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

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

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

16  
17 **TUAN VAN THAI (TPOW-000526), its sole member.**

18  
19 **100 W. Broadway, Suite 255**  
**Long Beach, CA 90802**

20  
21 **Respondents.**

BGC Case No.: BGC-HQ2021-00001AL

OAH Case No.: 2024010702

**SECOND AMENDED ACCUSATION  
AND STATEMENT OF ISSUES**

22 Complainant alleges as follows:

23 **PARTIES**

24 1. Yolanda Morrow (Complainant) brings this accusation solely in her official  
25 capacity as Director of the Department of Justice, Bureau of Gambling Control (Bureau).

26 2. Respondent and Applicant Blackstone Gaming, LLC (Blackstone), license number  
27 TPPP-000119, is a limited liability company that provides third-party proposition player services  
28

1 (third-party provider) to multiple card rooms throughout California. Respondent Tuan Van Thai  
2 (Member), license number TPOW-000526, is Blackstone’s sole member. Collectively,  
3 Blackstone and Member are referred to as “Respondents” in this accusation. Respondents are  
4 licensed by the California Gambling Control Commission (Commission) pursuant to the  
5 Gambling Control Act (Act) (Bus. & Prof. Code, § 19800 et seq.)<sup>1</sup>

6 **SUMMARY OF THE CASE**

7 3. California’s public policy, as expressly provided in the Act, requires  
8 comprehensive measures to maintain the public trust that permissible gambling will not endanger  
9 the public health, safety, or welfare is free from criminal and corruptive elements and is  
10 conducted honestly and competitively. (Bus. & Prof. Code, § 19801, subd. (g).) Strict and  
11 comprehensive regulation of all persons, practices, and activities related to the operation of lawful  
12 gambling establishments maintains public trust and confidence. (Bus. & Prof. Code, § 19801,  
13 subd. (h).) Accordingly, the Act is to be liberally construed to effectuate those purposes. (Bus. &  
14 Prof. Code, § 19971.) State law requires a separation between a gambling enterprise and a third-  
15 party provider. (See Bus. & Prof. Code, § 19984, subd. (a); Pen. Code, § 330.11.)

16 4. This proceeding arises out of Respondents’ continuing failure to fulfill their  
17 obligations with respect to permissible gambling and maintaining the required separation between  
18 a third-party provider and a gambling enterprise. Respondents persistently used, or allowed,  
19 conduct that violated the Act and regulations adopted under the Act. Respondents failed to  
20 implement reasonable procedures to protect prevent those violations. Respondents’ acts and  
21 omissions make their licenses subject to discipline, including, among other things, monetary  
22 penalties or fines, suspension, and revocation, or non-renewal. (Cal. Code Regs., tit. 4, §§ 12554,  
23 subd. (d), 12560, subd. (b)(26).)

24 5. On April 21, 2022, the Commission considered Blackstone’s renewal application.  
25 The Commission voted to refer the application to an evidentiary hearing pursuant to California  
26 Code of Regulations (CCR), Title 4, Division 18, Chapter 1, section 12054(a)(4). The

27 <sup>1</sup> The statutes and regulations applicable to this accusation are quoted in pertinent part in  
28 Appendix A.

1 Commission issued an interim renewal license pursuant to 4 CCR section 12035 valid through  
2 April 30, 2024. Accordingly, this proceeding will also determine whether Blackstone’s  
3 application to renew its TPPPS license should be granted or denied and whether Blackstone and  
4 Tuan Van Thai or each of them, is unqualified for, or disqualified from, licensing under the Act  
5 and the regulations adopted by the Commission.

### 6 **JURISDICTION AND COST RECOVERY**

7 6. The Commission has jurisdiction over the operation and concentration of gambling  
8 establishments and all persons and things having to do with the operation of gambling  
9 establishments. (Bus. & Prof. Code, § 19811, subd. (b).) The Act tasks the Bureau with, among  
10 other responsibilities, investigating suspected violations of the Act and initiating disciplinary  
11 actions. (Bus. & Prof. Code, §§ 19826, subds. (c) & (e) & 19930, subd. (b).) Upon the Bureau  
12 filing an accusation, the Commission proceeds under Government Code section 11500 et seq.  
13 (Bus. & Prof Code, § 19930, subd. (b); see Cal. Code Regs., tit. 4, § 12554, subd. (a).) The  
14 Commission’s disciplinary powers include, among other things, revocation and imposition of a  
15 fine or monetary penalty. (Cal. Code Regs., tit. 4, §§ 12554, subd. (d), 12560, subd. (b)(26).)

16 7. In a matter involving revocation or suspension of a license by an administrative  
17 law judge, the Bureau may recover its costs of investigation and prosecuting the proceeding.  
18 (Bus. & Prof. Code, § 19930, subd. (d).)

### 19 **STANDARD OF PROOF**

20 8. In a proceeding under the Act, the standard of proof is the preponderance of the  
21 evidence, which “is such evidence as when considered and compared with that opposed to it, has  
22 more convincing force, and produces a belief in the mind of the fact-finder that what is sought to  
23 be proved is more likely true than not true.” (Cal. Code Regs., tit. 4, § 12554, subd. (c).)

### 24 **CAUSE FOR DISCIPLINE AND DENIAL**

#### 25 **(Failure to Comply with Regulations)**

26 9. Respondents’ licenses are subject to discipline, including revocation or suspension,  
27 because they failed to comply with regulations adopted under the Act. Respondents’ acts and  
28

1 omissions pose a threat to the public interest of this state and to the effective regulation and  
2 control of controlled gambling.

3 10. By regulation, only a player authorized by a card room's third-party provider may  
4 possess, direct, or otherwise control currency, chips, or other wagering instruments used for play  
5 in the third-party provider's performance of its duties. Respondents operated in a manner that  
6 violated the regulation by assigning multiple tables and "player's banks" to a single player. As a  
7 result of that operating manner, an authorized player did not possess, direct, or otherwise control  
8 currency, chips, or other wagering instruments at all times. Rather, the player left gambling  
9 tables unattended and chips unsecured and out of the player's possession, custody, or control. On  
10 occasion, because they were tending to other tables, Blackstone's players provided chips to a card  
11 room's dealer to pay winners and allowed the dealers to collect from losers. Respondents  
12 operated in the manner described in this paragraph 9 in multiple card rooms in the state,  
13 including, among others, Ocean's Eleven Casino, Larry Flynt's Lucky Lady Casino, The Hustler  
14 Casino, Crystal Casino, Casino M8trix, and Limelight Cardroom.

15 11. Between January 9, 2020 and December 28, 2023, the Bureau issued ten letters of  
16 warning or notices to cure to Blackstone regarding the conduct described in paragraph 9 above.  
17 Additionally, an August 31, 2021 notice to cure referenced incident reports submitted by  
18 Blackstone advising of chips that were stolen from its player's banks. Despite that knowledge  
19 and the opportunity to cease the conduct that violated the regulations, Respondents failed to  
20 implement procedures to prevent or eliminate the violations. As recently as November 15, 16,  
21 and 21, 2023, the Bureau determined in an undercover investigation that Blackstone continued to  
22 operate as described in paragraph 9 above.


23 (Bus. & Prof. Code, §§ 19801, 19823, 19824, subd. (d), 19857, subds. (a) & (b); Cal. Code Regs.,  
24 tit. 4, §§ 12040, subd (a), 12290, subd. (b), 12560, subd. (b)(26).)

25 **PRAYER**

26 WHEREFORE, Complainant requests that a hearing be held on the matter herein alleged,  
27 and that following the hearing, the Commission issue a decision:  
28

- 1           1.       Disciplining License Number TPPP-000119, issued to respondent Blackstone  
2 Gaming, LLC;
- 3           2.       Disciplining License Number TPOW-000526, issued to respondent Tuan Van  
4 Thai;
- 5           3.       Denying Respondents' renewal application;
- 6           4.       Imposing fines or monetary penalties against Respondents, jointly and severally,  
7 according to proof and to the maximum extent allowed by law;
- 8           5.       Denial of Blackstone's application for renewal of its TPPPS license.
- 9           6.       Awarding Complainant the costs of investigation and the costs of bringing this  
10 accusation before the Commission, pursuant to Business and Professions Code section 19930,  
11 subdivisions (d) and (f), in a sum according to proof; and
- 12          7.       Taking such other and further action as the Commission may deem appropriate.

13  
14 Dated: May 7, 2024

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



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(1) Assuring that licenses, approvals, and permits are not issued to, or held 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.

(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.

4. 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, including, without limitation, the power to do all of the following:

\* \* \*

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

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

The department<sup>2</sup> . . . 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.

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<sup>2</sup> “Department” refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd. (h).) The Bureau is an entity within the Department of Justice.

1 6. Business and Professions Code section 19857 provides:

2 No gambling license shall be issued unless, based on all the  
3 information and documents submitted, the commission is satisfied that the  
4 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, reputation,  
7 habits, and associations do not pose a threat to the public interest of this  
8 state, or to the effective regulation and control of controlled gambling, or  
9 create or enhance the dangers of unsuitable, unfair, or illegal practices,  
10 methods, and activities in the conduct of controlled gambling or in the  
11 carrying on of the business and financial arrangements incidental thereto.

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

14 7. Business and Professions Code section 19930 provides, in part:

15 (b) If, after any investigation, the department is satisfied that a license,  
16 permit, finding of suitability, or approval should be suspended or revoked,  
17 it shall file an accusation with the commission in accordance with Chapter  
18 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of  
19 the Government Code.

20 \* \* \*

21 (d) In any case in which the administrative law judge recommends  
22 that the commission revoke, suspend, or deny a license, the administrative  
23 law judge may, upon presentation of suitable proof, order the licensee or  
24 applicant for a license to pay the department the reasonable costs of the  
25 investigation and prosecution of the case.

26 (1) The costs assessed pursuant to this subdivision shall be fixed by  
27 the administrative law judge and may not be increased by the  
28 commission. When the commission does not adopt a proposed decision  
and remands the case to the administrative law judge, the administrative  
law judge may not increase the amount of any costs assessed in the  
proposed decision.

(2) The department may enforce the order for payment in the  
superior court in the county in which the administrative hearing was held.  
The right of enforcement shall be in addition to any other rights that the  
division may have as to any licensee to pay costs.



1 (3) In any judicial action for the recovery of costs, proof of the  
2 commission's decision shall be conclusive proof of the validity of the  
order of payment and the terms for payment.

3 \* \* \*

4 (f) For purposes of this section, "costs" include costs incurred for any  
5 of the following:

6 (1) The investigation of the case by the department.

7 (2) The preparation and prosecution of the case by the Office of the  
Attorney General.

8 8. Business and Professions Code section 19971 provides:

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

11 9. Business and Professions Code section 19984, subdivision (a) provides:

12 Notwithstanding any other law, a licensed gambling enterprise  
13 may contract with a third party for the purpose of providing proposition  
14 player services at a gambling establishment, subject to the following  
conditions:

15 (a) Any agreement, contract, or arrangement between a gambling  
16 enterprise and a third-party provider of proposition player services shall be  
17 approved in advance by the department, and in no event shall a gambling  
enterprise or the house have any interest, whether direct or indirect, in  
funds wagered, lost, or won.

18 **Penal Code**

19 10. Penal Code section 330.11 provides:

20 "Banking game" or "banked game" does not include a controlled  
21 game if the published rules of the game feature a player-dealer position  
22 and provide that this position must be continuously and systematically  
rotated amongst each of the participants during the play of the game,  
23 ensure that the player-dealer is able to win or lose only a fixed and  
limited wager during the play of the game, and preclude the house,  
24 another entity, a player, or an observer from maintaining or operating as a  
bank during the course of the game. For purposes of this section it is not  
25 the intent of the Legislature to mandate acceptance of the deal by every  
player if the division finds that the rules of the game render the  
26 maintenance of or operation of a bank impossible by other means. The  
house shall not occupy the player-dealer position.

1 **California Code of Regulations, Title 4**

2 11. California Code of Regulations, title 4, section 12040 provides in part:

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

4 (1) Will be denied if the Commission finds that the applicant has not  
5 satisfied the requirements of Business and Professions Code section  
6 19857.

7 12. California Code of Regulations, title 4, section 12054 provides in part:

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

10 (1) Issue a license, temporary license, interim license, registration,  
11 permit, finding of suitability, renewal or other approval.

12 (2) Issue a license, work permit, finding of suitability, or other  
13 approval with conditions, restrictions, or limitations, and for a renewal  
14 application, issue an interim renewal license pursuant to Section 12035.

15 (3) Deny an application for a license, work permit, finding of  
16 suitability, or other approval, and for a renewal application, issue an  
17 interim renewal license pursuant to Section 12035.

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

23 13. California Code of Regulations, title 4, section 12290,  
24 subdivision (b) provides:

25 (b) Only an authorized player may possess, direct, or otherwise  
26 control currency, chips, or other wagering instruments used for play in the  
27 performance of a TPPPS contract.

28 14. California Code of Regulations, title 4, section 12554 provides, in part:

(a) Upon the filing with the Commission of an accusation by the  
Bureau recommending revocation, suspension, or other discipline of a  
holder of a license, registration, permit, finding of suitability, or approval,  
the Commission shall proceed under Chapter 5 (commencing with section  
11500) of Part 1 of Division 3 of Title 2 of the Government Code.

\* \* \*

1 (c) The Administrative Law Judge and Commission shall base their  
2 decisions on written findings of fact, including findings concerning any  
3 relevant aggravating or mitigating factors. Findings of fact shall be based  
4 upon a preponderance of the evidence standard. The “preponderance of  
5 the evidence standard” is such evidence as when considered and compared  
6 with that opposed to it, has more convincing force, and produces a belief  
7 in the mind of the fact-finder that what is sought to be proved is more  
8 likely true than not true.

9 (d) Upon a finding of a violation of the Act, any regulations adopted  
10 pursuant thereto, any law related to gambling or gambling establishments,  
11 violation of a previously imposed disciplinary or license condition, or laws  
12 whose violation is materially related to suitability for a license,  
13 registration, permit, or approval, the Commission may do any one or more  
14 of the following:

15 (1) Revoke the license, registration, permit, finding of suitability,  
16 or approval;

17 (2) Suspend the license, registration, or permit;

18 \* \* \*

19 (4) Impose any condition, limitation, order, or directive . . . ;

20 (5) Impose any fine or monetary penalty consistent with Business  
21 and Professions Code sections 19930, subdivision (c), and 19943,  
22 subdivision (b)

23 15. California Code of Regulations, title 4, section 12560, subdivision (b)(26), provides:

24 (b) A TPPPS owner type licensee will be subject to a minimum  
25 discipline of suspension of five calendar days from either a specified  
26 cardroom business licensee or all cardroom business licensees, as the  
27 circumstances and factors in mitigation or aggravation apply, and a  
28 maximum discipline of revocation, which may be stayed on terms and  
conditions and any monetary penalty as described in paragraph (7) of  
subsection (d) of Section 12554, if the Commission finds that:

\* \* \*

(26) The TPPPS owner type licensee knew, or failed to implement  
reasonable oversight procedures that would have apprised the TPPPS  
owner type licensee, that one or more of the TPPPS owner type licensee’s  
TPPPS employee type licensees was in violation of one or more provision  
the Act or regulation and failed or refused to take action to prevent the  
recurrence of the violation or violations . . . .