

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

BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Application for a Third-Party Proposition Player Services License for:

FAROS UNLIMITED, INC.; and CHAU ON, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, SECRETARY, DIRECTOR, SOLE SHAREHOLDER

Applicants.

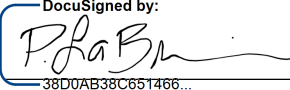
CGCC Case No. CGCC-2024-0822-8
BCG Case No. BGC-HQ2024-00018AL

PRECEDENTIAL DECISION

This matter was considered by the California Gambling Control Commission (Commission) on August 21, 2025, via Zoom video conference, pursuant to Title 4, California Code of Regulations section 12572 and California Government Code section 11425.60. The Commission allowed for public comment and after discussion, voted to designate the following portions of the decision in the above captioned case as precedential: Paragraph Nos. 2, 4-6, 8, 13, 35, 52-56, and 60.

This precedential designation shall become effective on August 21, 2025

Dated: 8/21/2025

Signature: 
38D0AB38C651466...
Paula LaBrie, Chair

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

BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION

In the Matter of the Application for a Third-Party Proposition Player Services License for:

FAROS UNLIMITED, INC.; and CHAU ON, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, SECRETARY, DIRECTOR, SOLE SHAREHOLDER

Applicants.

CGCC Case No. CGCC-2024-0822-8

BCG Case No. BGC-HQ2024-00018AL

DECISION AND ORDER

Hearing Date: April 23, 2025

Time: 10:00 a.m.

This matter was heard by the California Gambling Control Commission (Commission) pursuant to Business and Professions Code sections 19870 and 19871 and title 4, California Code of Regulations (CCR) section 12060, in Sacramento, California, and held via Zoom video conference, on April 23, 2025.

Thomas Rinaldi, Supervising Deputy Attorney General, State of California (SDAG Rinaldi), represented complainant Yolanda Morrow, Director of the Bureau of Gambling Control (Bureau), Department of Justice, State of California.

Attorney Stephen Schreiner (Attorney Schreiner) was present and represented Faros Unlimited, Inc. (Faros) and its sole owner, Chau On, (Applicant On, and collectively, “Applicants”) at the hearing.

During the evidentiary hearing, Presiding Officer Russell Johnson (Presiding Officer) took official notice of the following documents: the Commission’s Notice and Agenda of Commission Hearing, the Commission’s Conclusion of Prehearing Conference letter, the Commission’s Notice of Time Change for Hearing, the Commission’s Notice of Hearing with two attachments: (a) the Application for Owner Category License for Faros, and (b) the Bureau’s Third-Party Provider of Proposition Player Services Initial Background Investigation Report; the Bureau’s Statement of Particulars, and a Notice of Defense form signed by Attorney Schreiner on behalf of Faros.

During the evidentiary hearing, the Presiding Officer accepted into evidence Exhibits 1 through 11 offered by the Bureau, which contain bates numbering BGC-0001 to BGC-0278, with

1 a Table of Contents that separately identifies each document.

2 During the evidentiary hearing, the Presiding Officer accepted into evidence Exhibits A
3 through NNNN offered by the Applicants, which contain bates numbering FAROS 0001 to
4 FAROS 0835, with a Table of Contents that separately identifies each document.

5 At the conclusion of the evidentiary hearing on April 23, 2025, the administrative record
6 was kept open to allow the Bureau to provide an additional document requested by the
7 Commissioners to the Presiding Officer. After reviewing the additional document, the Presiding
8 Officer issued an Order re Evidence and Closing of the Administrative Record ordering that the
9 additional document would not be admitted into evidence or provided to the Commissioners or
10 Attorney Schreiner due to privacy concerns and lack of relevance. The Presiding Officer’s order
11 also closed the administrative record on April 25, 2025.

12 **FINDINGS OF FACT**

13 **Procedural History**

14 1. On July 22, 2020, Applicants were issued TPPPS registrations which were converted
15 to temporary licenses on July 28, 2021.

16 2. On January 15, 2021, the Bureau received an initial Application for Owner Category
17 License for a TPPPS Business License and a Business Entity Supplemental Information form
18 for Faros. Also on January 15, 2021, the Bureau received an initial Application for Owner
19 Category License for a TPPPS Endorsee License and an Individual Owner/Principal
20 Supplemental Information form for Applicant On. On February 17, 2021, Supplemental
21 Information Schedules were received for Faros. These documents are collectively referred to
22 herein as “the Applications.”

23 3. On June 11, 2024, Bureau managers held a pre-condition meeting via telephone with
24 Applicant On and Attorney Schreiner and informed them that the Bureau intended to recommend
25 to the Commission that the Applications be approved with a condition.

26 4. On June 13, 2024, the Bureau sent the Commission its Third-Party Provider of
27 Proposition Player Services Initial Background Investigation Report (Bureau Report)
28 recommending the Commission approve the Applications with a condition requiring Applicant

1 On's sister, referred to herein as "K.O." to apply for an owner category license as a TPPPS
2 funding source within 30 days of issuance of the licenses for Applicants.

3 5. The Bureau Report notes as an area of concern that K.O. meets the definition of a
4 TPPPS Funding Source pursuant to CCR section 12002, subsection (au) and that on June 3, 2022,
5 the Bureau requested that K.O. apply for a license. The Bureau Report also includes a June 27,
6 2022, letter where Attorney Schreiner notified the Bureau that K.O. did not intend to apply for a
7 license as requested.

8 6. On August 22, 2024, the Commission denied the Applications.

9 7. On August 23, 2024, the Commission sent a letter to Attorney Schreiner confirming
10 that the Applications were denied by the Commission and enclosing a Notice of Defense form.

11 8. On September 10, 2024, the Commission received a Notice of Defense form signed by
12 Attorney Schreiner requesting an evidentiary hearing on the consideration of the Applications.

13 9. On November 1, 2024, the Commission sent a Notice of Hearing to Attorney
14 Schreiner and SDAG Rinaldi, providing that an evidentiary hearing would be held before the
15 Commission on April 23, 2025, at 9:00 a.m., and a prehearing conference would be conducted on
16 February 24, 2025.

17 10. On February 24, 2025, the prehearing conference was conducted by the Presiding
18 Officer. Attorney Schreiner attended on behalf of the Applicants and SDAG Rinaldi attended on
19 behalf of the Bureau. The same day, the Presiding Officer sent SDAG Rinaldi and Attorney
20 Schreiner a Conclusion of Prehearing Conference letter, which summarized the discussions from
21 the prehearing conference, including an agreement to change the start time of the hearing to 10:00
22 a.m. and providing a briefing schedule for the parties to submit pre-hearing briefs to the
23 Commission.

24 11. On February 25, 2025, the Commission sent a Notice of Time Change for Hearing to
25 Attorney Schreiner and SDAG Rinaldi changing the starting time for the hearing to 10:00 a.m.

26 12. On March 3, 2025, the Commission received the Bureau's Statement of Particulars
27 wherein the Bureau requests that the Commission hold a hearing and take any action as it may
28 deem appropriate regarding the Applications.

1 13. The Commission heard this matter via Zoom video conference on April 23, 2025. The
2 Presiding Officer closed the administrative record and the matter was submitted for decision on
3 April 25, 2025.

4 **Testimony of Jared Revak**

5 14. Jared Revak, Manager II at the Bureau, testified that he oversees background
6 investigations conducted by the Bureau's TPPPS Licensing Section, and in 2022 he began
7 overseeing the background investigation involving Applicants.

8 15. Mr. Revak testified that Applicant On and K.O were previously associated with a
9 former TPPPS, Pacific United Services Inc. (Pacific United). Applicant On was Pacific United's
10 HR manager from March 2017 to May 2020 and was the designated agent. K.O. was also Pacific
11 United's designated agent from October 2016 to November 2020. Additionally, K.O. was married
12 to the brother of Pacific United's owner.

13 16. Mr. Revak testified that on March 17, 2020, the Bureau had a pre-denial meeting with
14 the owner of Pacific United. Applicant On was also present in her capacity as Pacific United's
15 designated agent. In the meeting, Bureau staff indicated their intent to recommend denial of
16 Pacific United and its owner's initial applications because their startup capital was derived from
17 loans from friends and family members who had not applied for licensure as funding sources.

18 17. On March 17, 2020, the Bureau submitted a background investigation report to the
19 Commission recommending denial of the applications for Pacific United and its owner because
20 their startup capital was derived from loans from friends and family members who were
21 unlicensed funding sources. On April 21, 2020, Faros was formed by Applicant On.

22 18. Mr. Revak testified that Pacific United had provided TPPPS services at Hollywood
23 Park Casino pursuant to a Bureau approved contract since 2015. On May 31, 2020, the Bureau
24 received advance notice that the contract would terminate on July 31, 2020. On June 10, 2020,
25 Faros submitted to the Bureau for approval a TPPPS contract with Hollywood Park Casino
26 whereby services would commence on August 1, 2020.

27 19. Mr. Revak testified that during the Bureau's background investigation into Faros and
28 Applicant On, the Bureau became aware that the majority of the startup capital for Faros was

1 derived from gifts made to Applicant On by her sister, K.O. The first gift of \$1,500,000 was made
2 on July 7, 2020, and a second gift of \$600,000 was made on July 24, 2020. Mr. Revak testified
3 that prior to receipt of the gifts, Applicant On's net worth was \$18,134.

4 20. Mr. Revak testified that the Bureau concluded that K.O. was a TPPPS funding source
5 and therefore requested that K.O. apply for a license. Mr. Revak testified that the Bureau wanted
6 K.O. to apply for a license so they could "follow the money" and better understand the source of
7 the funds which were given to Applicant On and used to start Faros.

8 21. Mr. Revak testified that K.O. had notified the Bureau that K.O. did not intend to apply
9 for a license. Therefore, the Bureau noted an area of concern in its report that K.O. was an
10 unlicensed funding source and recommended a condition requiring K.O. to apply for a license.

11 22. Mr. Revak testified that the Bureau was concerned by the connection between
12 Applicant On and K.O. with Pacific United given the close proximity in time between Pacific
13 United's denial recommendation, the formation of Faros, and the gifts from K.O. to Applicant
14 On. Because neither Pacific United nor Faros' funding sources applied for licensure, the Bureau
15 does not know if there is any connection between those individuals serving as funding sources.

16 23. Mr. Revak testified that during the Bureau's background investigation conducted for
17 Faros and Applicant On, nothing was found to suggest that K.O. or the former owner of Pacific
18 United had any influence or control over Faros's management or operations. Additionally, the
19 Bureau found no criminal history or other derogatory information pertaining to Applicants.

20 **Testimony of Applicant On**

21 24. Applicant On testified that she was employed by Pacific United from 2017 to May
22 2020 performing duties such as bookkeeping, communicating with the Bureau, human resources,
23 and acting as the designated agent.

24 25. Applicant On testified that K.O. also previously worked for Pacific United while she
25 was married to the owner's brother. When K.O. was diagnosed with health issues in 2018, she
26 stopped working for Pacific United, initiated divorce proceedings, and moved in with Applicant
27 On.

28 26. Applicant On acknowledged she was present as Pacific United's designated agent

1 during the pre-denial meeting with the Bureau, where the Bureau expressed that its denial
2 recommendation was based on the failure of Pacific United's funding sources to apply for
3 licensure. Shortly thereafter, Applicant On "made a play" for the Hollywood Park TPPPS
4 contract.

5 27. When Applicant On submitted the TPPPS contract between Hollywood Park Casino
6 and Faros to the Bureau in June 2020, she was planning to use funds belonging to her former
7 fiancé to start Faros. However, Applicant On received monetary gifts from K.O. the following
8 month and decided to use those funds instead. Applicant On testified that the purpose of K.O.'s
9 gifts was to ensure Applicant On could care for K.O.'s children if needed, but K.O. placed no
10 restrictions on how Applicant On could use the funds. K.O. did not ask for or receive an
11 ownership interest in Faros and she has never been involved with Faros's management,
12 operations, or finances, and has never exerted any influence over Faros.

13 28. Applicant On used almost all of the money from K.O.'s first gift to fund Faros. On
14 September 28, 2020, Applicant On also made a loan to Faros in the amount of \$900,000, which
15 included the funds from K.O.'s second gift.

16 29. In June 2022, the Bureau asked for K.O. to submit an application as a TPPPS funding
17 source of Faros. Applicant On asked K.O. if she'd be willing to submit an application, and K.O.
18 said "absolutely not," citing her health and the fact that the application process can be long and
19 stressful.

20 30. Applicant On testified that she was the closest person to her sister and no topic of
21 discussion was off limits between them. However, when asked about the source of the gifted
22 funds, Applicant On testified that she does not openly discuss assets or finances with K.O.
23 Applicant On was expecting a gift from K.O., but she had no idea what the amount of the gift
24 would be or that she would receive a second gift. Regarding the source of the gifted funds,
25 Applicant On only knows that the funds were transferred from K.O.'s ex-husband to K.O. for a
26 "divorce settlement" relating to the sale of their marital home and then transferred to Applicant
27 On. Applicant On does not know the value of the property or whether K.O. has any other assets or
28 sources of income. Applicant On also testified that she does not know the source of K.O.'s ex-

1 husband's income but believes he "has properties."

2 31. Applicant On testified that her license matters greatly to her and she feels the
3 questioning she has undergone relating to the source of start-up funds for Faros is unwarranted.

4 **Declaration of K.O.**

5 32. Applicants offered a declaration by K.O. attesting to the unconditional and
6 unrestricted nature of K.O.'s gifts to Applicant On, which is also expressed in a notarized gift
7 document.

8 33. K.O. declares that she did not ask or expect Applicant On to use the gifted funds to
9 start Faros and that investment was completely Applicant On's choice.

10 34. K.O. declares that she separated from her ex-husband in 2020 and in anticipation of a
11 formal marital settlement agreement (which remains pending) they informally agreed that K.O.
12 would quitclaim her interest in their residence to him in exchange for \$2.2 million in cash. On
13 July 7, 2020, K.O.'s ex-husband wired her \$1,800,000 and on July 23, 2020, wired an additional
14 \$400,000 to K.O.

15 35. K.O. is aware that the Bureau believes she is a funding source for Faros and asked for
16 her to apply for a license. K.O. is also aware that the Bureau recommended to the Commission
17 that the applications be approved with a condition requiring K.O. to submit an application as a
18 funding source. Based on K.O.'s medical condition, her lack of any ownership, management,
19 financial or operational interest in Faros, and her familiarity with the burdens of the California
20 gaming license application process through her prior employment, K.O. declined to submit a
21 funding source license application.

22 **PERTINENT AUTHORITIES**

23 36. Division 1.5 of the Business and Professions Code, the provisions of which govern the
24 denial of licenses on various grounds, does not apply to licensure decisions made by the
25 Commission under the Gambling Control Act (Act). Business and Professions Code section
26 476(a).

27 37. The Act is an exercise of the police power of the state for the protection of the health,
28 safety, and welfare of the people of the State of California and shall be liberally construed to

1 effectuate those purposes. Business and Professions Code section 19971.

2 38. Public trust and confidence can only be maintained by strict and comprehensive
3 regulation of all persons, locations, practices, associations, and activities related to the operation
4 of lawful gambling establishments and the manufacture and distribution of permissible gambling
5 equipment. Business and Professions Code section 19801(h).

6 39. The Commission has the responsibility of assuring that licenses, approvals, and
7 permits are not issued to, or held by, unqualified or disqualified persons, or by persons whose
8 operations are conducted in a manner that is inimical to the public health, safety, or welfare.
9 Business and Professions Code section 19823(a)(1).

10 40. An “unqualified person” means a person who is found to be unqualified pursuant to
11 the criteria set forth in Section 19857, and “disqualified person” means a person who is found to
12 be disqualified pursuant to the criteria set forth in Section 19859. Business and Professions Code
13 section 19823(b).

14 41. The Commission has the power to deny any application for a license, permit, or
15 approval for any cause deemed reasonable by the Commission. Business and Professions Code
16 section 19824(b).

17 42. The Commission has the power to take actions deemed to be reasonable to ensure that
18 no ineligible, unqualified, disqualified, or unsuitable persons are associated with controlled
19 gambling activities. Business and Professions Code section 19824(d).

20 43. The burden of proving his or her qualifications to receive any license from the
21 Commission is on the applicant. Business and Professions Code section 19856(a); CCR section
22 12060(i).

23 44. No gambling license shall be issued unless, based on all the information and
24 documents submitted, the Commission is satisfied that the applicant is a person that is in all other
25 respects qualified to be licensed as provided in this chapter. Business and Professions Code
26 section 19857(c).

27 45. The Commission shall deny a license to any applicant who is disqualified for failure of
28 the applicant to clearly establish eligibility and qualification in accordance with this chapter.

1 Business and Professions Code section 19859(a).

2 46. An application for a license will be denied if the Commission finds that the applicant
3 has not satisfied the requirements of Business and Professions Code sections 19857 or 19859.
4 CCR sections 12040(a)(1) and (2).

5 47. “TPPPS business license” means a license issued to a sole proprietor, corporation,
6 partnership, limited liability company, or other business entity for the purpose of providing third-
7 party proposition player services in a gambling establishment. CCR section 12002(aq).

8 48. “TPPPS owner type license” means a TPPPS business license and a TPPPS endorsee
9 license.” CCR 12002(aw).

10 49. “TPPPS endorsee license” includes a license issued to any of the following: Any
11 person specified in Business and Professions Code section 19852 (a) through (g) in relation to a
12 TPPPS business licensee; and any TPPPS funding source. CCR section 12002(at)(1) and (4).

13 50. “TPPPS Funding source” means any person, or their successor in interest, that
14 provides financing to any TPPPS owner type licensee, for use by a TPPPS business licensee in
15 which the person is not licensed including but not limited to loans, advances, or any other thing of
16 value including without limitation credit and chips.¹ CCR section 12002(au).

17 51. Upon issuance or denial of a license by the Commission, the temporary license will
18 become void and cannot be used thereafter. CCR section 12122, subsection (d).

19 **ASSESSMENT OF SUITABILITY FOR LICENSURE**

20 52. Faros was formed in April 2020 when Applicant On had a net worth of approximately
21 \$18,000. On June 10, 2020, Faros submitted to the Bureau for approval a TPPPS contract with
22 Hollywood Park Casino whereby services would commence on August 1, 2020. Approximately
23 one month later, on July 7, Applicant On received a \$1,500,000 gift from K.O. and on July 20,
24 2020, she received a second gift of \$600,000. On July 22, 2020, Faros and Applicant On were
25 issued TPPPS registrations which were later converted to temporary licenses. Applicant On used
26 \$1,003,000 from K.O.’s first gift to make an initial investment in Faros. On September 28, 2020,
27

28 ¹ The regulation exempts certain types of lenders from the definition, such as federally-regulated
or state-regulated bank or savings associations.

1 Applicant On also made a loan to Faros for business uses in the amount of \$900,000 which
 2 included all of the funds received from K.O.’s second gift. K.O. has never applied for a license in
 3 relation to Faros. Based on the foregoing, K.O. is a TPPPS funding source because she provided
 4 financing to a TPPPS owner type licensee (Applicant On) for use by a TPPPS business licensee
 5 (Faros).

6 53. Applicants contend through the declaration of attorney Tiffany Lichtig that
 7 “financing” as used in the Commission’s regulation defining a TPPPS funding source, must entail
 8 an expectation of repayment, interest, or an ongoing financial arrangement that may grant the
 9 provider economic influence or control over the TPPPS licensee.

10 54. The Commission disagrees with Ms. Lichtig’s position that a gift of funds is not
 11 considered “financing” as that term is used in CCR section 12002(au). The regulation clearly
 12 states that financing can include, *but is not limited to*, loans, advances, or *any other thing of value*.
 13 A no-strings attached series of gifts of approximately \$2 million is clearly a “thing of value.”
 14 Moreover, even if arguendo it was not, financing can “include, but is not limited to” those items
 15 which conveys an intent to cast a much broader net than the declaration implies. Indeed, there is
 16 certainly no language in the regulation that indicates that an expectation of repayment is required.

17 55. The Commission also disagrees with Ms. Lichtig’s contention that K.O. was not a
 18 TPPPS funding source because her gifts did not result in her exerting influence or control over
 19 Faros. There are four categories of TPPPS endorsee licenses delineated in CCR section 12002(at):

- 20 (1) Any person specific in Business and Professions Code section 19852, subdivisions
- 21 (a) through (g) in relation to a TPPPS business licensee;
- 22 (2) Each person who received, or is to receive, any percentage share of the revenue
- 23 earned by the owner from third party proposition player services;
- 24 (3) Any employee, agent, guardian, personal representative, lender, or holder of
- indebtedness of the owner who, in the judgment of the commission, has the power
- to exercise a significant influence over the TPPPS owner or third-party proposition
- player services; and
- (4) Any TPPPS funding source.

25 Persons who exert influence or control over a TPPPS business by virtue of a loan or
 26 otherwise are required to be licensed under CCR section 12002(at)(3). However, at issue in this
 27 matter is a separate licensure requirement for TPPPS funding sources under CCR section
 28 12002(at)(4). These are separate and distinct categories of licensure. If the Commission were to

1 accept Ms. Lichtig's interpretation of its regulation, CCR section 12002(at)(4) would be
2 meaningless and duplicative of subdivision (at)(3).

3 56. "TPPPS funding source" is defined in CCR section 12002(au) in a manner that does
4 not require the ability to exercise influence or control and instead focuses on the giving of
5 something of value for use by a TPPPS business licensee. The regulation exempts seven
6 categories of persons from the definition of TPPPS funding source, none of which are applicable
7 to K.O., including federally-regulated or state-regulated bank or savings associations.

8 57. The purpose of the funding source regulations is to ensure that the Bureau is able to
9 investigate the source of funds used by a TPPPS business licensee, particularly where the funds
10 come from an unlicensed individual. When funding sources do not apply for licensure as owners,
11 the Commission does not have the information necessary to fully assess the suitability of the
12 funding sources and other owners. For instance, in this case, there is no ability of the Bureau to
13 verify the source of funds received by K.O. and then transferred to Applicant On. While
14 Applicant On and K.O. have claimed the funds come from a divorce settlement, the Bureau does
15 not have the ability to verify that information to ensure that the funds came from legal and
16 reputable sources or to investigate K.O.'s background to ensure she has no associations, habits,
17 criminal history, etc. that could pose a threat to the controlled gambling industry. The transfer of
18 funds from K.O.'s ex-husband, to K.O. to Applicant On, to Faros, could have been a means of
19 money laundering or other nefarious purposes. These concerns are compounded by the fact that
20 K.O. and Applicant On were previously affiliated with Pacific United, a TPPPS which was
21 ultimately denied for licensure for having unlicensed funding sources, as well as the timing of the
22 gifts to coincide with Faros replacing Pacific United as the TPPPS for Hollywood Park Casino.

23 58. Applicant On testified that the Bureau's inquiries into Faros's funding sources were
24 unfair and stressed the inconvenience and stress involved in the application process in part to
25 justify K.O.'s refusal to apply for a license. Applicant On's testimony indicates a lack of
26 accountability and personal responsibility in relation to compliance with the rules, and regulations
27 applicable to the controlled gambling industry. Applicant On was aware through her prior
28 association with Pacific United that TPPPS funding sources were required to apply for licensure.

1 Additionally, the Applications contained instructions indicating that TPPPS funding sources are
2 considered owners. Still, Applicant On chose to use funds from K.O. to start Faros' operations
3 despite having very little information about the source of the funds and having no assurance that
4 K.O. would apply for the required license.

5 59. Further, the Act places the burden on the applicant to establish qualification for
6 licensure. TPPPS funding sources are considered owners and must apply for a license. Based on
7 the information provided, K.O. is Faros' funding source, but she did not apply for a license.
8 Additionally, Applicant On could not provide basic information about the source of the funds she
9 received from K.O. and used to start Faros. For instance, Applicant On testified the funds came
10 from the sale of a residence but she did not know the value of the property sold or what other
11 properties and assets K.O. has or how K.O. and her ex-husband made their income. Notably, in
12 K.O.'s declaration she states that the formal divorce settlement is still pending and makes no
13 mention of the funds originating from the sale of a property. The incomplete and inconsistent
14 information about the source of the funds highlights the need for K.O. to apply so the Bureau can
15 verify that a property was quitclaimed by K.O. to her ex-husband, the property was sold, and the
16 funds from the sale were transferred to K.O. and then to Applicant On. Given the foregoing,
17 Applicant On did not meet her burden of establishing that she is qualified for licensure under the
18 Act. Because Faros has a TPPPS funding source who has not applied for licensure, the
19 Commission is not satisfied that the Applicants are persons that are in all other respects qualified
20 to be licensed pursuant to Business and Professions Code section 19857(c). Based on the
21 foregoing, the Applications must be denied pursuant to CCR section 12040(a)(1).

22 60. Because Faros has a TPPPS funding source who has not applied for licensure,
23 Applicants have not clearly established eligibility and qualification in accordance with the Act
24 pursuant to Business and Professions Code section 19859(a). Based on the foregoing, the
25 Applications must be denied pursuant to CCR section 12040(a)(2).

26 61. All documentary and testimonial evidence submitted by the parties that is not
27 specifically addressed in this Decision and Order was considered but not used by the Commission
28 in making its determination on the Applications.

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

NOTICE OF APPLICANTS' APPEAL RIGHTS

Applicants have the following appeal rights available under state law:

CCR section 12064, subsections (a) and (b) provide, in part:

(a) After the Commission issues a decision following a GCA hearing conducted pursuant to Section 12060, an applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had conditions, restrictions, or limitations imposed upon it, may request reconsideration by the Commission. A request for reconsideration must be:

(1) Made in writing to the Commission, copied to the Complainant. The Bureau may provide a written response to the Commission within 10 calendar days of receipt of the request; and

(2) Received by the Commission and Complainant within 30 calendar days of service of the decision, or before the effective date specified in the decision, whichever is earlier.

(b) A request for reconsideration must state the reasons for the request, which must be based upon either:

(1) Newly discovered evidence or legal authorities that could not reasonably have been presented before the Commission's issuance of the decision or at the hearing on the matter; or,

(2) Other good cause which the Commission may decide, in its sole discretion, merits reconsideration.

Business and Professions Code section 19870, subdivision (f) provides:

A decision of the commission after an evidentiary hearing, denying a license or approval, or imposing any condition or restriction on the grant of a license or approval may be reviewed by petition pursuant to Section 1085 of the Code of Civil Procedure. Section 1094.5 of the Code of Civil Procedure shall not apply to any judicial proceeding 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.

CCR section 12066, subsection (c) provides, in part:

A decision of the Commission denying an application or imposing conditions or restrictions on a license after an evidentiary hearing will be subject to judicial review as provided in Business and Professions Code section 19870, subdivision (f). Neither the right to petition for judicial review nor the time for filing the petition will be affected by failure to seek reconsideration.

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

ORDER

- 1. Faros Unlimited, Inc.’s Initial Application for Owner Category License: TPPPS Business License is DENIED.
- 2. Chau On’s Initial Application for Owner Category License: TPPPS Endorsee License is DENIED.
- 3. No costs are awarded.
- 4. Each side to pay its own attorneys’ fees.
- 5. The temporary licenses issued to Faros Unlimited Inc. (TPPP-000169) and Chau On (TPOW-000723) and are void and cannot be used hereafter pursuant to CCR section 12122(d).

This Order is effective on July 21, 2025.

Dated: 6/19/2025 Signature: 
DocuSigned by:
38D0AB38C651466...
 Paula LaBrie, Chair

Dated: 6/19/2025 Signature: 
DocuSigned by:
928DBCE0554B423...
 Stacey Baxter, Commissioner

Dated: 6/19/2025 Signature: 
DocuSigned by:
2B4CE9520F8845C...
 Eric Heins, Commissioner

Dated: 6/19/2025 Signature: 
DocuSigned by:
7722F4571120449...
 William Liu, Commissioner

Dated: 6/19/2025 Signature: 
DocuSigned by:
14B4AD3B90F8462...
 Edward Yee, Commissioner