license for any cause it deems
9 reasonable. (Bus. & Prof. Code, § 19824, subd. (b).) The Commission has the authority to
10 terminate third party provider (TPPPS) contracts. (California Code of Regulations, title 4, section
11 12270 subd. (f).)

12 **ADVISEMENT AND WAIVERS**

13 7. Each Licensee has carefully reviewed, and has discussed or had the opportunity to
14 discuss with counsel, the legal and factual allegations in the Operative Pleadings. Each Licensee
15 has also carefully reviewed, and has discussed or had the opportunity to discuss with counsel, this
16 Stipulated Settlement. Each Licensee fully understands the terms and conditions contained within
17 this Stipulated Settlement and the effects thereof.

18 8. Each Licensee is fully aware of his or its legal rights in this matter, including: the
19 right to a hearing on all the allegations in the Operative Pleadings; the right to be represented by
20 counsel of his or its choice at his or its own expense; the right to confront and cross-examine the
21 witnesses against him or it; the right to present evidence and testify on his or its own behalf; the
22 right to the issuance of subpoenas to compel the attendance of witnesses and the production of
23 documents; the right to apply for reconsideration and court review of an adverse decision; and all
24 other rights afforded by the California Administrative Procedure Act (Gov. Code, § 11370 et
25 seq.), the Act, and all other applicable state and federal laws including, without limitation, title 42
26 United States Code section 1983.

27 9. Each Licensee voluntarily, knowingly, and intelligently waives and gives up each and
28 every right set forth in paragraph 8 above, agrees not to request a hearing on the Operative

1 Pleadings, and agrees to be bound by this Stipulated Settlement. Except as otherwise provided
2 herein, each Licensee further voluntarily, knowingly, and intelligently waives any right to
3 judicial, administrative, or other review of any matter related to or covered by this Stipulated
4 Settlement. In addition to and as part of their waivers set forth herein, each Licensee expressly,
5 voluntarily, and knowingly waives any privilege or right available under, or conferred by,
6 Government Code section 11522.

7 **STIPULATED AGREEMENT OF SETTLEMENT**

8 10. For the purposes of resolving and settling the Operative Pleadings and for any other
9 matter now and in the future involving the Commission, the Bureau, or licensed gambling, each
10 Licensee admits that all the factual and legal allegations in the Operative Pleadings are true,
11 accurate, and complete, and that such allegations provide a sufficient legal and factual basis to
12 discipline, and deny renewal of, his or its license and for cancellation of his or its interim renewal
13 license, and for termination of any TPPPS contract(s) at issue in the petitions.

14 11. Each Licensee understands and agrees that the admissions made in paragraph 10
15 above may be entered into evidence in any administrative or civil proceeding brought or
16 prosecuted by the Bureau or the Commission as if those admissions were made under oath and
17 penalty of perjury. The admissions made by the Licensees herein are only for the purposes of this
18 proceeding, or any current or future administrative proceeding or civil proceeding in which one or
19 more of the Licensees and the Bureau or the Commission, or any successor agency to the Bureau
20 or the Commission, are involved, and shall not be otherwise admissible in any criminal, civil, or
21 unrelated administrative proceeding.

22 12. Upon the effective date of the Decision and Order issued by the Commission
23 adopting this Stipulated Settlement (Effective Date), each Licensee's state TPPPS license will be
24 renewed, and the petitions to terminate TPPPS contracts will be vacated. The renewed licenses
25 shall be subject to Licensees, and each of them, performing and complying with each and every
26 condition and term of this Stipulated Settlement for 24 months (Probationary Period).

1 13. Each Licensee has been advised and, therefore, understands and acknowledges that
2 upon the Effective Date, his or its interim renewal license will cease to be valid and will be
3 automatically canceled. (Cal. Code Regs., tit. 4, § 12035, subd. (b)(2).)

4 14. Licensees, jointly and severally, agree to pay the Bureau monetary fines in the
5 amount of nine hundred thousand dollars (\$900,000) (Fines) for the acts and omissions
6 alleged in the Operative Pleading and admitted to in paragraph 10 above. Four hundred thousand
7 dollars (\$400,000) of the Fines shall be due and payable to the Bureau immediately upon
8 adoption of this Stipulated Settlement by the Commission. The remaining \$500,000 of the Fines
9 shall be stayed for the duration of the Probationary Period provided that each Licensee performs
10 and complies with each and every condition of this Stipulated Settlement. If Licensees fully
11 perform and comply with each and every condition of this Stipulated Settlement during the
12 Suspension Period, the remaining \$500,000 of the Fines shall be waived and released, and
13 Licensees shall have no further obligation to pay that portion of the Fines. However, if Licensees,
14 jointly and severally, do not perform and comply with each and every condition of this Stipulated
15 Settlement during the Probationary Period, the remainder of the Fines will be due immediately.
16 Any Fines paid will be deposited in accordance with Business and Professions Code section
17 19950, subdivision (a).

18 15. During the Probationary Period, Licensees shall meet, or perform, the following
19 conditions (Probationary Conditions):

20 (a) Blackstone chips shall not be left unattended at any time, unless they are
21 maintained at a secure podium as described in California Code of Regulations, title 4, section
22 12387, subdivision (c), or in the cage.

23 (b) Blackstone chips shall not be left unattended on tables regardless of whether
24 they are in a container that is locking or not, and regardless of whether the game is active or not.
25 The chips are considered unattended unless an appropriately licensed Blackstone employee has
26 the chips under their immediate possession and direction. An appropriately licensed Blackstone
27 employee must be at a table to have immediate possession and direction of Blackstone chips on
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1 the table. A single Blackstone employee shall not provide services to more than one table
2 simultaneously.

3 (c) Blackstone shall hire an independent consultant that is approved in advance by
4 the Bureau. That independent consultant shall simultaneously report directly to Blackstone and
5 the Bureau quarterly regarding Blackstone's compliance with the terms of this settlement at all
6 card rooms where Blackstone provides third party provider services and shall simultaneously
7 notify Blackstone and the Bureau immediately when a violation is reasonably suspected. The
8 consultant shall also review, monitor, and report on podium security as it pertains to the storage
9 of Blackstone's chips. The consultant will be in place for the duration of the Probationary Period,
10 at which time the need for continued independent monitoring and reporting will be reassessed by
11 the Bureau in conjunction with consideration of licensure renewal.

12 (d) Blackstone shall exercise heightened diligence in monitoring its employees'
13 compliance with their duties to **possess**, direct, or otherwise **control** currency, chips, or other
14 wagering instruments used for play and is required to report to the Bureau anytime Blackstone
15 becomes aware that an employee leaves any Blackstone chips unattended. The Bureau should be
16 notified in the form of an Incident Report within five (5) days of the incident. (Cal. Code Regs.,
17 tit. 4, § 12282 subd. (a).)

18 (e) Blackstone is required to report to the Bureau anytime it obtains evidence that
19 any dollar amount of its chips has been stolen or subject to any kind of cheating or fraudulent use.
20 The Bureau should be notified in the form of an Incident Report within five (5) days of the
21 incident.

22 (f) A material violation of the Probationary Conditions shall constitute grounds for
23 lifting the stay of the unpaid portion of the Fine described herein. A determination as to the
24 existence of a material violation may be made by the Commission at a regular Commission
25 meeting based upon evidence presented by the Bureau and such responsive evidence as may be
26 presented by Blackstone. It is intended that any such proceeding be summary in nature and that
27 the Commission's decision shall be final and not subject to judicial review or collateral attack.
28 Accordingly, the Licensees unequivocally, knowingly, and with the advice of counsel waive any

1 such right of review or challenge to a Commission decision made under this provision. Payment
2 of the unpaid portion of the Fine due pursuant to this provision shall be made within thirty (30)
3 days of the Commission decision. The lifting of the stay on the unpaid portion of the Fine will be
4 in addition, and without prejudice to, any suitability or disciplinary proceeding that may be
5 brought under the Act for violations.

6 16. If the Probationary Period exceeds the term, or expiration date, of any license granted
7 or issued pursuant to this Stipulated Settlement, each Licensee acknowledges and agrees that any
8 renewal license granted by the Commission will require continued compliance with the
9 Probationary Conditions for the remainder of the Probationary Period.

10 17. Each Licensee agrees that it shall be a default under this Stipulated Settlement to fail
11 to materially comply with any term of this Stipulated Settlement. Isolated or individual instances
12 of employee noncompliance with the Probationary Conditions that in the exercise of heightened
13 diligence were unknown to the Licensees and not due to a failure of the Licensees' oversight or
14 compliance programs shall not be grounds for the stay of the unpaid portion of the Fine to be
15 lifted or considered a material failure to comply or default under this Stipulated Settlement,
16 provided that the Licensees comply with the terms upon learning of such instances of
17 noncompliance.

18 18. In the event of a default, and in addition to the lifting of the stay herein, the Bureau
19 may file an accusation or other appropriate pleading with the Commission. The only issues in an
20 evidentiary hearing brought with respect to a default during the Probationary Period will be (1)
21 whether one or more of the Licensees failed to materially comply with any term of this Stipulated
22 Settlement, (2) whether revocation or suspension, or fines or penalties, are appropriate and in
23 what amounts, and (3) the amount of the Department of Justice's and the Bureau's costs to be
24 awarded. Licensees recognize and agree that neither the Commission nor any of its members
25 shall be prejudiced or subject to disqualification in a proceeding under this paragraph based upon
26 their having made a determination to lift the stay under paragraph 15, subsection (f).

27 19. Nothing in this Stipulated Settlement will preclude, prevent, prejudice, or otherwise
28 disable the Bureau, its Director, the Department of Justice, any other state agency, or any federal

1 or local department, agency, or prosecutor from enforcing any law, regulation, or ordinance or
2 pursuing any criminal or civil action, suit, or remedy that it has authority to enforce or pursue.

3 20. Nothing in this Stipulated Settlement will preclude, prevent, prejudice, or otherwise
4 disable the Bureau or its Director from issuing an emergency order pursuant to Business and
5 Professions Code section 19931. If an emergency order is issued, the parties' rights, powers,
6 privileges, and obligations shall be as provided in Business and Professions Code section 19931.

7 21. Except as otherwise provided in this Stipulated Settlement, the Bureau waives
8 monetary penalties, fines, and costs with respect to the Operative Pleadings and this Stipulated
9 Settlement.

10 22. The parties agree that this Stipulated Settlement fully resolves their dispute
11 concerning the Operative Pleadings and that, except upon violation of any of the Probationary
12 Conditions or default, no further discipline or adverse action, including revocation, suspension, or
13 TPPPS contract disapproval of termination shall be sought against Licensees based solely upon
14 the allegations contained within the Operative Pleadings. Each Licensee expressly waives any
15 right to judicial, administrative, or other review of any matter related to or covered by this
16 Stipulated Settlement.

17 23. This Stipulated Settlement shall be subject to adoption by the Commission. Each
18 Licensee understands and specifically agrees that counsel for the Complainant, as well as the
19 Bureau's staff, may communicate directly with the Commission in support of this Stipulated
20 Settlement without notice to, or participation by, Licensees or their counsel, and that no such
21 communication shall be deemed a prohibited ex parte communication. Each licensee specifically
22 acknowledges and agrees that such communications are permissible pursuant to Government
23 Code section 11430.30, subdivision (b).

24 24. By signing this Stipulated Settlement, each Licensee understands and agrees that he
25 or it may not withdraw his or its agreement or seek to rescind the Stipulated Settlement prior to
26 the time the Commission considers and acts upon it. If the Commission fails to adopt this
27 Stipulated Settlement as its Decision and Order, this Stipulated Settlement shall be of no force or
28 effect, and, except for actions taken pursuant to this paragraph and paragraph 21 above, it shall be

1 inadmissible in any legal action between the parties. The Commission’s consideration of this
2 Stipulated Settlement shall not disqualify it from any further action regarding Licensees’
3 licensure, including, but not limited to, disposition of the Operative Pleadings by a decision and
4 order following a hearing on the merits.

5 25. The parties agree that a photocopy, facsimile or electronic copy of this Stipulated
6 Settlement, including copies with signatures thereon, shall have the same force and effect as an
7 original.

8 26. In consideration of the above admissions and stipulations, the parties agree that the
9 Commission may, without further notice or formal proceeding, issue and enter the Decision and
10 Order adopting this Stipulated Settlement.

11 **LICENSEES’ ACCEPTANCE**

12 Each Licensee has carefully read and considered the above Stipulated Settlement. Each
13 Licensee has discussed its terms and effects with legal counsel. Each Licensee also understands
14 the Stipulated Settlement and the effects it will or may have on his or its state gambling license.
15 Each Licensee further understands that his or its state gambling license will be subject to certain
16 conditions for 24 months. Each Licensee further understands that failure to abide by the
17 conditions and terms of the Stipulated Settlement could result in action being taken with respect
18 to his or its state gambling license, including, without limitation, revocation. Each Licensee
19 enters into this Stipulated Settlement voluntarily, knowingly and intelligently, and agrees to be
20 bound by its terms.

21
22 Dated: May 23, 2024

Blackstone Gaming LLC, dba Blackstone Gaming

23 By Tuan Van Thai
24 Tuan Van Thai
25 Its: President and sole member

26 Dated: May 23, 2024

27 By Tuan Van Thai
28 Tuan Van Thai

1 Approved as to form and content.

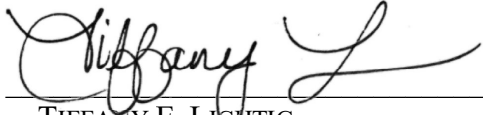
2 Dated: June 3, 2024

The Law Office of Tiffany E. Lichtig

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By 
TIFFANY E. LICHTIG
Attorney for Respondents

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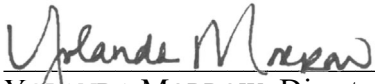
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DIRECTOR'S ACCEPTANCE

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10 Dated: June 10, 2024


YOLANDA MORROW, Director
Bureau of Gambling Control
California Department of Justice

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The foregoing Stipulated Settlement is respectfully submitted to the California Gambling
15 Control Commission for consideration.

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16 Dated: June 10, 2024

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ROB BONTA
Attorney General of California
T. MICHELLE LAIRD
Senior Assistant Attorney General

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Bart E. Hightower
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BART E. HIGHTOWER
Deputy Attorney General
Attorneys for Complainant

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DECISION AND ORDER OF THE COMMISSION

The California Gambling Control Commission hereby adopts the foregoing Stipulated Settlement of the parties for the Accusation, case BGC-HQ2021-00001AL, and for the four petitions to terminate TPPPS contracts submitted to the Commission on or about December 28, 2023, as its final decision and order in the matters to be effective upon execution below by its members.

IT IS SO ORDERED.

Dated: _____

PAULA D. LABRIE, Chair

Dated: 7/25/2024

DocuSigned by:
Eric Heins
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Dated: 7/25/2024

ERIC C. HEINS
DocuSigned by:
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Dated: 7/25/2024

EDWARD YEE
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William Liu
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Dated: 7/25/2024

WILLIAM LIU
DocuSigned by:
Stacey Luna Baxter
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STACEY LUNA BAXTER

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