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

13 In the Matter of the Statement of Reasons for  
14 Denial of Application for Approval of Third-  
Party Proposition Player Services Supervisor  
15 License for:

16 **BINH QUANG HO**  
17 

18 TP Supervisor License No. TPSU-002040

20 **Respondent.**

**BGC Case No. BGC-HQ2023-00005AL**

**CGCC Case No: CGCC-2023-0223-7A**

**STATEMENT OF REASONS**

Hearing Date: November 27, 2023

Hearing Time: 10:00 a.m.

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

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

22  
23 Complainant alleges as follows:

24 **PARTIES**

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

1 2. Binh Quang Ho (Respondent) is an applicant for approval of a Third-Party  
2 Proposition Player Services (TPPPS) Supervisor License.

3 **THE APPLICATION AND THIS PROCEEDING**

4 3. On April 15, 2022, the Bureau received an initial application for a TPPPS Supervisor  
5 License for Respondent (Application) for Blackstone Gaming, LLC. The Application included a  
6 Commission Key Employee or TPPPS Supervisor Supplemental Information form (CGCC-CH2-  
7 08 (Rev. 03/21)) (Supplemental Information Form). Also on April 15, 2022, the Bureau received  
8 Respondent's Appointment of Designated Agent, designating Michelle Fernandez of Blackstone  
9 Gaming, LLC, as his designated agent. Ms. Fernandez had acknowledged the appointment on  
10 April 2, 2022. On April 28, 2022, Respondent was issued Temporary Third-Party Proposition  
11 Player Services Supervisor License Number TPSU-002040, which is valid through April 30,  
12 2024. Respondent was previously issued a Third-Party Proposition Player Services Worker  
13 License Number TPWK-001525, which remains active.

14 4. The Bureau conducted an initial background investigation with respect to the  
15 Application. Respondent's Supplemental Information Form disclosed that on approximately  
16 February 27, 2000, Respondent was convicted of Penal Code section 466 (Possession of Burglary  
17 Tools), a misdemeanor, in Los Angeles County Superior Court (Alhambra) Case Number 0AL  
18 00846, and that the conviction was later dismissed/expunged. Respondent provided a written  
19 statement dated April 2, 2022, concerning the circumstances of this conviction. The Bureau's  
20 investigation confirmed that this conviction was set aside and dismissed on April 6, 2018, by the  
21 Los Angeles County Superior Court pursuant to Penal Code section 1203.4. The Bureau's  
22 investigation also determined that there were discrepancies between Respondent's explanatory  
23 statement and the San Gabriel Police Department's report concerning the incident.

24 5. The Bureau's background investigation also determined that Respondent had been  
25 issued a security guard's license by the Bureau of Security and Investigative Services (BSIS) on  
26 December 9, 1999, and that BSIS revoked this license on September 19, 2001 on the basis of the  
27 conviction described in paragraph 4, above. Respondent did not disclose this license revocation  
28 in his Supplemental Information Form.

1           6. On the basis of the Application and the Bureau’s background investigation, on May  
2 20, 2022, the Bureau requested additional information and documentation from Respondent  
3 concerning the issuance and revocation of Respondent’s BSIS security guard license, and to  
4 explain why Respondent failed to provide information concerning this in his Supplemental  
5 Information Form. On May 28, 2022, Respondent provided a written response to this request  
6 indicating, in substance, that he held this license for a short time over 20 years ago and he had  
7 forgotten that he had held it.

8           7. On July 28, 2022, the Bureau requested additional information concerning  
9 discrepancies between Respondent’s April 2, 2022, written statement concerning his  
10 misdemeanor conviction for possession of burglary tools, and the police report subsequently  
11 obtained by the Bureau during its investigation. On August 6, 2022, Respondent provided a  
12 written response (dated August 4, 2022) to this request.

13           8. On December 12, 2022, representatives of Bureau met with Respondent and his  
14 Designated Agent, Michelle Fernandez, by telephone and informed them generally of the basis  
15 for the Bureau’s recommendation to deny Respondent’s application for licensure.

16           9. Also on December 12, 2022, the Bureau issued its Third Party Supervisor Initial  
17 Background Investigation Report recommending that Respondent’s application be denied on the  
18 ground that Respondent had provided the Bureau with false and misleading information regarding  
19 his 2000 misdemeanor conviction, and had failed to disclose information concerning the issuance  
20 and revocation of his prior non-gaming license (security guard) in his Supplemental Information  
21 Form. The Bureau also recommended that the California Gambling Control Commission  
22 (Commission) revoke Respondent’s active license, TPWK-001535.

23           10. At its February 23, 2023 meeting, the Commission referred this matter to an  
24 evidentiary hearing before the Commission pursuant to California Code of Regulations, title 4,  
25 Division 18, Chapter 1, section 12054(a)(4).<sup>1</sup> Respondent was notified of this by letter on  
26

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27           <sup>1</sup> The statutes and regulations applicable to this Statement of Reasons are quoted in  
28 pertinent part in Appendix A, which is incorporated herein by this reference.

1 February 27, 2023, and was provided with a Notice of Defense form, which Respondent filed  
2 with the Bureau on March 16, 2023.

3 11. On August 18, 2023, the Commission's staff notified Respondent that an evidentiary  
4 hearing would be held before the Commission starting at 10:00 a.m. on November 27, 2023, and  
5 that the meeting would be conducted by Zoom, and that a prehearing conference would be held  
6 on October 9, 2023, also by Zoom.

7 **BURDEN OF PROOF**

8 12. Respondent has the burden of proving that he is qualified to receive a license. (Bus.  
9 & Prof. Code, § 19856, subd. (a).)

10 **FIRST CAUSE FOR DENIAL**

11 **(Failure to Establish Qualification for Licensure)**

12 13. As described above, Respondent has failed to establish that Respondent is a person of  
13 good character, honesty, and integrity, and has further failed to establish that Respondent's prior  
14 activities, criminal record, and habits do not pose a threat to the public interest of this state, or to  
15 the effective regulation and control of controlled gambling. The Application is therefore subject  
16 to discretionary denial under Business and Professions Code section 19857. Alternatively, the  
17 Application is therefore subject to mandatory denial under Business and Professions Code section  
18 19859, subdivision (b).

19 (Bus. & Prof. Code, §§ 19856, 19857, subds. (a) & (b), 19859, subd. (b); Cal. Code Regs., tit. 4,  
20 §12040, subd. (a).)

21 **PRAYER**

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


24 1. Denying Respondent's Application for Approval of a Third-Party Proposition Player  
25 Services Supervisor License;

26 2. Revoking Respondent's active Third-Party Proposition Player Services Worker  
27 License Number TPWK-001535; and  
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3. Taking such other and further action as the Commission may deem appropriate.

Dated: October 5, 2023

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

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, without  
10 limitation, all of the following:

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

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

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

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

27 The commission shall have all powers necessary and proper to  
28 enable it fully and effectually to carry out the policies and purposes of  
this chapter,<sup>[2]</sup> including, without limitation, the power to do all of the  
following:

\* \* \*

(b) For any cause deemed reasonable by the commission, deny  
any application for a license, permit, or approval provided for in this  
chapter or regulations adopted pursuant to this chapter, limit,  
condition, or restrict any license, permit, or approval, or impose any  
fine upon any person licensed or approved. The commission may  
condition, restrict, discipline, or take action against the license of an

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

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

3 \* \* \*

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

6  
7 4. Business and Professions Code section 19856 provides:

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

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

13 (c) In reviewing an application for any license, the commission  
14 shall consider whether issuance of the license is inimical to public  
15 health, safety, or welfare, and whether issuance of the license will  
16 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.

17 5. 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 applicant is all of the following:

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

21 (b) A person whose prior activities, criminal record, if any,  
22 reputation, habits, and associations do not pose a threat to the public  
23 interest of this state, or to the effective regulation and control of  
controlled gambling, or create or enhance the dangers of unsuitable,  
24 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.

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

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

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

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

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

11 7. Business and Professions Code section 19870 provides:

12 (a) The commission, after considering the recommendation of the  
13 chief<sup>3]</sup> and any other testimony and written comments as may be  
14 presented at the meeting, or as may have been submitted in writing to  
15 the commission prior to the meeting, may either deny the application  
16 or grant a license to an applicant who it determines to be qualified to  
17 hold the license.

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

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

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

27 (e) A decision of the commission denying a license or approval,  
28 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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<sup>3</sup> "Chief" refers to the Director of the Bureau. (Bus. & Prof. Code, § 19805, subd. (d).)



1 8. Business and Professions Code section 19871 provides:

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

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

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

8 (A) To call and examine witnesses.

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

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

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

16 (E) To offer rebuttal evidence.

17 (3) If the applicant does not testify in his or her own behalf,  
18 he or she may be called and examined as if under cross-  
19 examination.

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

28 (b) Nothing in this section confers upon an applicant a right to  
discovery of the department's<sup>[4]</sup> 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.

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27 <sup>4</sup> "Department" refers to the Department of Justice. (Bus. & Prof. Code, § 19805, subd.  
28 (h).)

1 **CALIFORNIA CODE OF REGULATIONS**

2 9. California Code of Regulations, title 4, section 12040, subdivision (a) provides, in  
3 part:

4 An application for an initial or renewal license:

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

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

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

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

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

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

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

22 (b) When a GCA hearing is elected pursuant to Section 12056,  
23 subsection (a), the Executive Director will give notice to the applicant,  
24 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.

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

(1) The Executive Director will approve a Southern

1 California GCA hearing, if the request is timely made on the initial  
2 Notice of Defense form and meets all of the following criteria:

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

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

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

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

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

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

23 (2) An Administrative Law Judge.

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

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

(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 statement of parties and witnesses, if  
available; and

(4) All other written comments or writing containing relevant

1 evidence.

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

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

12 (A) Evidentiary issues;

13 (B) Witness and exhibit lists;

14 (C) Alterations in the Bureau recommendation;

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

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

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

24 (2) The GCA hearing need not be conducted according to  
25 technical rules of evidence. Any relevant evidence may be  
26 considered, and is sufficient in itself to support findings if it is the  
27 sort of evidence on which reasonable persons are accustomed to  
28 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.

(h) 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.

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

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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.

(j) 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.

(k) 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.

(l) Except as otherwise provided in subsection (h), 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.

(m) 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.

(n) 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.