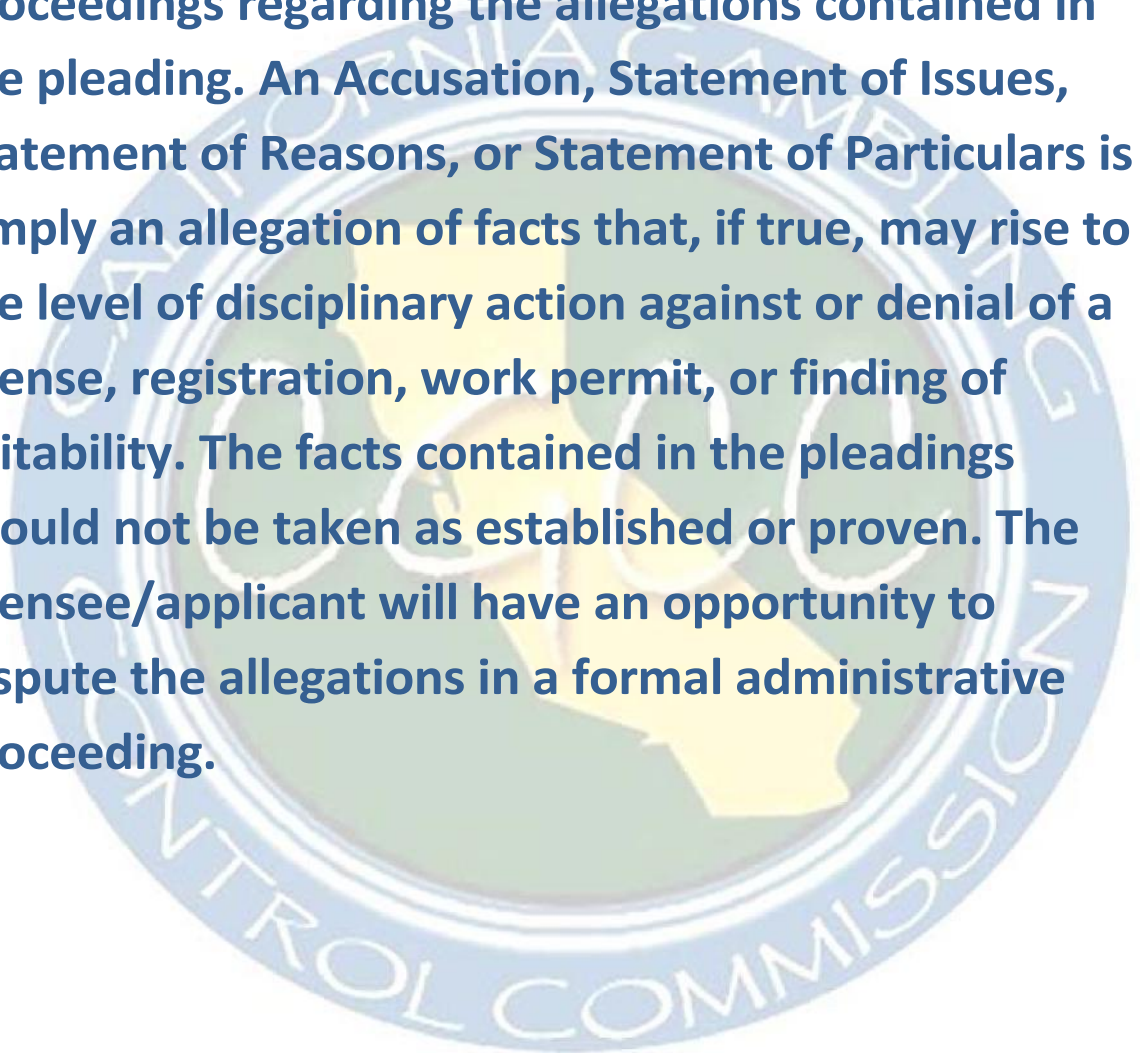


The Commission is providing a copy of this pleading (Accusation, or Statement of Reasons, Statement of Particulars, or Statement of Issues) so the public is as informed as possible of pending administrative proceedings regarding the allegations contained in the pleading. An Accusation, Statement of Issues, 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.




1 ROB BONTA
Attorney General of California
2 CHRISTINE WILLIAMS
Senior Assistant Attorney General
3 NOEL A. FISCHER
Supervising Deputy Attorney General
4 ANDREW G. SANGSTER
Deputy Attorney General
5 State Bar No. 350457
1300 I Street, Suite 125
6 P.O. Box 944255
Sacramento, CA 94244-2550
7 Telephone: (916) 210-7840
Fax: (916) 327-2319
8 E-mail: Andrew.Sangster@doj.ca.gov
Attorneys for Complainant

9
10 **BEFORE THE**
11 **CALIFORNIA GAMBLING CONTROL COMMISSION**
12 **STATE OF CALIFORNIA**
13

14 In the Matter of the Application for a Finding of
Suitability for:

15
16 **CHIA NENG LAO**

17 
18 lben100lauj@gmail.com

19 TRKE-025940

20 Respondent.

Case No. CGCC-2025-1009-10Ei

BGC-HQ2025-00021AL

21 **STATEMENT OF REASONS**

Hearing Date: May 14, 2026

Hearing Time: 10:00 a.m.

Hearing Place: 2399 Gateway Oaks, Ste. 100
Sacramento, CA 95833

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

23 Complainant alleges as follows:

24 **PARTIES**

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

1 7. On September 26, 2025, the California Gambling Control Commission (Commission)
2 notified Respondent in writing that his Application would be considered by the Commission at
3 10:00 a.m., on October 9, 2025. On that date, the Commission considered the Application and
4 referred it to an evidentiary hearing. On October 10, 2025, the Commission notified the
5 Respondent in writing that the Application had been referred to an evidentiary hearing. The
6 Commission’s notification to Respondent included instructions to file a Notice of Defense if
7 Respondent wished to contest the denial in an evidentiary hearing.

8 8. On December 2, 2025, having failed to receive a response, the Commission notified
9 Respondent in writing that his failure to return a Notice of Defense meant he had waived the
10 rights identified in that form and that the Commission would meet on January 8, 2026, to issue a
11 default denial or otherwise decide the merits of his Application. The Commission’s
12 correspondence contained the Zoom details for the January 8, 2026, Commission meeting.

13 9. On January 8, 2026, the Respondent attended the Commission’s meeting and stated
14 that he would like to proceed with an evidentiary hearing. Respondent subsequently filed a
15 Notice of Defense with the Commission on or about January 8, 2026.

16 10. On January 30, 2026, the Commission issued a Notice of Hearing (Notice) informing
17 Respondent that the evidentiary hearing would be conducted before the Commission on May 14,
18 2026 at 10:00 a.m., using Zoom videoconferencing. The Notice further provided that the
19 evidentiary hearing would be preceded by a mandatory prehearing conference on March 3, 2025
20 at 10:00 a.m., also using Zoom videoconferencing. The evidentiary hearing was set as a
21 Gambling Control Act (GCA) hearing under California Code of Regulations (CCR) title 4,
22 division 18, chapter 1, § 12060.

23
24
25
26
27
28

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

BURDEN OF PROOF

11. Respondent has the burden of proving that he is qualified to receive a tribal key employee license. (Bus. & Prof. Code, § 19856, subd. (a).)

FIRST CAUSE FOR DENIAL

(Ineligible and Unsuitable for Licensure)

12. Respondent’s Application is subject to mandatory denial on the ground that Respondent’s failure to disclose their criminal conviction makes Respondent ineligible for licensure. Further, by failing to disclose their criminal conviction, Respondent also failed to carry their burden of establishing eligibility and qualification for licensure. (Bus. & Prof. Code, § 19859, subds. (a) & (b) [mandatory denial].)

PRAYER

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

- 1. Denying Respondent’s Application; and
- 2. Taking such other and further action as the Commission may deem appropriate.

Dated: April ____, 2026

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

1 **APPENDIX A**

2 **BUSINESS AND PROFESSIONS CODE**

3 1. Business and Professions Code section 19811, subdivision (b), provides:

4 Jurisdiction, including jurisdiction over operation and
5 concentration, and supervision over gambling establishments in this
6 state and over all persons or things having to do with the operation of
7 gambling establishments is vested in the commission.

8 2. Business and Professions Code section 19823 provides:

9 (a) The responsibilities of the commission include,
10 without limitation, all of the following:

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

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

22 (b) For the purposes of this section, “unqualified person”
23 means a person who is found to be unqualified pursuant to the
24 criteria set forth in Section 19857, and “disqualified person”
25 means a person who is found to be disqualified pursuant to the
26 criteria set forth in Section 19859.

27 3. Business and Professions Code section 19824 provides, in part:

28 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

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

1 chapter, limit, condition, or restrict any license, permit, or
2 approval, or impose any fine upon any person licensed or
3 approved. The commission may condition, restrict, discipline,
4 or take action against the license of an individual owner
5 endorsed on the license certificate of the gambling enterprise
6 whether or not the commission takes action against the license
7 of the gambling enterprise.

8 * * *

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

12 * * *

13 4. Business and Professions Code, section 19854 provides, in part:

14 (a) A person shall not be employed as a key employee
15 unless that person applies for and obtains a key employee
16 license.

17 (b) A person shall not be issued a key employee license
18 unless the person would qualify for a state gambling license.

19 5. Business and Professions Code section 19856 provides:

20 (a) Any person who the commission determines is
21 qualified to receive a state license, having due consideration for
22 the proper protection of the health, safety, and general welfare
23 of the residents of the State of California and the declared
24 policy of this state, may be issued a license. The burden of
25 proving his or her qualifications to receive any license is on the
26 applicant.

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

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

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

6. Business and Professions Code section 19857 provides:

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

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

(b) A person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose 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, or in the carrying on of the business and financial arrangements incidental thereto.

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

7. 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.

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

8. Business and Professions Code section 19866 provides:

An applicant for licensing or for any approval or consent required by this chapter, 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 chief^[3] and any other testimony and written comments as may be presented at the meeting, or as

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

1 may have been submitted in writing to the commission prior to
2 the meeting, may deny the application, grant a license to an
3 applicant who it determines to be qualified to hold the license,
or refer the application to an evidentiary hearing.

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

7 (c) If, during a meeting, the commission denies an
8 application, denies approval, or approves with limits,
9 restrictions, or conditions, the action shall be stayed for a period
10 of 30 days after the meeting, during which the applicant may
11 request an evidentiary hearing. If the applicant does not file a
12 request for an evidentiary hearing within 30 days, the action of
13 the commission taken at the meeting is final. If the applicant
14 waives the right to hearing and assents to the action of the
commission in writing, upon receipt of the waiver by the
commission, the action shall no longer be stayed. If the
applicant files a timely request for an evidentiary hearing, the
action shall be vacated and the application shall be reviewed de
novo at the evidentiary hearing.

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

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

19 (f) A decision of the commission after an evidentiary
20 hearing, denying a license or approval, or imposing any
21 condition or restriction on the grant of a license or approval may
22 be reviewed by petition pursuant to Section 1085 of the Code of
23 Civil Procedure. Section 1094.5 of the Code of Civil Procedure
24 does not apply to any judicial proceeding held to consider that
petition, 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.

25 10. Business and Professions Code section 19871 provides:

26 (a) An evidentiary hearing described in Section 19870
27 shall be conducted in accordance with regulations of the
28 commission and as follows:

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

(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) This section does not confer upon an applicant a right to discovery of the department's^[4] 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. (Bus. & Prof. Code, § 19805, subd. (h).)

1 **CALIFORNIA CODE OF REGULATIONS**

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

3 At a Commission meeting, the Commission may take, but is not
4 limited to taking, one of the following actions...Issue a license, work
5 permit, finding of suitability, or other approval with conditions,
6 restrictions, or limitations, and for renewal a renewal application, issue
7 an interim renewal license pursuant to Section 12035.

8 12. California Code of Regulations, title 4, section 12056, subdivision (a) provides, in
9 part:

10 If the Commission elects to hold an evidentiary hearing, or an
11 applicant has elected to request an evidentiary hearing following a
12 Commission approval with conditions, restrictions, or limitations
13 pursuant to paragraph (2) of subsection (a) of Section 12054 or a
14 denial pursuant to paragraph (3) of subsection (a) of Section 12054,
15 the hearing will be conducted as a GCA hearing under Section 12060,
16 unless the Executive Director or the Commission determines the
17 hearing should be conducted as an APA hearing under Section 12058.

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

19 (a) If the Executive Director determines it is appropriate,
20 he or she may set an application for consideration at a GCA
21 hearing in advance of a meeting pursuant to Section 12054.
22 The Executive Director will give notice to the applicant,
23 pursuant to paragraph (2) subsection (c) of Section 12052, to the
24 Office of the Attorney General, and to the Bureau no later than
25 90 calendar days in advance of the GCA hearing. The
26 Executive Director's determination will be based on information
27 contained in the Bureau's report or other appropriate sources
28 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, subdivision (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-

1 03 (Rev. 8/21). The request must be made on the initial Notice
2 of Defense form submitted to the Commission and Bureau
within the timeframes specified on the form.

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

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

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

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

16 (2) If at any time before the hearing the
17 Executive Director determines that the criteria in
18 subparagraphs (A) through (C) of paragraph (1) are
19 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.

20 (d) The presiding officer and her or his support staff will
21 have no communication with the Commission or Commission
22 staff upon the merits of an application prior to the evidentiary
hearing. The Executive Director will designate a presiding
officer which shall be:

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

25 (2) An Administrative Law Judge.

26 (e) The applicant or the complainant, or the applicant and
27 the complainant, may request a continuance in writing to the
Executive Director stating the reason for the continuance and
28 any proposed future hearing dates. The Executive Director or

1 Commission may approve the request. For a Southern
2 California GCA hearing, if a continuance is granted, the hearing
3 may be scheduled in Sacramento of Southern California based
4 on the criteria specified in subparagraphs (A) through (C) of
5 paragraph (1) of subsection (c).

6 (f) The complainant shall provide to the applicant, subject
7 to subsection (b) of Section 12056, at least 45 calendar days
8 prior to the GCA hearing, and the applicant shall provide to the
9 complainant, at least 30 calendar days prior to the GCA hearing,
10 the following items:

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

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

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

18 (4) All other written comments, writings, or
19 other items containing relevant evidence.

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

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

(1) In advance of the GCA hearing, upon a
motion of a party or by order of the presiding officer,
the presiding officer may conduct a pre-hearing
conference, either in person, via 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:

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

- (A) Evidentiary issues;
- (B) Witness and exhibit lists;
- (C) Alterations in the Bureau recommendation;
- (D) Stipulation 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

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

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 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 own 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.

1 **TRIBAL-STATE COMPACT BETWEEN THE STATE OF CALIFORNIA AND THE**
2 **WILTON RANCHERIA**

3 14. The Tribal-State Compact Between the State of California and Wilton Rancheria
4 section 6.5.6 (State Determination of Suitability Process) provides, in part:

5 (a) With respect to Gaming Employees, upon receipt of an
6 Applicant's completed license application and a determination
7 to issue either a temporary or regular license, the Tribal Gaming
8 Agency shall transmit within twenty-one (21) days to the State
9 Gaming Agency for a determination of suitability for licensure
10 under the California Gambling Control Act a notice of intent to
11 license the Applicant. . .

12 [¶]

13 (d) Investigation and disposition of applications for a
14 determination of suitability shall be governed entirely by
15 State law, and the State Gaming Agency shall determine
16 whether the Applicant would be found suitable for licensure
17 in a gambling establishment subject to the State Gaming
18 Agency's jurisdiction. Additional information may be
19 required by the State Gaming Agency to assist it in its
20 background investigation, to the extent permitted under
21 State law for licensure in a gambling establishment subject
22 to the State Gaming Agency's jurisdiction.

23 [¶]

24 (e) Upon receipt of completed license or license renewal application
25 information from the Tribal Gaming Agency, the State Gaming Agency may
26 conduct a background investigation pursuant to state law to determine whether the
27 Applicant is suitable to be licensed for association with Class III Gaming
28 operations. . . . Failure to provide information reasonably required by the State
Gaming Agency to complete its investigation under California law or failure to
pay the application fee or deposit can constitute grounds for denial of the
application by the State Gaming Agency. The State Gaming Agency and Tribal
Gaming Agency shall cooperate in sharing as much background information as
possible, both to maximize investigative efficiency and thoroughness, and to
minimize investigative costs.

(f) Upon completion of the necessary background investigation or other
verification of suitability, the State Gaming Agency shall issue a notice to the
Tribal Gaming Agency certifying that the State has determined that the Applicant
is suitable, or that the Applicant is unsuitable, for licensure in a Gaming Operation
and, if unsuitable, stating the reasons therefore. Issuance of a determination of
suitability does not preclude the State Gaming Agency from a subsequent

1 determination based on newly discovered information that a person or entity is
2 unsuitable for the purpose for which the person or entity is licensed. Upon receipt
3 of notice that the State Gaming Agency has determined that a person or entity is or
4 would be unsuitable for licensure, the Tribal Gaming Agency shall deny that
5 person or entity a license and promptly, and in no event more than thirty (30) days
6 from the issuance of the State Gaming Agency notification, revoke any tribal
7 gaming license that has theretofore been issued to that person or entity; provided
8 that the Tribal Gaming Agency may, in its discretion, reissue a tribal gaming
9 license to the person or entity following entry of a final judgment reversing the
10 determination of the State Gaming Agency in a proceeding in state court between
11 the Applicant and the State Agency conducted pursuant to section 1085 of the
12 California Code of Civil Procedure.

13 (h) Prior to denying an application for a determination of suitability, or to
14 issuing notice to the Tribal Gaming Agency that a person or entity previously
15 determined to be suitable had been determined unsuitable for licensure, the State
16 Gaming Agency shall notify the Tribal Gaming Agency and afford the Tribe an
17 opportunity to be heard. If the State Gaming Agency denies an application for a
18 determination of suitability, or issues notice that a person or entity previously
19 determined suitable has been determined unsuitable for licensure, the State
20 Gaming Agency shall provide that person or entity with written notice of all appeal
21 rights available under state law.

22 Tribal-State Compact Between the State of California and the Wilton Rancheria,
23 executed July 19, 2017, pp. 48-50.
24
25
26
27
28