



May 29, 2025

California Department of Justice, Bureau of Gambling Control
Attention: Regulations
2450 Del Paso Road, Suite 100
E-mail: BGC_Regulations@doj.ca.gov

Re: Comments on Proposed Regulations Concerning Blackjack-Style Games

Dear Director Yolanda Morrow and Ms. Andreaia McMillen:

My name is Roy Choi. I am co-founder and CEO of Knighted Ventures, LLC, a licensed provider of third-party proposition player services. I write on behalf of myself and Knighted Ventures, LLC. We join in the California Gaming Association's comments opposing the proposed regulations, submitted on May 29, 2025.

I have worked as a licensed operator in the California gaming industry since 1998. I am deeply familiar with the play of Bureau-approved games, including blackjack. I have played blackjack in California cardrooms numerous times, including in the player-dealer position, and I have taught others how to play the game as it is played under Bureau-approved rules.

I am deeply concerned by the Bureau's proposed regulations. **First, the Bureau's proposed requirements for a permissible alternative to "Blackjack" are flawed and unworkable.** The proposed regulations would prohibit any blackjack-style game unless it has four specific game rules. At a practical level, the Bureau's proposed rules are unworkable. For example, the regulations would require that ties go to the player, instead of a push. But that change would affect the game odds so much that it would make the game unplayable. Players would have such a significant edge that *nobody* would want to take the player-dealer position.

Second, the Bureau has approved blackjack-style games for decades, and there is no reasonable basis for the Bureau to suddenly reverse its approach. To my knowledge, the Bureau has never received a single complaint about blackjack-style games, except from tribal casinos that want to take business away from the cardrooms. I know from experience that California players enjoy these games. No one has ever told me that they played a cardroom blackjack-style game and felt duped because the rules were different from casino-style blackjack. And I've certainly never heard any complaints that the cardroom games are unfair, including blackjack. If players want better odds, they can always accept the player-dealer position when offered. They don't get that opportunity in casino-style blackjack.

Knighted strongly opposes the Bureau's proposed regulations, and we respectfully request that the Bureau withdraw its proposed regulations.

Respectfully,

Roy Choi
CEO, Knighted Ventures, LLC



May 28, 2025

California Department of Justice, Bureau of Gambling Control

Attention: Regulations

2450 Del Paso Road, Suite 100

E-mail: BGC_Regulations@doj.ca.gov

Re: Comments on Proposed Regulations Concerning Rotation of the Player-Dealer Position

Dear Director Yolanda Morrow and Ms. Andrea McMillen:

My name is Roy Choi. I am co-founder and CEO of Knighted Ventures, LLC, a licensed provider of third-party proposition player services. I write on behalf of myself and Knighted Ventures, LLC. We join in the California Gaming Association's comments opposing the proposed regulations, submitted on May 29, 2025.

I have worked as a local or state licensed operator in the California gaming industry since 1998. I am deeply familiar with the play of Bureau-approved games. Over my years in the industry, I have served as the player-dealer in numerous Bureau-approved cardroom games, and I have taught others how to do so.

I have several concerns with the Bureau's proposed regulations. **First, the proposal unjustly singles out licensed proposition players.** All of the proposed rules effectively target us. They dictate when **we** can accept the player-dealer position, and when **we** can bet against other players. The same restrictions don't apply to anyone else.

In all my time in the industry, every participant in a cardroom game has had to play by the same rules. Everyone pays the same collection fees; everyone can make the same types of bets; and everyone has the same opportunities to take the player-dealer position. For decades, the Bureau itself has monitored cardroom games to make sure that all players are treated equally. The Bureau has not explained why it is suddenly singling us out for unfair treatment and upending decades of industry practice.

Of course, proposition-player services are businesses, so we're subject to some general operating requirements that don't apply to other players – for example, obtaining licenses and undergoing background checks. But those requirements all involve activity *away* from the gaming table. *During* games, we have always been subject to the exact same rules as any other player.

Second, restricting proposition-player services does nothing to prevent banking. Many of the proposed rules have nothing to do with their stated purpose of prohibiting "banking games." For example, the proposal would prohibit more than one licensed proposition player from participating in any cardroom game. But the test for a banking game is whether one

specific player is taking on all comers, paying all winners, and collecting from all losers. Why does it matter whether there are two proposition players participating in the game? If anything, this increases the likelihood that there will be multiple players offering wagers during any given hand.

The proposal would also prohibit licensed proposition players from placing backline wagers, combined wagers, or direct bets outside the player-dealer position. When proposition players bet alongside the acting player-dealer, they *diversify* the betting action on the table. Why does the Bureau want to prevent these types of bets?

Knighted strongly opposes the Bureau's proposed regulations, and we respectfully request that the Bureau withdraw its proposed regulations.

Respectfully,

Roy Choi
CEO, Knighted Ventures, LLC

Qualified Player Services

February 15, 2025

Yolanda Morrow, Director
Andreia McMillen, Regulations Coordinator
California Department of Justice, Bureau of Gambling Control
2450 Del Paso Road, Suite 100
Sacramento, CA 95834

RE: Proposed Regulatory Actions

Dear Director Morrow and Ms. McMillen,

Please allow us to register our comments for the Proposed Regulatory Action – Rotation of the Player-Dealer Position and Blackjack regulations published on February 14, 2025. Whereas we understand and appreciate the immense responsibility with which the Department of Justice, Bureau of Gambling Control (“Bureau”) has been tasked with by the Gambling Control Act (“Act”) in ensuring the health, welfare, and safety of the public, we think that extensive regulations are, at times, overly onerous on the businesses being regulated. These burdensome regulations are often created with the best intentions to address perceived issues within the industries being regulated, however can be akin to using a hammer when a scalpel is needed. Qualified Player Services, LLC. (“QPS”) believes these proposed regulations are one such example of a regulation designed to address a non-existent issue.

The proposed regulations appear to assume that the manner in which California Cardrooms and Third-Party Providers of Proposition Player Services (“TPPPS”) have been offering approved and controlled games to patrons is not compliant with P.C. 330.11, games which “feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game...” Nowhere in this section does it state that participants MUST accept the player-dealer position as outlined. In fact, the section specifically states that it is “...not the intent of the Legislature to mandate acceptance of the deal by every player...” In my 19 years of experience as a TPPPS, the majority of patrons who frequent cardrooms and participate in these controlled games have no interest in assuming this position. The position is systematically and continuously offered to every seated player without discrimination; players who wish to take on the responsibilities of being the player-dealer do, while the

players who only wish to participate in the controlled game as a player refuse to accept the position. The proposed regulations seem to not take into consideration the patron's independent choices, forcing them into taking the player-dealer position if they wish for play to continue. P.C. 330.11 also states that the rules "...ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game..." which, in the case of TPPPS, a maximum table payout is posted on every table, and all bets fall within the posted table limits. P.C. 330.11 goes on to say "...and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game...", another instance where the continuous offering of the player-dealer position satisfies the statute. The opportunity for another player to assume this position eliminates the operation as a "bank."

Upon receiving the potential fiscal impact of the proposed regulations, QPS would further like to register its comments with regards to its analysis. Whereas we do not have the necessary data to refute the potential loss in revenue, we consider that there is a deeper, more human cost that will be impacted by these regulations. We agree with the SRIA assessment that there will be at least a 50% reduction in revenue with the proposed regulations. It is our belief that this is a conservative estimate and likely underrepresents that number of patrons that will no longer frequent California Cardrooms. QPS currently employees approximately 106 Third-Party Workers, Third-Party Supervisors, and Site Managers. We are only one of the 36 currently licensed TPPPS companies operating in California, and we are by no means the largest. If the estimated reduction in patronage occurs, there will be a significant reduction in the workforce by both TPPPS and Cardrooms. The loss in revenue would be noticeable, but job loss would be remarkable. Many of the Third-Party employees have been operating in this very specialized position for many years, even decades, with skills that will not readily translate into another industry.

Furthermore, the guidelines set forth in the proposed regulations appear to be arbitrary and purposefully prohibitive for any continued operation. The 40-minute limit for a continuous game does not consider down time when no patrons are present. There is no prescribed time frame for how long a game will be closed if another player has not assumed the player-dealer position other than "the next person in the rotation of the player-dealer position shall not be the TPPPS." Theoretically, if no other patrons wish to accept the position, the game will be closed indefinitely. The number of players the regulations require the position to be rotated between is arbitrary as well and does not specify whether these players must be different players or if the same player may take the position continuously in turn to satisfy the regulation. Section 2076(c) says that no more than one TPPPS can service a game but does not differentiate whether this means one employee from a TPPPS or whether a separate TPPPS may also be at the table, considering that multiple TPPPS may be contracted with a cardroom simultaneously.

With regards to the proposed Blackjack regulations, these too seem overly burdensome and unnecessary. The proposed language appears to favor only one type of previously approved blackjack variant, with nearly every section designed to specifically tear apart the most popular variant that has been offered throughout the state for well over a decade.

Our recommended action would be to amend the proposed language to only include the language mandating education of the public of their options at the table by requiring signage explaining that the player-dealer position is rotated systematically to any patron seated and involved in the play of the controlled game. The remaining language is burdensome and could lead to the collapse of the industry, leaving many longtime employees without jobs.

Most Sincerely,

Michael Hill
General Manager