

Gambling Regulations
Title 4. Business Regulations.
Division 18. California Gambling Control Commission.
(Regulations in effect as of May 14, 2010)

Chapter 1. General Provisions.	1
12002. General Definitions.....	1
12004. Change of Address.....	1
12008. Registration Fees; License Fees.....	2
12047. Withdrawal of Applications.....	3
12048. Abandonment of Applications.....	3
12050. Hearing Procedures.....	4
Appendix A Change of Address Form.....	7
Chapter 2. Work Permits.	10
<i>Article 1. Definitions And General Provisions.</i>	<i>10</i>
12100. Definitions.	10
12101. Forms..	10
<i>Article 2. Regular Work Permits.</i>	<i>11</i>
12104. Term of Work Permit.....	11
12105. Mandatory and Discretionary Grounds for Denial of Work Permit.....	11
<i>Article 3. Temporary Work Permits.</i>	<i>12</i>
12120. Temporary Work Permits.....	12
12122. Criteria for the Issuance of Temporary Work Permits.	12
12124. Effect of Denial or Cancellation of Temporary Work Permit.....	14
12126. Processing Times for Temporary Work Permit.	14
12128. Cancellation of Temporary Work Permit.....	14
<i>Article 4. Change In Place Of Employment – Work Permit Transfer.</i>	<i>15</i>
12130. Change in Place of Employment – Work Permit Transfer.....	15
12132. Processing Times for Application to Change Place of Employment.	16
<i>Article 5. Replacement Work Permit Badges.</i>	<i>16</i>
12140. Replacement Work Permit Badges.	16
12142. Processing Times for Application to Replace Work Permit Badge.	17
Chapter 2.1. Third-Party Providers Of Proposition Player Services: Registration; Licensing.	17
<i>Article 1. Definitions and General Provisions.</i>	<i>17</i>
12200. Definitions.	17
12200.1. Certificate.....	21
12200.3. Badge.	22
12200.5. Replacement of Badge.	23
12200.6. Transfer or Reinstatement of Player Registration or License; Additional Badge.	23
12200.7. Proposition Player Contract Criteria.	24
12200.9. Review and Approval of Proposition Player Contracts.....	27
12200.10A. Expedited Review and Approval of Proposition Player Contracts.....	28
12200.10B. Review and Approval of Amendments to Proposition Player Contracts.....	29
12200.10C. Submission of Contract or Amendment to Commission.	29
12200.11. Extension of Proposition Player Contracts.....	30
12200.13. Playing Book.....	30
12200.14. Organization Chart and Employee Report.	32
12200.15. Transfers and Sales.	32
12200.16. Inspections and Investigations.	32

12200.17. Emergency Orders.....	33
12200.18. Revocation.	33
12200.20. Annual Fee.	34
12200.21. Compliance.	35
<i>Article 2. Registration.</i>	<i>36</i>
12201. Registration.	36
12202. Application for Registration.....	36
12203. Processing of Applications for Initial Registration.	37
12203A. Processing of Applications for Renewal of Registration.....	38
12203.1. Temporary Player Registration.	39
12203.2. Temporary Player Registration: Application; Criteria.	39
12203.3. Processing Times for Temporary Player Registration.....	40
12203.5. Cancellation of Temporary Registration.	41
12204. Ineligibility for Registration.....	41
12205. Cancellation of Regular Registration.	42
12205.1. Transition to Licensing.	42
<i>Article 3. Licensing.</i>	<i>43</i>
12218. Request to Convert Registration to License.	43
12218.1. Subsequent Registrants.	44
12218.5. Withdrawal of Request to Convert Registration to License.....	44
12218.7. Processing Times – Request to Convert Registration to License.....	45
12218.8. License Renewals.....	46
12218.9. Processing of Applications for Renewal License.....	46
12218.11. Ineligibility for Licensing.	47
12218.13. Term of License.	48

Chapter 2.2. Gambling Businesses: Registration; Licensing.

48

<i>Article 1. Definitions and General Provisions.</i>	<i>48</i>
12220. Definitions.	48
12220.1. Certificate.....	52
12220.3. Badge.	52
12220.5. Replacement of Badge.	53
12220.6. Transfer or Reinstatement of Player Registration or License; Additional Badge.	53
12220.13. Playing Book.....	54
12220.14. Organization Chart and Employee Report.	55
12220.15. Transfers and Sales.	55
12220.16. Inspections and Investigations.	56
12220.17. Emergency Orders.....	56
12220.18. Revocation.	56
12220.20. Annual Fee.	57
12220.20A. Annual Fee as Applied to Those Registered or Licensed Under Chapter 2.1.	59
12220.21. Compliance.	59
12220.23. Exclusion.....	60
<i>Article 2. Registration.</i>	<i>60</i>
12221. Registration.	60
12222. Application for Registration.....	61
12223. Processing of Applications for Initial and Renewal Registration.....	61
12224. Ineligibility for Registration.....	62
12225. Cancellation of Registration.....	63
12225.1. Transition to Licensing.	63
<i>Article 3. Licensing.</i>	<i>64</i>
12233. Request to Convert Registration to License.	64
12234. Withdrawal of Request to Convert Registration to License.....	65
12235. Processing Times – Request to Convert Registration to License.....	65
12236. Ineligibility for Licensing.	66

12237. Term of License.	67
12238. License Renewals.....	67
12239. Processing of Applications for Renewal License.....	67

Chapter 4. Gambling Equipment Manufacturers or Distributors. 68

12300. Definitions.	68
12301. Registration of Manufacturers or Distributors.	69
12301.1. Claim of Exemption by Antique Collector; Form.....	71
12302. Delegation of Authority; Process Times.	71
12303. Conditions of Registration.	72
12304. Fines.....	74
12305. Availability of Records.	75
12306. Applicability on Indian Lands.....	75
12308. Penal Code Applicability.	75
12309. Forms.	75
12310. Uniform Tribal Gaming Regulation Exemption.	76

Chapter 6. Gambling Licenses and Approvals for Gambling Establishments and Owners; Portable Personal Key Employee Licenses. 76

<i>Article 1. Definitions and General Provisions.</i>	<i>76</i>
12335. Definitions.	76
<i>Article 2. Gambling Licenses.</i>	<i>77</i>
12340. Gambling Licenses.....	77
12341. Fee for Initial State Gambling License.	77
12342. Initial Gambling License Applications; Required Forms; Processing Times.	77
12343. Processing Times – Initial Applications.....	79
12344. License Renewals.....	81
12345. License Renewals; Processing Times.	81
12346. Mandatory and Discretionary Grounds for Denial.....	82
<i>Article 3. Portable Personal Key Employee License.</i>	<i>83</i>
12350. Initial Licenses; Required Forms; Processing Times.	83
12351. License Renewals; Required Forms; Processing Times.....	85
12352. Employment Status Notification; Replacement License; Processing Times.....	86
12353. License Content; License Display and Presentation.	87
12354. Interim Key Employee Licenses; Processing Times.....	87
12355. Mandatory and Discretionary Grounds for Denial.....	89
<i>Article 4. Table Fee; Requests for Additional Tables.</i>	<i>90</i>
12357. Table Fee.....	90
12358. Request for Additional Temporary Tables for Tournaments or Special Events.	91
12359. Request for Additional Permanent Tables.	92
Appendix A Forms.....	92

Chapter 7. Conditions of Operation for Gambling Establishments. 97

<i>Article 1. General Provisions.....</i>	<i>97</i>
12360. Chapter Definitions.	97
12362. Statewide Involuntary Exclusion List.....	97
<i>Article 2. Emergency Preparedness, Security and Surveillance Plans.....</i>	<i>100</i>
12370. Emergency Planning and Preparedness.....	100
12372. Security and Surveillance Plan.....	101
<i>Article 3. MICS for Gambling Establishments.....</i>	<i>103</i>
12380. Minimum Internal Control Standards; General Terms, Conditions, Definitions.	103
12381. Policies and Procedures.	103
12384. Drop and Drop Collection.....	104
12385. Count; Count Room Functions.....	106

12386. Cage Functions.....	108
12388. Extension of Credit, Check Cashing, and Automatic Teller Machines (ATMs).....	111
12395. Security.	114
12396. Surveillance.....	117
<i>Article 4. Accounting And Financial Reporting.....</i>	<i>121</i>
12400. Definitions.	121
12401. Accounting Records.....	121
12402. Chart of Accounts.	122
12403. Financial Statements and Reporting Requirements.....	123
12404. Records and Reports of Monetary Instrument Transactions.	125
12405. Record Retention and Disclosure.....	125
12406. Language.....	125
12410. Unclaimed or Abandoned Property.....	126
<i>Article 6. Program for Responsible Gambling.....</i>	<i>126</i>
12460. Article Definitions.	126
12461. Posting Referral Information.....	126
12462. Training Requirements.....	127
12463. Self-Restriction Program.....	127
12464. Self-Exclusion Program.	128
12466. Responsible Gambling Program Review.	129
Appendix A Forms.....	130

Chapter 8. Bingo.

137

<i>Article 1. Bingo Equipment, Devices and Supplies.....</i>	<i>137</i>
12480. Definitions.	137
12482. Assistance to Bingo Players with Disabilities.....	141
<i>Article 2. Bingo Equipment, Devices, and Supplies.....</i>	<i>142</i>
12486. Approval of Card-Minding Devices.....	142
12488. Approval of Remote Caller Bingo Equipment.....	143
<i>Article 3. Manufacturers and Distributors of Bingo Equipment, Devices and Supplies.</i>	<i>144</i>
12492. Interim Licenses; Initial and Renewal; Conditions.	144
12494. Interim License Denial; Applicant Disqualification.	146
12496. Change of Business Location.....	147
12498. Interim Licenses; Initial and Renewal; Conditions.	147
12499. Interim License Denial; Applicant Disqualification.	148
12501. Interim Work Permits; Initial and Renewal; Conditions.....	148
12502. Interim Work Permit Denial; Applicant Disqualification.	150
12504. Recognition of Organizations Conducting Remote Caller Bingo Games.	150
<i>Article 5. Remote Caller Bingo Requirements; Standards of Play.</i>	<i>151</i>
12508. Requirements for Organizations.	151
12510. Cosponsor Requirements.	152
12511. Standards of Play for Remote Caller Bingo.	152
<i>Article 6. Accounting and Financial Reporting.</i>	<i>154</i>
12514. Audits.....	154
Appendix A	155
Appendix B	158
Appendix C	164

Chapter 9. [reserved]

172

Chapter 10. Discipline, Hearings, and Decisions.

172

12550. Purpose and Scope.	172
12552. Settlements.....	172
12554. Formal Hearing Process.....	173

12556. Factors in Mitigation or Aggravation of Penalty.....	175
12558. Disciplinary Guidelines for Holders of Work Permits.	177
12560. Disciplinary Guidelines for Third-party providers of proposition player services.....	177
12562. Disciplinary Guidelines for Gambling Business Licensees or Registrants.	180
12564. Disciplinary Guidelines for Manufacturers or Distributors.....	183
12566. Disciplinary Guidelines for Gambling Establishments.	183
12568. Disciplinary Guidelines for Holders of Licenses, Findings of Suitability, or Approvals.....	186
12572. Precedential Decisions.	188

Chapter 11. Conflicts of Interest.

197

12590. Conflict of Interest Code.....	197
12591. Separation From Commission Employment; Prohibited Activities	197
Appendix A List of Designated Positions and Assigned Disclosure Categories	198

CHAPTER 1. GENERAL PROVISIONS.

12002. General Definitions.

Unless otherwise specified, the definitions in Business and Professions Code section 19805, supplemented by the definitions found in Chapter 10 of Title 9 of Part 1 of the Penal Code (commencing with section 330), shall govern the construction of this division. As used in this division:

(a) “BCII” means the Bureau of Criminal Identification and Information in the California Department of Justice.

(b) “Bureau” means the Bureau of Gambling Control in the California Department of Justice. For the filing of any information, reports or forms, Bureau refers to the Sacramento office of the Bureau of Gambling Control.

(c) “California Games” means controlled games that feature a rotating player-dealer position, as described in Penal Code section 330.11.

(d) “Commission” means the California Gambling Control Commission.

(e) “Conviction” means a plea or verdict of guilty or a plea of *nolo contendere*, irrespective of a subsequent order of expungement under the provisions of Penal Code section 1203.4, 1203.4a, or 1203.45, or a certificate of rehabilitation under the provisions of Penal Code section 4852.13. Any plea entered pursuant to Penal Code section 1000.1 does not constitute a conviction for purposes of Business and Professions Code section 19859, subdivisions (c) or (d) unless a judgment of guilty is entered pursuant to Penal Code section 1000.3.

(f) “Deadly weapon” means any weapon, the possession or concealed carrying of which is prohibited by Penal Code section 12020.

(g) “Executive Director” means the executive officer of the Commission, as provided in Business and Professions Code section 19816 or his or her designee. If the Executive Director position is vacant, the Executive Director” means the officer or employee who shall be so designated by the Commission.

(h) “Gambling Control Act” or “Act” means Chapter 5 (commencing with section 19800) of Division 8 of the Business and Professions Code.

(i) “Registrant” means a person having a valid registration issued by the Commission.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853(a)(3), and 19854, Business and Professions Code. Reference: Sections 7.5, 19800, 19805, 19811, 19816, and 19951, Business and Professions Code.

12004. Change of Address.

A registrant or licensee shall report to the Commission any change of address within ten days of such change on a form entitled “Notice of Address Change” CGCC-032 (New 06-05), which is attached in Appendix A to this Chapter.

Note: Authority cited: Section 19811, 19823, 19824, 19853(a)(3), 19864, and 19984, Business and Professions Code. Reference: Sections 19850 and 19852, Business and Professions Code.

12008. Registration Fees; License Fees.

Every application for a registration or license issued pursuant to this division shall be accompanied by a fee that is authorized by Business and Professions Code section 19951(a). Every application for a work permit issued pursuant to Chapter 2 of this division shall be accompanied by a fee that is authorized by Business and Professions Code section 19915. The fee for the initial application and renewal of registrations, licenses or work permits issued pursuant to this division is as follows:

(a) For an initial and renewal Gambling License issued pursuant to Chapter 6, the fee is one thousand dollars (\$1000).

(b) For a Gambling Establishment Key Employee License issued pursuant to Chapter 6, the fee is as follows:

(1) For an interim key employee license, the fee is twenty-five dollars (\$25).

(2) For an initial and renewal license, the fee is seven hundred and fifty dollars (\$750).

(3) For a replacement license, the fee is twenty-five dollars (\$25).

(c) For an initial and renewal Work Permit issued pursuant to Chapter 2, the fee is as follows:

(1) For a Regular Work Permit the fee is two hundred and fifty dollars (\$250).

(2) For a Temporary Work Permit, the fee is twenty-five dollars (\$25), in addition to the regular work permit fee in paragraph (1) of this subsection.

(d) For a Third-Party Proposition Player Services registration or license issued pursuant to Chapter 2.1, the fee is as follows:

(1) For an initial and renewal registration of all registration types, the fee is five hundred dollars (\$500).

(2) For a temporary player registration, the fee is twenty-five dollars (\$25), in addition to the regular player registration fee specified in paragraph (1) of this subsection.

(3) For an initial and renewal license as a primary owner or owner, the fee is one thousand dollars (\$1000).

(4) For an initial and renewal license as a supervisor, the fee is seven hundred and fifty dollars (\$750).

(5) For an initial and renewal license as a player or other employee, the fee is five hundred dollars (\$500).

(e) For a Gambling Business registration or license issued pursuant to Chapter 2.2, the fee is as follows:

(1) For an initial and renewal registration for all registration types, the fee is five hundred dollars (\$500).

(2) For an initial and renewal license as a primary owner or owner, the fee is one thousand dollars (\$1000).

(3) For an initial and renewal license as a supervisor, the fee is seven hundred and fifty dollars (\$750).

(4) For an initial and renewal license as a player or other employee, the fee is five hundred dollars (\$500).

(f) For a Gambling Equipment Manufacturer or Distributor Registration issued pursuant to Chapter 4, the fee is as follows:

(1) For an initial and renewal registration as a Class A Equipment Manufacturer or Distributor, the fee is five hundred dollars (\$500).

(2) For an initial and renewal registration as an “antique collector”, within the meaning of Sections 12300(b)(1) and 12301(b)(10)(B), the fee is forty dollars (\$40).

(3) For a Class B Equipment Manufacturer or Distributor Registration, no fee is required.

Note: Authority cited: Sections 19811, 19824, 19840, 19841(a), 19853(a)(3), 19915, 19951(a) and 19984, Business and Professions Code. Reference: Sections 19915, 19841(r), 19853(a)(3), 19951(a) and 19984(b), Business and Professions Code.

12047. Withdrawal of Applications.

A request by an applicant to withdraw the submitted application may be made at any time prior to the final action by the Bureau. The request shall be made in writing to the Commission. The Commission, pursuant to Business and Professions Code section 19869, may deny the request or may grant the request, with or without prejudice.

(a) If a request for withdrawal is granted without prejudice, any unused portion of the background investigation deposit shall be refunded by the Commission.

(b) If a request for withdrawal is granted with prejudice, the applicant shall not be eligible to apply again for licensure or approval until after the expiration of one year from the date the request for withdrawal is granted. Any unused portion of the background investigation deposit shall be refunded by the Commission.

(c) If the request for withdrawal is denied, the Bureau shall proceed with the investigation of the applicant and provide a recommendation to the Commission for action on the application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19893, and 19951, Business and Professions Code. Reference: Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891, 19951, and 19984, Business and Professions Code.

12048. Abandonment of Applications.

At any time prior to final Commission action, the Executive Director may preliminarily determine that the application is abandoned. Such preliminary determination may be based upon recommendation of the Bureau, failure of the applicant to respond to Bureau or Commission inquiries, or notification by the applicant that the application is no longer being pursued. If the determination is not based upon applicant’s notice to the Commission, then notice will be sent to the applicant, with a copy to the applicant’s employer by certified mail indicating that unless the applicant contacts the Commission within 30 days from the date of the letter, the application shall be deemed abandoned. An abandoned application cannot be reactivated.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19893, and 19951, Business and Professions Code. Reference: Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891, and 19951, Business and Professions Code.

12050. Hearing Procedures; Appeal of Denial of or Imposition of Conditions on application for license, permit, or request for finding of suitability.

(a) If the Bureau, after an investigation pursuant to Business and Professions Code section 19826, subdivision (a), issues a recommendation to deny, limit, restrict, or condition a license, permit, or finding of suitability, the Bureau shall provide the applicant with a copy of the Bureau's final report as described in Business and Professions Code section 19868, subdivision (b), which includes a detailed factual and/or legal basis for any recommendation as well as the Bureau's recommendation to the Commission and any supplemental documents provided to the Commission at the time of the report and recommendation. Any applicant for any license, permit, or finding of suitability for whom Commission staff has issued a recommendation of denial or imposition of conditions shall be given notice by certified mail of the Commission meeting at which the application is scheduled to be heard and the Commission staff recommendation at least 10 days prior to the meeting. The applicant shall be afforded the opportunity to:

(1) Address the Commission by way of an oral statement at a noticed Commission meeting, and/or may submit documents in support of the application, or

(2) Request an evidentiary hearing.

(b) If the applicant requests an evidentiary hearing or the Commission elects to have an evidentiary hearing, the Executive Director shall set the matter for hearing pursuant to Business and Professions Code sections 19870 and 19871, or pursuant to Business and Professions Code section 19825 (conducted pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(1) If the hearing is to proceed pursuant to Business and Professions Code section 19825 (Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code; California Code of Regulations, title 1, section 1000 et seq.), the hearing shall be before an administrative law judge sitting on behalf of the Commission. Notice shall be effected pursuant to Government Code section 11500 et seq.

(2) If the hearing is to proceed pursuant to Business and Professions Code sections 19870 and 19871, notice shall be effected by the Commission, and the hearing before the Commission shall be conducted pursuant to Business and Professions Code section 19871:

(A) The Bureau or Commission staff or Deputy Attorney General or other representative presenting the case (Complainant) shall provide the applicant, at least 30 calendar days prior to the hearing, a list of potential witnesses with the general subject of the testimony of each witness and shall disclose and make available copies of all documentary evidence intended to be introduced at the hearing and not previously provided, reports or statements of parties and witnesses and all other writings containing relevant evidence, including all evidence made available to the Commissioners. The applicant shall provide Complainant with similar information to be introduced at the hearing and not previously provided at least ten calendar days

prior to the hearing. The Commissioners may prohibit testimony of a witness that is not disclosed and may prohibit the introduction of documents that have not been disclosed.

(B) Nothing in this section confers upon an applicant a right to discovery of the Commission's or Bureau's confidential information or to require production of any document or information the disclosure of which is otherwise prohibited by any provision of the Gambling Control Act, or is privileged from disclosure or otherwise made confidential by law. Documentary evidence may be redacted as needed to prevent the disclosure of confidential information. Exculpatory or mitigating information shall not be withheld from the applicant, but may be redacted.

(C) Within the guidelines of subsection (b)(2)(A) above, each party shall have the right to call and examine witnesses; to introduce relevant exhibits and documentary evidence; to cross-examine opposing witnesses on any relevant matter, even if the matter was not covered in the 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 the applicant's own behalf, the applicant may be called and examined as if under cross-examination.

(D) The hearing need not be conducted according to technical rules of evidence. Any relevant evidence may be considered, and is sufficient in itself to support findings if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of that evidence over objection in a civil action. A presiding officer, which shall be an administrative law judge or an attorney designated by the Commission, shall rule on the admissibility of evidence and on any objections raised.

(E) Oral evidence shall be taken upon oath or affirmation, which may be administered by a staff member of the Commission or by a Commissioner.

(F) The hearing shall be stenographically or electronically recorded by the Commission.

(G) At the conclusion of the hearing, the Commission shall take the matter under submission and may schedule future closed session meetings for deliberation. In taking the matter under consideration, any Commissioner who participated at the hearing shall be allowed to vote by mail or by other appropriate method. Within 30 days of the conclusion of the hearing, the Commission shall issue a decision which complies with Business and Professions Code section 19870, subdivision (c), and shall serve the decision by certified mail on the applicant and on any business entity with which the applicant is associated.

(3) At the hearings described in subsections (b)(1) and (2) above, the burden of proof rests with applicant to demonstrate why a license, permit, or finding of suitability should be issued or not conditioned. The applicant may choose to represent himself, herself, or itself, or may retain an attorney or lay representative at his, her, or its own expense. A representative of the Bureau shall present the reasons why the license, permit, or finding of suitability should not be granted or should be granted with conditions imposed. In the event that the Bureau does not present the case, the Commission may seek outside representation or one or more Commission staff members shall be segregated and present the case.

(c) If the application is denied or conditions imposed:

(1) The Commission's decision shall provide the effective date of the decision and may include further directions as to stay provisions or orders to divest.

(2) If the denied applicant is an officer, director, employee, agent, representative, or independent contractor of a corporation licensed, registered, or found suitable by the Commission, the denied applicant shall resign according to the date specified in the decision and shall so notify the Commission in writing.

(3) If the denied applicant is an officer or director of a corporation licensed, registered, or found suitable by the Commission, the corporation shall immediately remove that person from office and shall so notify the Commission in writing. If the denied applicant is an employee, agent, representative, or independent contractor of a corporation licensed, registered, or found suitable by the Commission, the corporation shall terminate its relationship with that person pursuant to the date specified in the decision and shall so notify the Commission in writing. The denied applicant and the corporation licensed, registered, or found suitable by the Commission shall comply with Business and Professions Code section 19882.

(4) If the denied applicant is a general or limited partner in a general or limited partnership licensed, registered, or found suitable by the Commission, the denied applicant shall resign as partner. If the denied applicant is an owner or holder of an interest in a limited partnership licensed, registered, or found suitable by the Commission, the denied applicant and the limited partnership shall comply with Business and Professions Code section 19892 and shall so notify the Commission in writing.

(5) If the denied applicant is a principal in a business entity not otherwise described above which is licensed, registered, or found suitable by the Commission, the denied applicant shall resign his or her position within that entity and divest whatever interest is held in that entity pursuant to the timelines and instructions specified in the decision, and shall so notify the Commission in writing. The business entity shall remove the denied applicant from any principal role in the business entity and shall so notify the Commission in writing.

(6) An applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had conditions imposed upon it may request reconsideration by the Commission within 30 days of notice of the decision. The request shall be in writing and shall outline the reasons for the request, which must be based upon either 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 upon other good cause for which the Commission in its discretion decides merits reconsideration. The Commission Chair may delegate to the Executive Director the authority to determine whether to place requests for reconsideration on the Commission agenda or to act on them at the Commission staff level. If placed on the Commission agenda, the applicant requesting reconsideration shall be notified of the date and time of the agenda item. The granting or denial of reconsideration is at the discretion of the Commission. The Commission shall notify the applicant requesting reconsideration whether or not reconsideration is granted or denied within

30 days of the applicant's request. If the Commission grants reconsideration, the effective date of the decision shall be stayed or vacated, at the Commission's discretion, while the decision is reconsidered.

(d) An appeal of a denial or imposition of conditions by the Commission shall be subject to judicial review under Code of Civil Procedure section 1085 (pursuant to Business and Professions Code section 19870, subdivision (e)). Neither the right to petition for judicial review nor the time for filing the petition shall be affected by failure to seek reconsideration.

(e) Proceedings to revoke, suspend, or discipline a license, registration, permit, finding of suitability, or other approval shall be pursuant to Chapter 10 of these regulations.

Note: Authority cited: Sections 19804, 19870 and 19872, Business and Professions Code. Reference: Sections 19868, 19870, 19879, 19883, 19892, Business and Professions Code.

Appendix A Change of Address Form

See following page



State of California
California Gambling Control Commission
CGCC-032 (New 06-05)

Commission Use Only

Date to DGC: _____

NOTICE OF ADDRESS CHANGE

SECTION 1: INFORMATION

Full Legal Name:

Gambling Establishment Affiliation, if any:

Type of License / Registration (or Designated Agent):

SECTION 2: CHANGE OF BUSINESS ADDRESS

Previous Business Address:

Street

City

State

Zip Code

New Business Address:

Street

City

State

Zip Code

SECTION 3: CHANGE OF MAILING ADDRESS, IF DIFFERENT FROM BUSINESS ADDRESS

Previous Mailing Address:

Street

City

State

Zip Code

New Mailing Address:

Street

City

State

Zip Code

SECTION 4: CHANGE OF PHONE NUMBER OR E-MAIL ADDRESS

Previous Phone Number:

Previous E-mail Address (Optional):

New Phone Number:

New E-mail Address (Optional):

SECTION 5: DECLARATION

I specifically request that all notices and written communications be sent to the new address listed above.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this form is true, correct, and complete.

Signature: _____

Printed Name and Title

Date:

NOTICE OF ADDRESS CHANGE INSTRUCTIONS

Type or print (in ink) all information requested on this form.

Retain a photocopy of the completed form for your permanent records.

A separate form is required for each registered/licensed person/entity.

If the form is returned at any point in the processing, please follow the enclosed directions and resubmit it in a timely manner.

You are responsible for providing the appropriate information. If a question is not applicable, indicate with "N/A."

You must initial and date any corrections, changes, or other alterations.

Any individual or entity who holds a State Gambling License (including Key Employee License), Registration, or a CGCC-issued Work Permit is required to submit a Notice of Address Change Form within TEN days of such change.

SECTION 1: INFORMATION

Provide your full legal name and list all other names if applicable. State your Gambling Establishment Affiliation (i.e. Name of Gambling Establishment) as well as the type of license/registration that you hold. (i.e. Owner, Key Employee, Work Permit). If you are the Designated Agent, please state.

SECTION 2: CHANGE OF BUSINESS ADDRESS

and

SECTION 3: CHANGE OF ADDRESS

You must provide your complete previous address and new address.

Even if only part of the address is changing, you must fill in all the blanks.

SECTION 4: CHANGE OF PHONE NUMBER OR E-MAIL ADDRESS

You must provide your complete previous phone number and new phone number. Providing an e-mail address is optional.

SECTION 5: DECLARATION

Sign and date the form under penalty of perjury. A form must be signed and dated to be considered complete.

CHAPTER 2. WORK PERMITS.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

12100. Definitions.

The following definitions govern the construction of the regulations contained in this Chapter:

(a) “Executive Director” means the executive officer of the Commission, as provided in Business and Professions Code section 19816(a), or his or her designee. If the Executive Director position is vacant, then "Executive Director" means the officer or employee who shall be designated by the Commission.

(b) “Gambling Enterprise Employee” has the same meaning as defined in Business and Professions Code section 19805, subdivision (m).

(c) “Gambling Establishment” or “Establishment” has the same meaning as defined in Business and Professions Code section 19805, subdivision (n).

(d) “Regular Work Permit” or "Work Permit" means a work permit issued pursuant to Business and Professions Code section 19912 for a period of no more than two years.

(e) “Temporary Work Permit” means a work permit issued pursuant to this article to a prospective gambling enterprise employee in accordance with Business and Professions Code section 19824, subdivision (f), valid for a period not to exceed 120 days from the date of issuance.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19800, 19811, 19816 and 19912, Business and Professions Code.

12101. Forms.

The following forms shall be used as specified in this chapter:

(a) “Renewal Work Permit Application Form” means the “Application for Work Permit Renewal” CGCC-023 (Rev. 04/08) which is hereby incorporated by reference.

(b) “Replacement Badge Application” means the “Application for Replacement Work Permit Badge” CGCC-026 (Rev. 04/08) which is hereby incorporated by reference.

(c) “Transfer of Work Permit Application Form” means the “Application for Transfer of Work Permit” CGCC-022 (Rev. 04/08) which is hereby incorporated by reference.

(d) “Work Permit Application Form” means the “Application for Regular and Temporary Work Permit” CGCC-021 (Rev. 04/08) which is hereby incorporated by reference.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19800, 19811, 19816 and 19912, Business and Professions Code.

ARTICLE 2. REGULAR WORK PERMITS.

12104. Term of Work Permit.

As provided in Business and Professions Code section 19912, a work permit issued by the Commission is valid for two years. If a temporary work permit is issued, the term of the subsequently issued regular work permit shall run from the date of the issuance of the temporary work permit.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19800, 19811, 19816 and 19912, Business and Professions Code.

12105. Mandatory and Discretionary Grounds for Denial of Work Permit.

(a) An application for a work permit shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification under Business and Professions Code section 19859.

(2) The applicant is found unqualified pursuant to the criteria set forth in subdivisions (a) or (b) of Business and Professions Code section 19857.

(b) An application for a work permit may be denied by the Commission if it finds any of the following:

(1) Cause set forth in Business and Professions Code section 19914, subdivision (a), paragraphs (1) through (9), inclusive.

(2) Within ten years immediately preceding the submission of the application, the applicant was convicted of any of the following offenses:

(A) A misdemeanor involving a firearm or other deadly weapon.

(B) A misdemeanor involving gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.

(C) A misdemeanor involving a violation of an ordinance of any city, county, or city and county, which pertains to gambling or gambling-related activities.

(D) A misdemeanor involving a violation of the Gambling Control Act.

(E) A misdemeanor involving dishonesty or moral turpitude whether or not the applicant was granted relief pursuant to Sections 1203.4, 1203.4a, or 1203.45 of the Penal Code.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute.

(d) The criteria set forth in this section shall constitute grounds for objection to the issuance of a work permit by a city, county, or city and county pursuant to Business and Professions Code section 19912.

(e) The provisions of Business and Professions Code sections 19857, 19859, and 19914, subdivision (a) shall be deemed incorporated by reference into this regulation for the purposes set forth in this section. For the purposes of this section, the criteria incorporated by reference in

these regulations from Business and Professions Code section 19914, subdivision (a), apply to conduct or events occurring prior to the filing of an application for a work permit.

Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 19800, 19811, 19816, 19857, 19859, 19911, 19912 and 19914(b), Business and Professions Code.

ARTICLE 3. TEMPORARY WORK PERMITS.

12120. Temporary Work Permits.

(a) While the Bureau is processing an application for a regular work permit, and subject to Section 12122, the Executive Director, or any employee of the Commission designated in writing by the Executive Director, may issue a temporary work permit pursuant to this article, which shall be valid for no more than 120 days. The duration of the temporary work permit shall not substantially exceed the estimated time to process and consider the application for a regular work permit, but may be extended if necessary; provided that in no event shall a temporary work permit be valid for more than 120 days. Any temporary work permit issued in accordance with this article shall not create a property right in its holder. In order to protect the public, each temporary work permit shall be issued subject to the conditions specified in Section 12128.

(b) Upon issuance or denial of a regular work permit by the Commission, the temporary work permit previously issued shall become void and shall not be used thereafter.

(c) If the regular work permit is not issued within 120 days of the issuance of the temporary work permit, the applicant may submit an application for a new temporary work permit to the Commission. The Executive Director shall waive the fee for the new temporary work permit upon request of the applicant.

(d) In the event that the regular work permit is issued prior to action by the Executive Director on the application for the temporary work permit, the application for the temporary work permit shall be deemed withdrawn and no further action will be taken on it.

(e) If an application for a temporary work permit is incomplete, the Executive Director may request in writing any information needed in order to complete the application. The Executive Director shall allow the applicant 30 days in which to furnish the information. If the applicant fails to respond to the request, the temporary work permit application shall be deemed abandoned and no further action will be taken on it.

(f) If the applicant submits a request for withdrawal of his or her application for a regular work permit, the application for a temporary work permit shall be deemed abandoned and no further action will be taken on it by the Executive Director.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19801(j), 19811, 19816, 19866, 19910 and 19912, Business and Professions Code.

12122. Criteria for the Issuance of Temporary Work Permits.

The Executive Director shall issue a temporary work permit if all of the following requirements are met:

(a) The applicant has applied for a temporary work permit by completing the Commission's work permit application form, requesting issuance of a temporary work permit by checking the appropriate box on the application form, and submitting with the application a nonrefundable temporary work permit fee as specified in paragraph (2) of subsection (c) of Section 12008, in addition to the regular work permit fee specified in paragraph (1) of subsection (c) of Section 12008.

(b) The applicant has supplied all of the following to the Commission:

(1) The applicant's name, mailing address, residence street address (if different than mailing address), telephone number, e-mail address (optional), and date of birth.

(2) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the work permit application, which shall be in addition to the photograph submitted for the regular work permit.

(3) Information concerning the gambling establishment in which the position is available: the name of the gambling establishment, mailing address, voice telephone number, facsimile number (if any), e-mail address (if any), the job title of the position, and the name of the owner, authorized agent, or hiring authority of the establishment.

(4) A Request for Live Scan Service (California Department of Justice Form BCII 8016, rev. 4/01,) confirming that the applicant has submitted his or her fingerprints to the BCII for an automated background check and response.

(c) Neither the application in its entirety nor the results of the investigation of the applicant reported by the Bureau to the Commission up until the date of issuance of the temporary work permit discloses any of the following:

(1) The applicant has been convicted of any felony.

(2) The applicant has, within the 10-year period immediately preceding the submission of the application, been convicted of any of the following offenses, not including convictions which have been expunged or dismissed as provided by law:

(A) A misdemeanor involving a firearm or other deadly weapon.

(B) A misdemeanor involving gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.

(C) A misdemeanor involving a violation of an ordinance of any city, county, or city and county, which pertains to gambling or gambling-related activities.

(D) A misdemeanor involving violations of the Act.

(E) A misdemeanor involving dishonesty or moral turpitude.

(3) The applicant has had an application for a gambling license or work permit denied.

(4) The applicant has had a gambling license or work permit revoked.

(5) The applicant is disqualified under the Act or other provisions of law from holding a work permit.

(d) The Bureau has reported one of the following to the Commission concerning the Request for Live Scan Service submitted to the BCII:

(1) A response has been received from the BCII or Federal authorities that is consistent with a finding that the applicant has not sustained any disqualifying criminal convictions, or,

(2) No response from the BCII or Federal authorities has been received within the time period set forth in subsection (b) of Section 12126.

(e) The application and other information obtained during the review does not disclose any factor indicating that approval of the temporary work permit may in the judgment of the Executive Director present a danger to the public or to the reputation of controlled gambling in this state.

(f) The applicant is not ineligible under Business and Professions Code section 19859, subdivision (b), (e), (f), or (g), the terms of which are incorporated by reference and hereby expressly made applicable to applications for temporary work permits.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 19811, 19816, 19823, 19859 and 19912, Business and Professions Code.

12124. Effect of Denial or Cancellation of Temporary Work Permit.

Denial of an application for a temporary work permit or cancellation of a temporary work permit shall not suspend the processing and review of the related application for a regular work permit.

Note: Authority cited: Sections 19811(a), 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. Reference: Sections 19824, 19910 and 19912, Business and Professions Code.

12126. Processing Times for Temporary Work Permit.

Applications for issuance of a temporary work permit by the Executive Director shall be processed within the following time frames:

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(b) A temporary work permit shall be either granted or denied within no more than 15 working days after the filing of a complete application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. Reference: Sections 15375 and 15376, Government Code; and Sections 19824(f) and 19912, Business and Professions Code.

12128. Cancellation of Temporary Work Permit.

(a) Any temporary work permit issued in accordance with this article shall be subject to summary cancellation pursuant to subsections (b) and (c) of this section.

(b) A temporary work permit shall be cancelled by the Executive Director at any time if any of the following applies:

(1) The Commission determines that it has received reliable information that the holder of the temporary work permit is ineligible under subsection (c) of Section 12122, has failed to reveal any fact material to the holder's qualification for a temporary work permit, or has supplied information to the Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of temporary work permits.

(2) Pursuant to Business and Professions Code section 19826, the Bureau recommends denial of a regular work permit to the applicant.

(3) The applicant's regular work permit application is referred by a vote of the Commission for an evidentiary hearing pursuant to Business and Professions Code section 19825, and the Commission directs the Executive Director to cancel the temporary work permit.

(4) The Executive Director receives from the applicant a request to withdraw his or her application for a regular work permit.

(c) If any of the circumstances set forth in subsection (b) applies, then the Executive Director or his or her designee shall immediately do all of the following:

(1) Notify the temporary work permit holder, the gambling establishment, the local law enforcement agency, and the Bureau in writing of the cancellation of the temporary work permit and the grounds thereof.

(2) Require the holder of the license for the gambling establishment or its hiring authority to terminate immediately any employment of the holder covered by the cancelled temporary work permit.

(3) Notify the temporary work permit holder that he or she is required to surrender the temporary work permit to the Commission not more than ten days following the date that the notice of cancellation was mailed or such greater time as is authorized by the Executive Director.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code.
Reference: Sections 10, 19801, 19816, 19824(f) and 19912(a) and (d), Business and Professions Code.

ARTICLE 4. CHANGE IN PLACE OF EMPLOYMENT – WORK PERMIT TRANSFER.

12130. Change in Place of Employment – Work Permit Transfer.

(a) The holder of a currently valid regular work permit may apply for a new work permit for a different place of employment in accordance with this article.

(b) The Executive Director shall issue a regular work permit to an applicant for a new place of employment if all of the following conditions are met:

(1) The applicant has applied for a work permit transfer by completing the Commission's transfer of work permit application form.

(2) The applicant has supplied all of the following to the Commission:

(A) The applicant's name, mailing address, residence street address (if different than mailing address), telephone number, e-mail address (optional), and date of birth.

(B) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the work permit transfer request.

(C) A nonrefundable \$ 25.00 fee payable to the Commission.

(D) Information concerning the new employer in which the position is available: the name of the gambling establishment, mailing address, voice telephone number, facsimile number (if any), e-mail address (if any), the job title of the position, and the name of the owner, authorized agent, or hiring authority of the establishment.

(3) The applicant possesses a valid work permit issued by the Commission or the Bureau that has been issued or renewed within a two-year period immediately preceding the date that the work permit transfer application is received by the Commission. The applicant shall provide the Commission with a photocopy of the valid work permit.

(4) The applicant seeks to change his or her place of employment from the gambling establishment for which the valid work permit was issued to a different licensed gambling establishment for which a work permit issued by the Commission is required by the Act.

(5) The Executive Director is not aware of any cause for revocation of the work permit.

(c) A work permit issued pursuant to this section shall be valid during the unexpired term of the previously issued work permit.

(d) If a work permit is issued pursuant to this section, the Executive Director shall promptly inform the Bureau in writing of this decision.

(e) Upon issuance of a regular work permit pursuant to this section for the applicant's new place of employment, the regular work permit issued for the previous employer shall become void and shall not be used thereafter.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19801, 19816, 19824(f) and 19912(d), Business and Professions Code.

12132. Processing Times for Application to Change Place of Employment.

Applications submitted pursuant to section 12130 shall be processed within the following time frames:

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(b) A work permit shall be either granted or denied within no more than 15 working days after the filing of a complete application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. Reference: Sections 15375 and 15376, Government Code; and Sections 19824 and 19912, Business and Professions Code.

ARTICLE 5. REPLACEMENT WORK PERMIT BADGES.

12140. Replacement Work Permit Badges.

(a) The Executive Director shall issue a replacement work permit badge to a gambling enterprise employee if all of the following conditions are met:

(1) The applicant has previously been issued a currently valid work permit.

(2) The applicant has applied for a replacement work permit badge by completing the Commission's replacement badge application.

(3) The applicant has supplied all of the following to the Commission:

(A) The applicant's name, mailing address, residence street address (if different than mailing address), telephone number, e-mail address (optional), and date of birth.

(B) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the work permit transfer request.

(C) A nonrefundable \$ 25.00 fee payable to the Commission.

(D) Information concerning the gambling establishment for which the replacement badge is requested: the name of the gambling establishment, mailing address, voice telephone number, facsimile number (if any), e-mail address (if any), the job title of the position, and the name of the owner, authorizing agent, or hiring authority of the establishment.

(4) The Executive Director is not aware of any cause for revocation of the work permit.

(b) A replacement work permit badge issued pursuant to this section shall be valid during the unexpired term of the previously issued work permit.

(c) Upon issuance of the replacement work permit badge, the previously issued work permit badge for that gambling establishment shall become void and shall not be used thereafter.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19801, 19816, 19824(f) and 19912, Business and Professions Code.

12142. Processing Times for Application to Replace Work Permit Badge.

Applications submitted pursuant to section 12140 shall be processed within the following time frames:

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(b) A replacement work permit badge shall be either issued or denied within no more than 15 working days after the filing of a complete application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. Reference: Sections 15375 and 15376, Government Code; and Sections 19824 and 19912, Business and Professions Code.

CHAPTER 2.1. THIRD-PARTY PROVIDERS OF PROPOSITION PLAYER SERVICES: REGISTRATION; LICENSING.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

12200. Definitions.

(a) Except as otherwise provided in Section 12002 and in subsection (b) of this regulation,

the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

(1) “Additional Badge” means a badge issued by the Commission pursuant to Section 12200.6, which authorizes an individual registrant or licensee to be simultaneously employed by more than one primary owner.

(2) “Applicant” means an applicant for registration or licensing under this chapter, including in the case of an owner that is a corporation, partnership, or any other business entity, all persons whose registrations or licenses are required to be endorsed upon the primary owner’s registration or license certificate.

(3) “Authorized player” means an individual associated with a particular primary owner whose badge authorizes play in a controlled game on behalf of the primary owner, including the primary owner, all other owners, all supervisors, and all players. Only authorized players may perform the functions of a supervisor or player.

(4) “Badge” means a form of identification issued by the Commission identifying a registrant or licensee.

(5) [RESERVED]

(6) [RESERVED]

(7) [RESERVED]

(8) [RESERVED]

(9) [RESERVED]

(10) “Funding source” means any person that provides financing, including but not limited to loans, advances, any other form of credit, chips, or any other representation or thing of value, to an owner-registrant or owner-licensee, other than individual registrants under subsection (d) of Section 12201 or individual licensees. “Funding source” does not include any federally or state chartered lending institution or any of the following entities that in the aggregate owns at least one hundred million dollars (\$100,000,000) of securities of issuers that are not affiliated with the entity:

(A) Any federally-regulated or state-regulated bank or savings association or other federally- or state-regulated lending institution.

(B) Any company that is organized as an insurance company, the primary and predominant business activity of which is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and that is subject to supervision by the Insurance Commissioner of California, or a similar official or agency of another state.

(C) Any investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. sec. 80a-1 et seq.).

(D) Any retirement plan established and maintained by the United States, an agency or instrumentality thereof, or by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees.

(E) Any employee benefit plan within the meaning of Title I of the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. sec. 1001 et seq.).

(F) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.).

(G) Any entity, all of the equity owners of which individually meet the criteria of this paragraph (10).

(11) [RESERVED]

(12) “License” means a license issued by the Commission pursuant to Article 3 of this chapter.

(A) There are four license categories entitling the holder to provide third-party proposition player services:

1. Primary owner,
2. Owner,
3. Supervisor, and
4. Player.

(B) All “other employees” (as defined in this section) of the primary owner who are present in the gambling establishment during the provision of proposition player services under the primary owner’s proposition player contract shall be licensed as “other employee” and shall be required to submit an application and be approved or denied based upon the same criteria that apply to a player.

(C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor’s license may also perform the functions of a player.

(D) No licensee, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.

(13) “Licensee” means a person having a valid license.

(14) “Organization chart” means a chart that identifies the names and titles of all owners, as defined in Section 12200, supervisors, and any persons having significant influence over the operation of the entity or provision of proposition player services; the percentage of ownership, if any, held by each identified individual or entity; the reporting relationship for each identified individual or entity; and the job title and number of persons in each of the job titles that report to each individual or entity identified on the organization chart.

(15) “Other employee” means an individual employed by a primary owner who is not authorized to provide proposition player services. “Other employee” does not include any owner, any supervisor, or any officer or director of a primary owner that is a corporation. An individual registered or licensed, as an “other employee” may not function as a player unless and until that individual applies for and obtains registration or licensure as a player.

(16) “Owner” includes all of the following:

(A) A sole proprietor, corporation, partnership, or other business entity that provides or proposes to provide third party proposition player services as an independent contractor in a gambling establishment,

(B) Any individual specified in Business and Professions Code section 19852, subdivisions (a) through (h), and

(C) Any funding source.

(17) “Playing Book” means a record documenting each session of play by a third-party proposition player.

(18) “Primary Owner” means the owner specified in subparagraph (A) of paragraph (16) of this subsection.

(19) “Proposition player” or “player” means an individual other than an owner or a supervisor who provides third-party proposition player services in a controlled game.

(20) “Proposition player contract” or “contract” means a written contract, the terms of which have been reviewed and approved by the Bureau, between the holder of a state gambling license and a primary owner acting as an independent contractor for the provision of third-party proposition player services in the gambling establishment.

(21) “Rebate” means a partial return by an authorized proposition player of chips or money to a patron who has lost the chips or money to the authorized player through play in a controlled game at a gambling establishment.

(22) “Registrant” means a person having a valid registration.

(23) “Registration” means a registration issued by the Commission pursuant to this chapter.

(A) There are four registration categories entitling the holder to provide third-party proposition player services: primary owner, owner, supervisor, and player.

(B) All other employees of the primary owner who are present in the gambling establishment during the provision of proposition player services under the primary owner’s proposition player contract shall be registered as “other employee” and shall be required to submit an application, which application shall be approved or denied based upon the same criteria that apply to a player.

(C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor’s registration or license may also perform the functions of a player. No registrant, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.

(24) “Reinstatement Badge” means a badge issued by the Commission to a player, a supervisor, or an “other employee” pursuant to Section 12200.6 which authorizes an individual registrant or licensee who has ceased to be employed by a primary owner to return to work for that primary owner.

(25) “Session of play” as used in Section 12200.13 (“Playing Book”) means a continuous work shift of third-party proposition player services provided by an individual proposition player.

(26) “Supervisor” means an individual who, in addition to any supervisory responsibilities, has authority, on behalf of the primary owner, to provide or direct the distribution of currency, chips, or other wagering instruments to players engaged in the provision of third-party proposition player services in a gambling establishment.

(27) “Supplemental information package” means all of the documentation and deposits required by each of the following forms (which are hereby incorporated by reference) to be submitted to the Commission in response to a summons issued by the Bureau pursuant to Section 12205.1:

(A) Owners, as defined in Section 12200, that are a natural person shall complete the form Level III Supplemental Information-Individual (BGC-APP-034A (Rev. 11/07)) for a level III investigation.

(B) Owners, as defined in Section 12200 that are not a natural person shall complete the form Level III Supplemental Information-Business (BGC-APP-034B (Rev. 11/07)) for a level III investigation.

(C) Supervisors, as defined in Section 12200, shall complete the form Level II Supplemental Information (BGC-APP-033 (Rev. 11/07)) for a level II investigation.

(D) Other employees and players, as defined in Section 12200, shall complete the form Level I Supplemental Information (BGC-APP-032 (Rev. 11/07)) for a level I investigation.

(28) “Third-party proposition player services” or “proposition player services” means services provided in and to the house under any written, oral, or implied agreement with the house, which services include play as a participant in any controlled game that has a rotating player-dealer position as permitted by Penal Code section 330.11. “Proposition player services” also includes the services of any supervisors, as specified in paragraph (26) of this subsection.

(29) “TPP” means “third party proposition.” This abbreviation is used in Section 12200.3 and in prescribing titles to be used on registrant and licensee badges, for example, “TPP Player Registrant.”

(30) “Transfer Badge” means a badge issued by the Commission pursuant Section 12200.6 which authorizes an individual registrant or licensee to work for a subsequent primary owner after having ceased to work for an initial primary owner.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19805 and 19984, Business and Professions Code.

12200.1. Certificate.

(a) The Commission shall issue a registration or license certificate with an expiration date, as applicable, to each primary owner.

(b) The Commission shall endorse upon each certificate the names of all other owners affiliated with the primary owner.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.3. Badge.

(a) All individuals licensed or registered as primary owners, owners, supervisors, players, or other employees of the primary owner shall wear in a prominently visible location a numbered badge issued by the Commission when present in a gambling establishment during the provision of proposition player services under the proposition player contract that covers the licensee or registrant.

(b) A badge authorizing play in a controlled game shall be of a distinctly different color than a badge that identifies a registrant or licensee, but does not authorize play. If an individual ceases to be employed by or affiliated with a particular primary owner, that individual shall surrender his or her badge to the primary owner. The primary owner shall notify the Commission and the Bureau in writing within ten (10) days of the change in status using the Change in Status Form for a Third Party Proposition Player Services Registration (CGCC-441 (Rev. 09/04)), which is hereby incorporated by reference; with this form, the primary owner shall submit the registrant's or licensee's badge.

(c) The words "TPP PLAYER REGISTRANT," "NON-PLAYER TPP REGISTRANT," "TPP PLAYER LICENSEE," OR "NON-PLAYER TPP PLAYER LICENSEE" in capital letters shall be prominently displayed on the front of the badge. The first name of the registrant or licensee shall appear on the front of the badge. The full name of the registrant or licensee shall be printed on the reverse side of the badge, together with the registrant's or licensee's category of registration or licensing as an owner, supervisor, player, or other employee.

(d) On the front of the badge, there shall be displayed the picture of the registrant or licensee submitted with the application, the badge number, and expiration date. On the front of the badge, there shall be displayed the name of the primary owner employing the registrant or licensee, which shall be the fictitious business name, if any, established pursuant to Chapter 5 (commencing with section 17900) of Part 3 of Division 7 of the Business and Professions Code.

(e) Upon renewal of each registration and upon issuance of each registration or license, authorized players shall be issued a badge of one color; individuals not authorized to play shall be issued a badge of a distinctly different color. Any non-player badge issued prior to July 1, 2004, shall be re-issued upon renewal pursuant to subsection (b), so that each registrant receives either a player or non-player badge.

(f) An individual registered or licensed as a player with a particular primary owner shall apply for and obtain a new badge pursuant to Section 12200.6 before beginning to work for an additional or different primary owner.

(g) Registrations, licenses, and badges are specific to the primary owner. Third party proposition player services cannot be provided without first applying for and obtaining a registration, license, or badge.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.5. Replacement of Badge.

(a) Upon submission of a request, the Executive Director shall issue a replacement badge if all of the following conditions are met:

(1) The requester has a current valid registration or license.

(2) The request is complete and has been submitted on the form Request for Replacement Third Party Proposition Player Services Badge (CGCC-438, Rev. 09/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable twenty-five dollar (\$25) fee, payable to the Commission.

(B) The category of the position and information concerning the primary owner for which the replacement badge is requested: the name of the primary owner, mailing address, voice telephone number, facsimile number (if any), and email address (if any).

(C) A statement under penalty of perjury that a replacement badge is needed due to a name change or to loss or destruction of the originally issued badge.

(b) A replacement badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon issuance of the replacement badge, the previously issued badge for that third-party proposition services provider shall become void and shall not be used.

(d) Replacement badges shall be issued by the Commission within seven (7) days of receipt of a complete request.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.6. Transfer or Reinstatement of Player Registration or License; Issuance of Additional Badge.

(a) Upon submission of a request, the Executive Director shall issue a player transfer badge, reinstatement badge, or additional badge if all of the following conditions are met:

(1) The requester has a currently valid registration or license.

(2) The request is complete and has been submitted on the form Request for an Additional/Transfer/Reinstatement Third Party Proposition Player Services Registration/License (CGCC-439, Rev. 09/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable one hundred and twenty-five dollar (\$125) fee payable to the Commission.

(B) The names as applicable of the current and future primary owner (or previous owner or additional owner), mailing address, voice telephone number, facsimile number (if any), and email address (if any).

(b) A badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon issuance of the transfer badge, the previously issued badge for that third-party proposition services provider shall become void and shall not be used.

(d) Transfer, additional, and reinstatement badges shall be issued by the Commission within seven (7) days of receipt of a complete request.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.7. Proposition Player Contract Criteria.

(a) All proposition player contracts shall be subject to, and superseded by, any changes in the requirements of regulations adopted under Business and Professions Code section 19984 that conflict with or supplement provisions of the proposition player contract.

(b) Each proposition player contract shall specifically require all of the following to be separately set forth at the beginning of the contract in the following order:

(1) The names of the parties to the contract.

(2) The effective dates of the contract; expiration date shall be the last day of the month.

(3) The specific name of the Bureau-approved gaming activities for which proposition player services may be provided.

(4) The maximum and minimum number of gaming tables available to the proposition player provider service.

(5) That no more than one owner, supervisor, or player from each provider of proposition player service shall simultaneously play at a table.

(6) The hours of operation that proposition player services will be provided.

(7) A detailed description of the location, applicable security measures, and purpose of any currency, chips, or other wagering instruments that will be stored, maintained, or kept within the gambling establishment by or on behalf of the primary owner.

(8) That proposition player services shall be provided in the gambling establishment only in compliance with laws and regulations pertaining to controlled gambling.

(9) That proposition player services may be provided only by authorized players with current registration or licensing under this chapter.

(10) That the primary owner shall provide the gambling establishment with a copy of its registration or license certificate, and that the gambling establishment shall maintain the certificate on file, together with a copy of the proposition player contract applying to that establishment.

(11) That a registrant or licensee may not provide proposition player services in a gambling establishment for which the registrant holds a state gambling license, key employee license, or work permit.

(12) That collection fees charged by the house for participation in any controlled game shall be the same as those charged to other participants during the play of the game.

(13) The form to be used for the playing book record and the initial number that will be used for the sequentially numbered forms.

(14) Any agreement between the primary owner and the house for owners or supervisors to inspect or receive a copy of surveillance recordings of tables at which proposition player services are provided under the contract during the times the services are provided, as necessary for business purposes.

(15) A full disclosure of any financial arrangements entered into during the term of the contract for any purpose between the house and any registrant or licensee covered by the proposition player contract. If there is no financial consideration that passes under the contract, a statement to that effect shall be included.

(16) That any legal dispute between the primary owner and the house, including any exclusion of a registered or licensed owner, player, or supervisor covered by the contract with the house shall be reported in writing within ten (10) days by the primary owner and the house to both the Commission and the Bureau.

(17) That the primary owner and the house shall report in writing within ten (10) days to both the Commission and the Bureau the identity of any registrant whose activities are covered by the proposition player contract and who is arrested in the gambling establishment by a peace officer, who is removed from the gambling establishment by a peace officer or the house, or who is involved in a patron dispute regarding his or her activities in the gambling establishment that is the subject of a report to a peace officer and that results in removal of one or more individuals.

(18) That any cheating reported to the house by a registrant or licensee shall be reported in writing within five (5) days of the incident by the primary owner and the house to the Commission and Bureau.

(19) That the criteria for granting any rebates by proposition players to patrons be fully disclosed in the contract; and that neither the house nor any employee of the house shall have any role in rebates. If there are no criteria for granting rebates, a statement to that effect shall be included.

(20) That any tipping arrangements shall be specified in the contract and that percentage tips shall not be given. If there are no tipping arrangements, a statement to that effect shall be included.

(21) That the primary owner may reimburse the house in specified amounts for equipment such as surveillance cameras and monitors, or cards, shuffling machines, and dice. Neither the primary owner nor its employees shall purchase, lease, or control such equipment. If there is no arrangement to reimburse the house for equipment, a statement to that effect shall be included.

(22) That the contract is a complete expression of all agreements and financial arrangements between the parties; that any addition to or modification of the contract, including any supplementary written or oral agreements, must be approved in advance by the Bureau pursuant to Section 12200.10B (Review and Approval of Amendments to Proposition Player Contracts) before the addition or modification takes effect.

(c)(1) Except as expressly authorized by this subsection, a proposition player contract shall not include any provision authorizing payment to or receipt by the house, or a designee thereof, of any share of the profits or revenues of a registrant or a licensee. Any payments made by a

registrant or licensee to the house for a purpose determined by agreement with the house shall be specifically authorized by the proposition player contract. All payments shall be specified in the contract. The contract shall identify the total charge for each of the following categories: services, facilities, and advertising. In addition, the contract shall include a detailed list, excluding specific costs, of the items provided or received in each of these categories.

(2) In no event may a proposition player contract provide for any payment based on a percentage or fraction of the registrant's or licensee's gross profits or wagers made or the number of players. All payments shall be fixed and shall only be made for services and facilities requested by, and provided to, the registrant or licensee, and for a reasonable share of the cost of advertising with respect to gaming at the gambling establishment in which the registered or licensed owner participates.

(3) No contract provision shall authorize any payments for services or facilities that are substantially disproportionate to the value of the services or facilities provided. No contract shall include any charge, direct or indirect, for the value of an exclusive right to conduct proposition play within all or a portion of the gambling establishment. No payment other than the collection fee for play, shall be required for play at any table, including, without limitation, reservation of a seat.

(d) The proposition player contract shall not contain any provision that limits contact with officials or employees of the Commission or Bureau. The proposition player contract shall prohibit an owner or the house from retaliating against any registrant or licensee on account of contact with an official or employee of the Commission or Bureau or any other public official or agency.

(e) A proposition player contract shall be consistent with the provisions of Business and Professions Code section 19984, subdivision (a), prohibiting a gambling establishment or the house from having any interest, whether direct or indirect, in funds wagered, lost, or won. No proposition player contract shall be approved that would permit the house to bank any game in the gambling establishment.

(f) Each proposition player contract approved by the Bureau shall contain a provision authorizing the Commission, after receiving the findings and recommendation of the Bureau, to terminate the contract for any material violation of any term required by this section.

(g) A primary owner may contract with more than one gambling establishment at the same time; a gambling establishment may contract with more than one primary owner at the same time. This subsection is not intended to prohibit a contract in which a gambling establishment and a primary owner agree that one primary owner shall be the exclusive provider of proposition player services to that gambling establishment.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.9. Review and Approval of Proposition Player Contracts.

(a)(1) Proposition player services shall not be provided except pursuant to a written proposition player contract approved in advance by the Bureau. Provision of proposition player services by any person subject to registration or licensing under this chapter, or engagement of proposition player services by the holder of a state gambling license, without a contract as required by this section is a violation of this section. The Bureau shall approve a proposition player contract only if all the following requirements have been satisfied:

(A) The contract is consistent with this regulation and the Act.

(B) The contract does not provide for controlled gambling that will be conducted in a manner that is inimical to the public health, safety, or welfare.

(C) The contract will not create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the conduct of controlled gambling or in the carrying on of the business and related financial arrangements.

(D) The contract will not undermine public trust that the controlled gambling operations covered by the contract will be conducted honestly, by reason of the existence or perception of any collusive arrangement between any party to the contract and the holder of a state gambling license, or otherwise.

(2) Prior to December 7, 2003, each primary owner providing proposition player services at a gambling establishment on the date that these regulations originally became effective (November 6, 2003) shall submit an Application for Contract Approval Provider of Proposition Player Services (BGC-APP-030 (Rev.05/09)), which is hereby incorporated by reference.

(3) A complete application for contract approval shall include all of the following:

(A) A completed Application for Contract Approval to Provide Proposition Player Services (BGC-APP-030 (Rev.05/09)).

(B) A completed Appointment of Designated Agent for Owners and Proposition Players (BGC-APP-031 (Rev. 11/07)), which is hereby incorporated by reference.

(C) An executed copy of the contract that specifically addresses all of the requirements of Section 12200.7.

(D) A playing book form that specifically addresses all of the requirements of Section 12200.13.

(E) A \$1000 nonrefundable application fee.

(F) The deposit as required by Title 11, California Code of Regulations, Section 2037(a)(2)(A). The Bureau may require an additional sum to be deposited to pay the final costs of the review and approval or disapproval of the contract. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the contract will be refunded and an itemized accounting will be provided to the primary owner, or primary owner's designee.

(4) The Bureau shall notify the applicant, in writing, within ten working days of receiving the application that the application or resubmitted application is complete or incomplete. If an application is incomplete, the Bureau shall request, in writing, any information, fees, or

documentation needed to complete the application. Unless extended by the Bureau for further investigation up to 90 days or with the consent of the applicant, review and approval or disapproval of a proposition player contract shall be completed within 90 days of receiving a completed application and notice thereof shall be sent via United States mail to the applicant or the applicant's designee within ten days of the Bureau's decision. Notice of disapproval of the contract or amendments shall specify the cause.

(b) An executed copy of the currently effective contract, and all amendment(s) thereto, and a copy of all Bureau notices that approved the contract and any amendment shall be maintained at the gambling establishment and shall be provided for review or copying upon request by any representative of the Commission or Bureau.

(c) The term of any proposition player contract shall not exceed two years and shall not be extended or renewed without the prior approval of the Bureau. No amendment changing any of the contract terms referred to in Section 12200.7, other than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term of a proposition player contract without the prior written approval of the Bureau. If any amendment is made to a proposition player contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12200.7, both parties to the contract shall notify the Commission and Bureau in writing of the amendment within ten days of the execution thereof by the parties to the contract.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19951 and 19984, Business and Professions Code

12200.10A. Expedited Review and Approval of Proposition Player Contracts.

(a) In lieu of the procedure specified in Section 12200.9, the Bureau shall provide an expedited review process of an application for contract approval if all of the following conditions exist:

(1) Proposition player services were provided in the gambling establishment at any time during the 60 days preceding the application pursuant to a contract that was previously approved by the Bureau and that has been terminated in whole or in part.

(2) The proposed contract is between the house and a different primary owner than the previous contract under which proposition player services were provided in the gambling establishment.

(3) The terms of the proposed contract are substantially identical to the contract previously approved by the Bureau under which proposition player services were provided in the gambling establishment at any time during the 60 days preceding the application.

(b) If an application for contract approval is submitted as an expedited contract request and the Bureau determines that it does not meet the criteria, the primary owner or designee and the house shall be notified within three business days of the Bureau's decision. Any contract that is not processed through the expedited review and approval process shall be treated as a new contract request and reviewed and approved or disapproved as otherwise provided by subsection (a) of Section 12200.9.

(c) The Bureau shall complete the expedited review and approval of a contract within five business days of receiving all of the following:

(1) A completed Application for Contract Approval to Provide Proposition Player Services (BGC-APP-030 (Rev. 05/09)), referenced in Section 12200.9.

(2) A completed Appointment of Designated Agent for Owners and Proposition Players (BGC-APP-031 (Rev. 11/07)), referenced in Section 12200.9.

(3) An executed copy of the contract that specifically addresses all the requirements of Section 12200.7.

(4) A playing book form that specifically addresses all the requirements of Section 12200.13.

(5) A \$1000 nonrefundable application fee.

(6) An expedited processing fee of \$150 and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated processing costs in accordance with Business and Professions Code section 19867.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19951 and 19984, Business and Professions Code.

12200.10B. Review and Approval of Amendments to Proposition Player Contracts.

(a) Requests to review and approve an amendment to a proposition player contract shall be submitted with an application for approval (see Section 12200.9(a)(3)(A)) along with an executed copy of the contract, a five hundred dollar (\$500) nonrefundable application fee, and a four hundred and fifty dollar (\$450) deposit as required by Title 11, California Code of Regulations, Section 2037(a)(2)(B). The Bureau may require an additional sum to be deposited to pay the final costs of the review and approval or disapproval of the amendment. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the amendment shall be refunded and an itemized accounting shall be provided to the primary owner or the primary owner's designee.

(b) No amendment changing any of the contract terms referred to in Section 12200.7, other than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term of a proposition player contract without the prior written approval of the Bureau. If any amendment is made to a proposition player contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12200.7, both parties to the contract shall notify the Commission and Bureau in writing of the amendment within ten (10) days of the execution thereof by the parties to the contract.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19951 and 19984, Business and Professions Code.

12200.10C. Submission of Contract or Amendment to Commission.

(a) As soon as is practicable after determining that any application for approval of a proposition player contract or amendment is complete and that the contract or amendment appears to qualify for approval, but in no event more than 75 days from receipt of the application

package, the Bureau shall submit the contract or amendment to the Executive Director for review and comment. The Executive Director shall provide the Bureau with comments, if any, within 15 days of receipt of the contract or amendment. This paragraph does not apply to expedited approval under Section 12200.10A.

(b) A copy of the Bureau's notice of approval or disapproval of a proposition player contract or amendment thereto shall be sent to the Commission.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.11. Extension of Proposition Player Contracts.

(a) An application for approval of a contract to continue proposition player services shall include all of the following:

(1) A completed Application for Contract Approval to Provide Proposition Player Services (BGC-APP-030 (Rev. 05/09)), referenced in Section 12200.9.

(2) A \$1000 application fee.

(3) An executed copy of the contract.

(4) A completed playing book form for three non-consecutive sessions of play that occurred during the ten days preceding the submission of the application for contract extension.

(5) A deposit in such amount as, in the judgment of the Chief of the Bureau, will be sufficient to pay the anticipated processing costs. The Bureau may require an additional sum to be deposited to pay the final costs of the review and approval or disapproval of the contract. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the contract will be refunded and an itemized accounting will be provided to the primary owner, or primary owner's designee.

(b) The application shall be submitted to the Bureau no later than 90 days prior to the date that the current contract is scheduled to expire.

(c) As soon as is practicable after determining that any application for approval of a proposition player contract extension is complete and that the contract extension appears to qualify for approval, but in no event more than 75 days from receipt of the application, the Bureau shall submit the contract extension to the Commission for review and comment. The Commission shall provide the Bureau with comments, if any, within 15 days of receipt of the contract extension.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19951 and 19984, Business and Professions Code.

12200.13. Playing Book.

(a) The primary owner shall be responsible for assuring that its players maintain accurate, complete, and up-to-date playing books for all sessions of play worked in conformity with regulations of the Commission. The information in the playing-book record shall be transferred to the primary owner, or a supervisor designated by the primary owner at the end of each session

of play. The primary owner shall maintain this information in English at a single location in the State of California, and shall maintain the original playing book records in the State of California, for at least five years. The location or locations where the records of this information and the original playing book records are maintained, and any change therein, shall be disclosed to the Commission and Bureau by written notice, mailed or delivered within five business days after establishing or changing such a location.

(b) The playing book shall be prepared and maintained as follows:

(1) The playing book form shall be reviewed and approved or disapproved during the review of the contract by the Bureau.

(2) Each form in the playing book shall be recorded in ink and include, but not be limited to, the following information:

(A) Sequential numbers. Any unused form shall be voided and maintained in the playing book.

(B) The name of the gambling establishment where play occurred.

(C) The date and approximate time when play occurred.

(D) Beginning and ending balances.

(E) Individual identification of all fills and credits affecting the balance.

(F) The printed full name and badge number of the proposition player, which includes owners, supervisors, and/or players.

(G) The table number assigned by the gambling establishment.

(H) The specific name of the Bureau-approved gaming activity.

(I) The name of the primary owner.

(3) The form for each session of play shall be time-stamped, dated, and signed under penalty of perjury by the person who prepared it and shall include a declaration in the following form: "I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct."

(c)(1) To amend a playing book form during a contract period, a Request for Approval of Playing Book form (BGC-App 036 (New 05/09)), which is hereby incorporated by reference, must be completed and submitted to the Bureau for prior approval along with the following to constitute a complete request:

(A) Processing fee of \$75.

(B) Sample playing book form that complies with this section.

(C) Review and approval or disapproval of an amended playing book form shall be completed within 30 days of receiving a completed request. Written notices shall be sent to the applicant or the applicant's designee.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.14. Organization Chart and Employee Report.

(a) Each licensed primary owner shall submit to the Commission, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed form Third Party Proposition Player Services Employee Report (CGCC-440 (Rev. 09/04)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Commission.

(b) Upon renewal of the registration, each registered primary owner shall submit an updated organization chart and a form Third Party Proposition Player Services Employee Report (CGCC-440 (Rev. 09/04)) to the Commission.

(c) The primary owner shall notify the Bureau and the Commission in writing within ten (10) days of any change to its ownership structure.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984(b), Business and Professions Code

12200.15. Transfers and Sales.

(a) If any registered or licensed owner wishes to sell in whole or in part any ownership interest to any unregistered or unlicensed person, the owner must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a TPP registrant or licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, shall accompany the application for registration or licensing.

(b) The effective date of the sale shall be at least 90 days after receipt of the application for registration or license, or such other shorter time period as shall be set by the Executive Director with the agreement of the applicant.

(c) Evidence of the final execution of a transfer or sale of an interest to a registered or licensed person shall be submitted in writing to the Commission within ten (10) days of the final transaction.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.16. Inspections and Investigations.

(a) When requested by a representative of the Bureau, a registrant or licensee shall immediately permit the Bureau representative, in accordance with the request, to inspect, copy, or audit all requested documents, papers, books, and other records of the registrant or licensee related to the provision of proposition player services. If the records are maintained in electronic form and the registrant or licensee is requested to do so, the registrant or licensee shall provide a printed copy in English pursuant to this section within 24 hours of the request.

(b) If requested in writing by the Executive Director, the Bureau shall conduct an inspection or investigation of a registrant or a licensee. Within 30 days of receipt of the request, the Bureau shall advise the Executive Director in writing of the status of the inspection or investigation and

shall also provide an estimated date on which the inspection or investigation may reasonably be expected to be concluded. Upon completion of the inspection or investigation, the Bureau shall provide a final written report to the Executive Director.

(c) Nothing in this chapter precludes Commission staff from carrying out their duties under applicable statutes and regulations.

(d) All records required by this chapter shall be maintained in English, in California, for at least five (5) years.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.17. Emergency Orders.

Registrants and licensees under this chapter shall be subject to emergency orders under Business and Professions Code section 19931.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19931 and 19984, Business and Professions Code.

12200.18. Revocation.

The Commission may revoke a registration or license, upon any of the following grounds, after a hearing conducted pursuant to the same procedures applicable to the revocation of a gambling establishment license:

(a) The registrant or licensee committed, attempted to commit, or conspired to commit any acts prohibited by the Act or this chapter.

(b) Any act or omission by the registrant that would disqualify the registrant from obtaining registration under this chapter. Any act or omission by the licensee that would disqualify the licensee from obtaining licensing under this chapter.

(c) The registrant or licensee engaged in any dishonest, fraudulent, or unfairly deceptive activities in connection with controlled gambling, including any violation of laws related to cheating.

(d) The registrant or licensee failed or refused to comply with the requirements of Section 12200.16 (Inspections and Investigations).

(e) The registrant or licensee failed or refused to comply with the requirements of Section 12200.14 (Organization Chart and Employee Report).

(f) The registrant or licensee concealed or refused to disclose any material fact in any inquiry by the Bureau or the Commission.

(g) The registrant or licensee committed, attempted, or conspired to commit any embezzlement or larceny against a gambling licensee or proposition player registrant or on the premises of a gambling establishment.

(h) The registrant or licensee has been lawfully excluded from being present upon the premises of any licensed gambling establishment for any reason relating to cheating or any violation of the Act by the registrant or licensee.

(i) The registrant or licensee buys or sells chips other than to or from the house, except for exchanging with a patron chips of one denomination for chips of another denomination.

(j) The registrant or licensee lends money or chips to gambling establishment patrons, except for exchanging with a patron chips of one denomination for chips of another denomination.

(k) The registrant or licensee made wagers that were not specifically authorized by the game rules approved by the Bureau.

(l) Any owner knowingly permitted one or more of the owner's supervisors or players to commit any act described in subsections (a) to (k), inclusive.

(m) Any owner knew, or failed to implement reasonable oversight procedures that would have apprised the owner, that one or more of the registrants or licensees was in violation of one or more provisions of this chapter or of the Act and failed or refused to take action to prevent the recurrence of the violation or violations.

(n) The registrant or licensee provided proposition player services to a gambling establishment without a Bureau-approved contract on and after April 30, 2004.

Note: Authority cited: Sections 19840, 19941, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12200.20. Annual Fee.

(a) No later than September 1 of each year, each registered or licensed primary owner shall submit to the Commission the annual fee set forth in subsection (c) of this section, based on the total number of registrations or licenses affiliated with the primary owner on the immediately preceding August 1. The payment due September 1 of each year shall be based on the total number of registrations or licenses affiliated with the primary owner on August 1 that same year.

(b) Within 30 days of approval of any request to convert a registration to a license, the Commission shall notify the licensee of any additional fees owed for the term of the license granted, allowing pro rata credit on a monthly basis for any annual fee paid in connection with a registration that has not expired.

(c) The annual fee shall be computed as follows:

(1) Beginning September 1, 2004, each primary owner shall pay the annual sum of two thousand fifty dollars (\$2050) per registrant or licensee. This fee shall be retroactive to September 1, 2004. Any overpayment of fees previously paid that cannot be applied against an installment payment that is due shall be credited against the following year's annual fee obligation, unless the primary owner no later than February 1, 2005 submits a written refund request to the Executive Director.

(2) Beginning September 1, 2005, each primary owner shall pay the annual sum of two thousand three hundred dollars (\$2300) per registrant or licensee, less any applicable credit that may apply from paragraph (1) of this subsection.

(3) Beginning September 1, 2006, and thereafter, each primary owner shall pay the annual sum of two thousand eight hundred dollars (\$2800) per registrant or licensee, less any applicable credit that may apply from paragraph (1) of this subsection.

(d)(1) The annual fee for each registered primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments prior to August 1 of that same year. Upon approval by the Executive Director, installment payments submitted prior to licensure shall be made as follows: one-third of the annual fee to be submitted no later than September 1, one-third no later than December 1, and the balance no later than March 1.

(2) The annual fee for each licensed primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments 120 days prior to the expiration of the license. Upon approval by the Executive Director, installment payments submitted after conversion to licensure shall be made as follows: one-third of the annual fee to be submitted prior to issuance of the license, one-third to be submitted three months thereafter, and one-third to be submitted six (6) months thereafter.

(e) Refunds shall not be available in the event of a subsequent decrease in the number of registrants or licensees upon which the annual fee payment was based.

(f)(1) Following assessment of the annual fee, if the primary owner increases the number of its registrants or licensees above the number upon which the annual fee assessment was based, the primary owner shall submit to the Commission both the required application fee for the additional registrants or licensees, and the additional per player annual fee set forth in subsection (c) of this section. No new badges shall be issued until the Commission has received all fees required by this subsection.

(2) Annual fees due under this subsection shall be prorated on a monthly basis.

(3) Annual fees due under this subsection may be paid in installments, on the conditions that the installment payment request is submitted in writing, that one-third of the fees are paid with the application for additional registrants or licensees, and that two subsequent equal payments are paid at reasonable intervals prior to expiration of the applicable term, subject to the approval of the Executive Director.

(g) No renewal application shall be approved by the Commission until any delinquent annual fees have been paid in full.

(h) No application for a contract extension shall be approved by the Bureau until any delinquent annual fees have been paid in full.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19951 and 19984, Business and Professions Code.

12200.21. Compliance.

(a) Registrants and licensees shall comply with game rules approved by the Bureau, including but not limited to, the rules regarding player-dealer rotation and table wagering. A proposition player contract may, concerning any table assigned for play by the contracted registrant or licensee, contain a provision precluding players of any other registrant or licensee under this chapter or Chapter 2.2 of this division from playing at that table during the periods of

play assigned by the proposition player contract for the contracted registrant or licensee. The house is not precluded from assigning a seat at the table to a registrant or licensee.

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

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

ARTICLE 2. REGISTRATION.

12201. Registration.

(a) On and after March 31, 2004, in addition to the requirements of Section 12200.9(a)(1), no person may provide proposition player services or obtain a badge, as required by Section 12200.3, without a current valid registration issued by the Commission.

(b) Registration shall be issued for a period of one (1) year to owners and supervisors, and for a period of two (2) years to players and other employees.

(c) Registration under this article or its predecessor shall not create any vested right to licensing under Article 3 of this chapter or any successor provision.

(d) If a primary owner is a corporation, partnership, or other business entity, each owner, and individual having a relationship to that entity specified in Business and Professions Code section 19852, subdivisions (a) through (h), inclusive, shall individually apply for and obtain registration as an owner listed on the business entity's registration certificate. No business entity or sole proprietor shall be registered under this chapter that is also licensed under the Act to operate a gambling establishment.

(e) If the application is for registration as a supervisor or player, the primary owner that will employ the applicant shall be currently registered under this chapter.

(f) Registration is non-transferable.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19951(a), Business and Professions Code.

12202. Application for Registration.

(a) The application for registration shall designate whether the registration is requested as a primary owner, owner, supervisor, player, or other employee. The application shall be signed by both the individual applicant and the designated agent, or, if the applicant is a business entity, by the chief executive officer or other designated officer of the business entity.

(b) An application for registration shall include all of the following:

(1) Payment of a nonrefundable application fee in the amount specified in paragraph (1) of subsection (d) of Section 12008.

(2) A completed Application for Third Party Proposition Player Services Registration (CGCC-435 (Rev. 9/04)), which is hereby incorporated by reference.

(3) A properly completed Request for Live Scan Service (California Department of Justice Form BCII 8016, rev. 4/01) for an applicant that is an individual, confirming that the applicant's fingerprints have been submitted to the BCII for an automated background check and response.

(4) Two 2x2 inch color passport-style photographs of an applicant that is an individual taken no more than one (1) year before submission of the application to the Commission.

(c) An applicant that is an individual shall complete and submit the form Third Party Proposition Player Services Registration Supplemental Information (CGCC-436 (Rev. 06/04)), which is hereby incorporated by reference.

(d) An applicant for registration or for any approval required by this chapter shall make full and true disclosure of all information to the Commission and Bureau as required for the application and as requested by the Commission or Bureau to carry out the policies of this state relating to controlled gambling.

Note: Authority cited: Sections 19840, 19841, 19951(a) and 19984, Business and Professions Code. Reference: Sections 19951(a) and 19984, Business and Professions Code.

12203. Processing of Applications for Initial Registration.

(a) The Executive Director shall notify the applicant in writing within 20 days of receiving the application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information needed in order to complete the application. The applicant shall be permitted 30 days in which to furnish the information. If the applicant fails to respond to the request, the application shall be deemed abandoned and no further action will be taken on it.

(b) Upon determination that an application for registration is complete, the application shall be processed within 60 days and the Executive Director shall either issue the registration and badge applied for or shall notify the applicant of denial and the grounds therefor under Section 12204.

(c) If the applicant submits a request for withdrawal of his or her application to the Commission, the application shall be deemed abandoned and no further action will be taken on it.

(d) The Commission shall provide written notice of abandonment of an application to the applicant. If the application is for registration as a supervisor, player, or other employee, the Commission shall also provide written notice of abandonment of the application to the primary owner.

(e) Nothing in this chapter shall require the Commission or Bureau to divulge to the applicant any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12203A. Processing of Applications for Renewal of Registration.

(a) Renewal applications for owners shall be received no later than 120 days prior to the expiration of the current registration, together with the application fee specified in paragraph (1) of subsection (d) of Section 12008. If an application is received after this 120-day deadline, an expedited processing fee of sixty dollars (\$60) shall be submitted with the application. If an expedited processing fee is due but has not been received, a registration renewal shall not be issued.

(b) Renewal applications for supervisors, players, and other employees shall be received no later than 90 days prior to the expiration of the current registration, together with the application fee specified in paragraph (1) of subsection (d) of Section 12008. If an application is received after this 90-day deadline, an expedited processing fee of sixty dollars (\$60) shall be submitted with the application. If an expedited processing fee is due but has not been received, a registration renewal shall not be issued.

(c) The Executive Director shall notify the applicant in writing within 20 days of receiving the renewal application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information needed in order to complete the application. The applicant shall be permitted 30 days in which to furnish the information. If the applicant fails to respond to the request, the application shall be deemed abandoned and no further action will be taken on it.

(d) Upon determination that an application for renewal of registration is complete, the application shall be processed within 60 days and the Executive Director shall either issue the registration and badge applied for or shall notify the applicant of denial and the grounds therefor under Section 12204.

(e) The Commission shall provide written notice of abandonment of an application to the applicant. If the application is for registration as a supervisor, player, or other employee, the Commission shall also provide written notice of abandonment of the application to the primary owner.

(f) If the applicant submits a request for withdrawal of his or her application to the Commission, the application shall be deemed abandoned and no further action will be taken on it.

(g) Nothing in this chapter shall require the Commission or Bureau to divulge to the applicant any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

Note: Authority cited: Sections 19840, 19841, 19951(a) and 19984, Business and Professions Code. Reference: Sections 19951(a) and 19984, Business and Professions Code.

12203.1. Temporary Player Registration.

(a) While an application for regular player registration is being processed, and subject to Section 12203.2, the Executive Director may issue a temporary registration pursuant to this section, which shall be valid for no more than 60 days.

(b) Upon issuance of a regular registration, the temporary registration previously issued to the registrant shall become void and shall not be used thereafter.

(c) In the event that the regular registration is issued prior to Commission action on the application for the temporary registration, the application for the temporary registration shall be deemed withdrawn and no further action will be taken on it.

(d) If an application for a regular registration is withdrawn, the application for a temporary registration shall be deemed abandoned and the Commission will take no further action.

(e) If Family Code section 17520 (child and family support) is applicable to an application, then a temporary registration shall be issued for 150 days as provided in the Family Code.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12203.2. Temporary Player Registration: Application; Criteria.

The Executive Director shall, within 15 days of receiving a complete application, issue a temporary player registration valid for 60 days (or 150 days if Family Code section 17520 applies) if all of the following requirements are met:

(a) The applicant has applied for a temporary player registration by completing the Commission's regular registration application form, requesting issuance of a temporary registration by checking the appropriate box on the application form, and submitting with the application a nonrefundable temporary registration fee specified in paragraph (2) of subsection (d) of Section 12008, in addition to the regular registration fee specified in paragraph (1) of subsection (d) of Section 12008.

(b) The applicant has supplied to the Commission all the documentation and fees required for a regular registration.

(c) Neither the application in its entirety, nor the results of the review of the applicant's criminal history up until the date of issuance of the temporary registration, discloses any of the following:

(1) The applicant has been convicted of any felony.

(2) The applicant has, within the ten year period immediately preceding the submission of the application, been convicted of any of the following offenses, not including convictions which have been expunged or dismissed as provided by law:

(A) A misdemeanor involving a firearm or other deadly weapon.

(B) A misdemeanor involving gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.

(C) A misdemeanor involving a violation of an ordinance of any city, county, or city and county, which pertains to gambling or gambling-related activities.

(D) A misdemeanor involving violations of the Act.

(E) A misdemeanor involving dishonesty or moral turpitude.

(3) The applicant has had an application for a gambling license, work permit, proposition player registration, proposition player license, gambling business registration, or gambling business license denied.

(4) The applicant has had a gambling license, work permit, proposition player registration, proposition player license, gambling business registration, or gambling business license revoked.

(5) The applicant is disqualified under the Act or other provisions of law from holding a temporary registration.

(d) The review of the applicant's criminal history has resulted in one of the following:

(1) A response has been received from the BCII or Federal authorities that is consistent with a finding that the applicant has not sustained any disqualifying criminal convictions, or,

(2) No response from the BCII or Federal authorities has been received within the time period set forth in subsection (b) of Section 12203.3.

(e) The application and other information obtained during the review does not disclose any factor indicating that approval of the temporary registration may, in the judgment of the Executive Director, present a danger to the public or to the reputation of controlled gambling or proposition playing in this state.

(f) The applicant is not ineligible under Business and Professions Code section 19859, subdivisions (b), (e), (f), or (g), the terms of which are incorporated by reference and hereby expressly made applicable to applications for temporary player registrations.

Note: Authority cited: Sections 19840, 19841, 19951(a) and 19984, Business and Professions Code. Reference: Sections 19951 and 19984, Business and Professions Code.

12203.3. Processing Times for Temporary Player Registration.

Applications for issuance of a temporary player registration by the Executive Director shall be processed within the following time frames:

(a) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five (5) working days.

(b) A temporary registration shall be either granted or denied within no more than 15 working days after the filing of a completed application, unless a regular registration has already been approved.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12203.5. Cancellation of Temporary Registration.

(a) Any temporary registration issued in accordance with this article shall be subject to summary cancellation pursuant to subsections (b) and (c) of this section.

(b) A temporary registration shall be cancelled by the Executive Director at any time if any of the following applies:

(1) The Commission determines that it has received reliable information that the holder of the temporary registration is ineligible under subsection (c) of Section 12203.2, has failed to reveal any fact material to the holder's qualification for temporary registration, or has supplied information to the Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of temporary registrations.

(2) The applicant's regular registration application is referred by a vote of the Commission for an evidentiary hearing pursuant Business and Professions Code section 19825, and the Commission directs the Executive Director to cancel the temporary registration.

(3) The Executive Director receives from the applicant a request to withdraw his or her application for regular registration.

(c) If any of the circumstances set forth in subsection (b) applies, then the Executive Director shall immediately do all of the following:

(1) Notify the temporary registration holder, the primary owner, the contracted gambling establishment, and the Bureau in writing of the cancellation of the temporary registration and the grounds for cancellation.

(2) Notify the temporary registrant that he or she is required to surrender the temporary registration badge to the Commission not more than ten (10) days following the date that the notice of cancellation was mailed or such greater time as is authorized by the Executive Director.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12204. Ineligibility for Registration.

An applicant shall be ineligible for registration for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The applicant has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The applicant has, within the ten (10) year period immediately preceding the submission of the application, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, not including convictions which have been expunged or dismissed as provided by law.

(d) If the application is for registration as an owner, supervisor, or player, the applicant has been subject to a final administrative or judicial adjudication revoking a registration under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(f) The applicant would be ineligible for a state gambling license under Business and Professions Code section 19858.

(g) The applicant has violated one or more of the prohibitions set forth in paragraphs (5), (11), or (20) of subsection (b) of Section 12200.7 or paragraphs (1) and (3) of subsection (c) of Section 12200.7.

(h) The applicant has failed to comply with one or more of the requirements set forth in paragraphs (8), (9), (15), (16), (17), (18) and (21) of subsection (b) of Section 12200.7, or in paragraph (2) of subsection (c) or subsection (e) of Section 12200.7.

(i) The applicant is ineligible based on any other provision of law.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12205. Cancellation of Regular Registration.

(a) Any regular registration issued in accordance with this chapter shall be subject to cancellation pursuant to this section. A registration shall be cancelled if the Commission determines after a noticed hearing that the registrant is ineligible for registration, has failed in the application for registration to reveal any fact material to the holder's qualification for registration, or has supplied information in the registration application that is untrue or misleading as to a material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set forth in subsection (a) apply, then the Executive Director shall immediately do all of the following:

(1) Provide written notice to the registrant and the Bureau of the cancellation of the registration and the grounds thereof, and provide written notice of the cancellation to the owner, if the registrant is a supervisor, player, or other employee and to any gambling establishment in which the registrant provides proposition player services.

(2) Notify the registrant, if an individual, that he or she is required to surrender the registrant's badge to the Commission not more than ten days following the date that the notice of the cancellation was mailed or such greater time as is authorized by the Executive Director.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12205.1. Transition to Licensing.

(a) As expeditiously as possible in light of available program resources, the Bureau shall summon persons registered as primary owners, owners, supervisors, players, and other

employees for the purpose of applying for licenses under this chapter. The registration of any registrant that fails or refuses to submit the applicable Application for Third Party Proposition Player Services License for Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-434, (New 05/09)), which are hereby incorporated by reference, including any fees to the Commission within 30 days of receiving a summons from the Bureau shall expire by operation of law on the following day. Prior to and during review of a request to convert a registration to a license, a registration shall remain valid and may be renewed by the registrant as necessary, upon application and approval of renewal of registration as provided in Section 12203A.

(b) Any person who became affiliated with a primary owner following receipt of a summons from the Bureau shall apply for registration pursuant to this chapter and shall be called forward by the Bureau expeditiously.

(c) If the registration expires by operation of law, the former registrant shall submit the applicable new Application for Third Party Proposition Player Services License for Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-434, (New 05/09)) and a new nonrefundable application fee as specified in paragraph (1), and the applicable additional fee specified in paragraph (3), (4), or (5) of subsection (d) of Section 12008.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

ARTICLE 3. LICENSING.

12218. Request to Convert Registration to License.

(a) A request to convert a registration to a license shall be submitted to the Commission only in response to a written summons from the Bureau to a primary owner pursuant to Section 12205.1. Each primary owner's request shall be accompanied by the requests of all affiliated owners, supervisors, players, and other employees.

(b) The request to convert a registration to a license shall designate whether the license is requested as a primary owner, owner, supervisor, player, or other employee. The request shall be signed by the individual requester or, if the requester is a business entity, by the chief executive officer or other designated officer of the business entity.

(c) The request to convert a registration to a license shall include all of the following:

(1) A completed Application for Third Party Proposition Player Services License for Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-434, (New 05/09)), referenced in Section 12205.1.

(2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. 05/08), referenced in Section 12342 of this division.

(3) The applicable nonrefundable application fee in the amount specified in subsection (d) of Section 12008.

(4) Two 2x2 inch color passport-style photographs of a requester that is an individual taken no more than one year before submission of the request to the Commission.

(5) The supplemental information package as defined in subsection (b) of Section 12200.

(6) A sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code sections 19867 and 19984, subsection (c).

(7) A copy of the summons issued by the Bureau.

(d) Nothing in this chapter shall require the Commission or Bureau to divulge to the requester any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12218.1. Subsequent Registrants.

After a primary owner is licensed, the summons previously issued to that primary owner by the Bureau shall be deemed to apply to all subsequent registrants who become affiliated with that primary owner subsequent to licensure.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code

12218.5. Withdrawal of Request to Convert Registration to License.

(a) A request for withdrawal of a request to convert a registration to a license may be made at any time prior to final action upon the request by the Chief by the filing of a written request to withdraw with the Commission. For the purposes of this section, final action by the Bureau means a final determination by the Chief regarding his or her recommendation on the request to the Commission.

(b) The Commission shall not grant the request unless the requester has established that withdrawal of the request would be consistent with the public interest and the policies of the Act and this chapter. If a request for withdrawal is denied, the Bureau may go forward with its investigation and make a recommendation to the Commission upon the request, and the Commission may act upon the request to convert as if no request for withdrawal had been made.

(c) If a request for withdrawal is granted with prejudice, the requester thereafter shall be ineligible to renew its request until the expiration of one year from the date of the withdrawal. Unless the Commission otherwise directs, no payment relating to any request is refundable by reason of withdrawal of request.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19869 and 19984, Business and Professions Code.

12218.7. Processing Times – Request to Convert Registration to License.

A request to convert a registration to license submitted pursuant to this chapter shall be processed within the following timeframes:

(a) The maximum time within which the Commission shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing by the Commission, or that a request or a resubmitted request is deficient and identifying what specific additional information is required, is 20 days after receipt of the request. For the purposes of this section, “request” means the Application for Third Party Proposition Player Services License for Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-434, (New 05/09)) referenced in Section 12205.1. A request is not complete unless accompanied by *both* a copy of the summons from the Bureau setting a deadline for filing the request with the Commission and the supplemental information package required by paragraph (5) of subsection (b) Section 12218 for review by the Bureau pursuant to subsection (c) for persons affiliated with the primary owner to whom the summons was addressed. The Commission shall not review the supplemental information for completeness.

(b) A request and the supplemental information package shall be forwarded by the Commission to the Bureau for processing within ten days of the date that the Commission determines that the request is complete.

(c) The Bureau shall review the supplemental information package submitted for completeness and notify the applicant of any deficiencies in the supplemental information package, or that the supplemental information package is complete, within 45 days of the date that the request and supplemental information package are received by the Bureau from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information package as complete, the Bureau may, pursuant to Business and Professions Code section 19866, require the requester to submit additional information.

(d) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Bureau is in receipt of both the completed request pursuant to subsection (b) and the completed supplemental information package pursuant to subsection (c). If the Bureau has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

(e) The Commission shall grant or deny the request within 120 days after receipt of the final written recommendation of the Bureau concerning the request, except that the Commission may notify the applicant in writing that additional time, not to exceed 30 days, is needed.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

12218.8. License Renewals.

(a) Each application for the renewal of a license shall be accompanied by all of the following:

(1) A completed Application for Third Party Proposition Player Services License for Business Entities and Owners (CGCC-433, (New 05/09)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (CGCC-434, (New 05/09)), referenced in Section 12205.1.

(2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. 05/08), referenced in Section 12342 of this division.

(3) The applicable nonrefundable application fee in the amount specified in subsection (d) of Section 12008.

(b) Each owner whose name is required to be endorsed upon the license of the primary owner shall submit a separate application for renewal of that individual's or entity's license, together with the application fee specified in subsection (a).

(c) The Bureau may conduct an investigation of a primary owner and each owner whose name is required to be endorsed upon the license of the primary owner; and any licensed supervisor, player, or other employee identified in the notice issued by the Bureau.

(1) Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice must submit a supplemental package pursuant to paragraph (27) of subsection (b) of Section 12200 and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code sections 19867 and 19984.

Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841, 19851, 19867, 19951(a) and 19984, Business and Professions Code. Reference: Sections 19851, 19867, 19876, 19951(a) and 19984, Business and Professions Code.

12218.9. Processing of Applications for Renewal License.

(a) Except as provided in subsection (b), renewal license applications submitted pursuant to Section 12218.8 shall be processed within the following timeframes:

(1) An application for renewal of a license shall be filed by the primary owner, owner, supervisor, player, and other employee with the Commission no later than 120 days prior to the expiration of the current license.

(2) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is ten working days after receipt of the application. For the purposes of this section, "application" means the Application for Third Party Proposition Player Services License as specified in paragraph (1) of subsection (a) of Section 12218.8.

(3) An application for a license shall be forwarded by the Commission to the Bureau for processing within five working days of the date that the Commission deems the application is complete.

(4) If the Bureau conducts an investigation, it shall submit a written report concerning the renewal application to the Commission no later than 45 days prior to the expiration of the current license, unless that application is filed with the Commission less than the 120 days prior to the expiration of the current license.

(b) The processing times specified in paragraphs (2) through (4) of subsection (a) may be exceeded in any of the following instances:

(1) The applicant has agreed to an extension of the time.

(2) The number of licenses to be processed exceeds by 15 percent the number processed in the same calendar quarter in the preceding year.

(3) The Commission or Bureau must rely on another public or private entity for all or part of the processing, and the delay is caused by that other entity.

Note: Authority cited: Sections 19824, 19826, 19840, 19841, 19868, 19870, 19876 and 19984, Business and Professions Code. Reference: Sections 19868, 19876 and 19984, Business and Professions Code.

12218.11. Ineligibility for Licensing.

A requester shall be ineligible for licensing for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The requester has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The requester has, within the ten (10) year period immediately preceding the submission of the request to convert, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, unless the applicant has been granted relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45 shall not constitute a limitation on the discretion of the Commission.

(d) If the request to convert is for licensing as an owner, supervisor, or player, the requester has been subject to a final administrative or judicial adjudication revoking a registration or license under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.

(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(g) The requester would be ineligible for a state gambling license under Business and Professions Code section 19858.

(h) The requester has violated one or more of the prohibitions set forth in paragraphs (5), (11) and (20) of subsection (b) of Section 12200.7 or paragraphs (1) and (3) of subsection (c) of Section 12200.7.

(i) The requester has failed to comply with one or more of the requirements set forth in paragraphs (8), (9), (15), (16), (17), (18) or (21) of subsection (b) of Section 12200.7 or in paragraph (2) of subsection (c) and subsection (e) of Section 12200.7.

(j) The applicant is ineligible based on any other provision of law.

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions.

12218.13. Term of License.

All initial and renewal licenses shall be issued for a period of two (2) years.

Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section 19984, Business and Professions Code.

CHAPTER 2.2. GAMBLING BUSINESSES: REGISTRATION; LICENSING.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

12220. Definitions.

(a) Except as otherwise provided in Section 12002 and in subsection (b) of this section, the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

(1) “Additional Badge” means a badge issued by the Commission pursuant to Section 12220.6, which authorizes an individual registrant or licensee to be simultaneously employed by more than one primary owner.

(2) “Applicant” means an applicant for registration or licensing under this chapter, including in the case of an owner that is a corporation, partnership, or any other business entity, all persons whose registrations or licenses are required to be endorsed upon the primary owner’s registration or license certificate.

(3) “Authorized player” means an individual associated with a particular primary owner whose badge authorizes play in a controlled game on behalf of the primary owner, including the primary owner, all other owners, all supervisors, and all players. Only authorized players may perform the functions of a supervisor or player.

(4) “Badge” means a form of identification issued by the Commission identifying a registrant or licensee.

(5) [RESERVED]

(6) [RESERVED]

(7) [RESERVED]

(8) [RESERVED]

(9) [RESERVED]

(10) “Funding source” means any person that provides financing, including but not limited to loans, advances, any other form of credit, chips, or any other representation or thing of value, to an owner-registrant or owner-licensee, other than individual registrants under subsection (d) of Section 12221 or individual licensees. “Funding source” does not include any federally or state chartered lending institution or any of the following entities that in the aggregate owns at least one hundred million dollars (\$100,000,000) of securities of issuers that are not affiliated with the entity:

(A) Any federally-regulated or state-regulated bank or savings association or other federally- or state-regulated lending institution.

(B) Any company that is organized as an insurance company, the primary and predominant business activity of which is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and that is subject to supervision by the Insurance Commissioner of California, or a similar official or agency of another state.

(C) Any investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. sec. 80a-1 et seq.).

(D) Any retirement plan established and maintained by the United States, an agency or instrumentality thereof, or by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees.

(E) Any employee benefit plan within the meaning of Title I of the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. sec. 1001 et seq.).

(F) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.).

(G) Any entity, all of the equity owners of which individually meet the criteria of this paragraph.

(11) “Gambling business,” except as otherwise provided in this paragraph, means a business enterprise that engages the services of employees, independent contractors, or both to participate in the play of any controlled game in a gambling establishment that has a rotating player-dealer position as permitted by Penal Code section 330.11. “Gambling business” also refers to the conduct of such a business enterprise in a gambling establishment. “Gambling business” does not, however, include the provision of proposition player services subject to Chapter 2.1 (commencing with Section 12200) of this division.

(12) [RESERVED]

(13) “License” means a license issued by the Commission pursuant to Article 3 of this chapter.

(H) There are four license categories entitling the holder to operate a gambling business:

1. Primary owner,

2. Owner,
3. Supervisor, and
4. Player.

(I) All “other employees” (as defined in this section) of the primary owner who are present in the gambling establishment during the conduct of the gambling business shall be licensed as “other employee” and shall be required to submit an application and be approved or denied based upon the same criteria that apply to a player.

(J) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor’s license may also perform the functions of a player.

(K) No licensee, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play of a controlled game.

(14) “Licensee” means a person having a valid license.

(15) “Organization chart” means a chart that identifies the names and titles of all owners, as defined in Section 12220, supervisors, and any persons having significant influence over the operation of gambling business; the percentage of ownership, if any, held by each identified individual or entity; the reporting relationship for each identified individual or entity; and the job title and number of persons in each of the job titles that report to each individual or entity identified on the organization chart.

(16) “Other employee” means an individual employed by a primary owner who is not authorized to serve as a player. “Other employee” does not include any owner, any supervisor, or any officer or director of a primary owner that is a corporation. An individual registered or licensed, as an “other employee” may not function as a player unless and until that individual applies for and obtains registration or licensure as a player.

(17) “Owner” includes all of the following:

(L) A sole proprietor, corporation, partnership, or other business entity that provides or proposes to conduct a gambling business,

(M) Any individual specified in Business and Professions Code section 19852, subdivisions (a) through and including (h), and

(N) Any funding source.

(18) “Player” means an individual employed by or an independent contractor engaged by a gambling business to participate in the play of any controlled game in a gambling establishment.

(19) “Playing Book” means a record documenting each session of play by an individual player.

(20) “Primary Owner” means the owner specified in subparagraph (A) of paragraph (17) of this subsection.

(21) “Rebate” means a partial return by an authorized player of chips or money to a patron who has lost the chips or money to the authorized player through play in a controlled game at a gambling establishment.

(22) “Registrant” means a person having a valid registration.

(23) “Registration” means a registration issued by the Commission pursuant to this chapter.

(O) There are four registration categories entitling the holder to participate in the operation of a gambling business: primary owner, owner, supervisor, and player.

(P) All other employees of the primary owner who are present in the gambling establishment during the operation of the gambling business shall be registered as “other employee,” and shall be required to submit an application, which application shall be approved or denied based upon the same criteria that apply to a player.

(Q) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor’s registration may also perform the functions of a player. No registrant, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play as part of the operation of a gambling business.

(24) “Reinstatement Badge” means a badge issued by the Commission to a player, a supervisor, or an “other employee” pursuant to Section 12220.6 which authorizes an individual registrant or licensee who has ceased to be employed by a primary owner to return to work for that primary owner.

(25) “Session of play” as used in Section 12220.13 (“Playing Book”) means a continuous work shift performed by a player.

(26) “Supervisor” means an individual who, in addition to any supervisory responsibilities, has authority, on behalf of the primary owner, to provide or direct the distribution of currency, chips, or other wagering instruments to affiliated registrants or licensees who are authorized to play.

(27) “Supplemental information package” means all of the documentation and deposits required by each of the following forms (which are hereby incorporated by reference) to be submitted to the Commission in response to a summons issued by the Bureau pursuant to Section 12225.1.

(R) Owners, as defined in Section 12220, that are a natural person shall complete the form Level III Supplemental Information-Individual (BGC-APP-034A (Rev. 11/07)) for a level III investigation.

(S) Owners, as defined in Section 12220, that are not a natural person shall complete the form Level III Supplemental Information-Business (BGC-APP-034B (Rev. 11/07)) for a level III investigation.

(T) Supervisors, as defined in Section 12220, shall complete the form Level II Supplemental Information (BGC-APP-033 (Rev. 11/07)) for a level II investigation.

(U) Other employees, independent contractors, and players shall complete the form Level I Supplemental Information (BGC-APP-032 (Rev. 11/07)) for a level I investigation.

(28) “Transfer Badge” means a badge issued by the Commission pursuant Section 12220.6 which authorizes an individual registrant or licensee to work as an employee or independent contractor for a subsequent primary owner after having ceased to work for an initial primary owner.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19805 and 19853(a)(3), Business and Professions Code.

12220.1. Certificate.

(a) The Commission shall issue a registration or license certificate with an expiration date, as applicable, to each primary owner.

(b) The Commission shall endorse upon each certificate the names of all other owners affiliated with the primary owner.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19805 and 19853(a)(3), Business and Professions Code.

12220.3. Badge.

(a) All individuals registered or licensed as primary owners, owners, supervisors, players, or other employees of the primary owner shall wear in a prominently visible location a numbered badge issued by the Commission when present in a gambling establishment during the operation of the gambling business.

(b) A badge authorizing play in a controlled game shall be of a distinctly different color than a badge that identifies a registrant or licensee, but does not authorize play. If an individual ceases to be employed by or affiliated with a particular primary owner, that individual shall surrender his or her badge to the primary owner. The primary owner shall notify the Commission and the Bureau in writing within ten (10) days of the change in status using Change in Status Form for a Gambling Business Registration (CGCC-541 (Rev. 09/04)), which is hereby incorporated by reference; with this form, the primary owner shall submit the registrant's or licensee's badge.

(c) The words "GAMBLING BUSINESS PLAYER REGISTRANT," "NON-PLAYER GAMBLING BUSINESS REGISTRANT," "GAMBLING BUSINESS PLAYER LICENSEE," or "NON-PLAYER GAMBLING BUSINESS LICENSEE" in capital letters shall be prominently displayed on the front of the badge. The first name of the registrant or licensee shall appear on the front of the badge. The full name of the registrant or licensee shall be printed on the reverse side of the badge, together with the registrant's or licensee's category of registration or licensing as an owner, supervisor, player, or other employee.

(d) On the front of the badge, there shall be displayed the picture of the registrant or licensee submitted with the application, the badge number, and expiration date. On the front of the badge, there shall be displayed the name of the primary owner employing the registrant or licensee, which shall be the fictitious business name, if any, established pursuant to Chapter 5 (commencing with section 17900) of Part 3 of Division 7 of the Business and Professions Code.

(e) Upon renewal of each registration and upon issuance of each registration or license, authorized players shall be issued a badge of one color; individuals not authorized to play shall be issued a badge of a distinctly different color. Any non-player badge issued prior to July 1, 2004, shall be re-issued upon renewal pursuant to subsection (b), so that each registrant receives either a player or non-player badge.

(f) An individual registered or licensed as a player with a particular primary owner shall apply for and obtain a new badge pursuant to Section 12220.6 before beginning to work for an additional or different primary owner.

(g) Registrations, licenses, and badges are specific to the primary owner. A gambling business cannot be operated without first applying for and obtaining a registration, license, or badge.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19805 and 19853(a)(3), Business and Professions Code.

12220.5. Replacement of Badge.

(a) Upon submission of a request, the Executive Director shall issue a replacement badge if all of the following conditions are met:

(1) The requester has a current valid registration or license.

(2) The request is complete and has been submitted on the form Request for Replacement Gambling Business Badge (CGCC-538, New 06/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable twenty-five dollar (\$25) fee payable to the Commission.

(B) The category of the position and information concerning the primary owner for which the replacement badge is requested: the name of the primary owner, mailing address, voice telephone number, facsimile number (if any), and email address (if any).

(C) A statement under penalty of perjury that a replacement badge is needed due to a name change or to loss or destruction of the originally issued badge.

(b) A replacement badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon issuance of the replacement badge, the previously issued badge for that gambling business shall become void and shall not be used.

(d) Replacement badges shall be issued by the Commission within seven (7) days of receipt of a completed request.

Note: Authority cited: Sections 19811, 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section and 19853(a)(3), Business and Professions Code.

12220.6. Transfer or Reinstatement of Player Registration or License; Issuance of Additional Badge.

(a) Upon submission of a request, the Executive Director shall issue a player transfer badge, reinstatement badge, or additional badge if all of the following conditions are met:

(1) The requester has a currently valid registration or license.

(2) The request is complete and has been submitted on the form Request for an Additional/Transfer/Reinstatement of Gambling Business Registration/License (CGCC-539, Rev. 09/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable one hundred and twenty-five dollar (\$125) fee payable to the Commission.

(B) The names as applicable of the current and future primary owner, or previous owner or additional owner, mailing address, voice telephone number, facsimile number (if any), and email address (if any).

(b) A badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.

(c) Upon issuance of the transfer badge, the previously issued badge shall become void and shall not be used.

(d) Transfer, additional, and reinstatement badges shall be issued by the Commission within seven (7) days of receipt of a complete request.

Note: Authority cited: Sections 19811, 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19805 and 19853(a)(3), Business and Professions Code.

12220.13. Playing Book.

(a) The primary owner shall be responsible for assuring that its players maintain accurate, complete, and up-to-date playing books for all sessions of play worked in conformity with regulations of the Commission. The information in the playing-book record shall be transferred to the primary owner, or a supervisor designated by the primary owner at the end of each session of play. The primary owner shall maintain this information in English at a single location in the State of California, and shall maintain the original playing book records in the State of California for at least five years. The location or locations where the records of this information and the original playing book records are maintained, and any change therein, shall be disclosed to the Commission and Bureau by written notice, mailed or delivered within five business days after establishing or changing such a location.

(b) The playing book shall be prepared and maintained as follows:

(1) The playing book form shall be reviewed and approved or disapproved by the Bureau during the review of the primary owner's registration or license application.

(2) Each form in the playing book shall be recorded in ink and include, but not be limited to, the following information:

(A) Sequential numbers. Any unused form shall be voided and maintained in the playing book.

(B) The name of the gambling establishment where play occurred.

(C) The date and approximate time when play occurred.

(D) Beginning and ending balances.

(E) Individual identification of all fills and credits affecting the balance.

(F) The printed full name and badge number of the player, which includes owners, supervisors, and/or players.

(G) The table number assigned by the gambling establishment.

(H) The specific name of the Bureau-approved gaming activity.

(I) The name of the primary owner.

(3) The form for each session of play shall be time-stamped, dated, and signed under penalty of perjury by the person who prepared it and shall include a declaration in the following form: "I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct."

(c)(1) A Request for Approval of Playing Book form (BGC-App 036 (New 03/09)), referenced in Section 12200.13, must be completed and submitted to the Bureau for prior approval along with the following to constitute a complete request for initial approval or to amend the playing book form:

(A) Processing fee of \$75.

(B) Sample playing book form that complies with this section.

(2) Review and approval or disapproval of an amended playing book form shall be completed within 30 days of receiving a completed request. Written notices shall be sent to the applicant or the applicant's designee.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19805 and 19853(a)(3), Business and Professions Code.

12220.14. Organization Chart and Employee Report.

(a) Each licensed primary owner shall submit to the Commission, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed form Gambling Business Employee and Independent Contractor Report (CGCC-540 (Rev. 09/04)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Commission.

(b) Upon renewal of the registration, each registered or licensed primary owner shall submit an updated organization chart and form Gambling Business Employee and Independent Contractor Report (CGCC-540 (Rev. 09/04)) to the Commission.

(c) The primary owner shall notify the Bureau and the Commission in writing within ten (10) days of any change to its ownership structure.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12220.15. Transfers and Sales.

(a) If any registered or licensed owner wishes to sell in whole or in part any ownership interest to any unregistered or unlicensed person, the owner must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a registrant or licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, shall accompany the application for registration or licensing.

(b) The effective date of the sale shall be at least 90 days after receipt of the application, or such other shorter time period as shall be set by the Executive Director with the agreement of the applicant.

(c) Evidence of final execution of a transfer or sale of an interest to a registered or licensed person shall be submitted in writing to the Commission within ten (10) days of the final transaction.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12220.16. Inspections and Investigations.

(a) When requested by a representative of the Bureau, a registrant or licensee shall immediately permit the Bureau representative, in accordance with the request, to inspect, copy, or audit all requested documents, papers, books, and other records of the registrant or licensee related to the gambling business. If the records are maintained in electronic form and the registrant or licensee is requested to do so, the registrant or licensee shall provide a printed copy in English pursuant to this section within 24 hours of the request.

(b) If requested in writing by the Executive Director, the Bureau shall conduct an inspection or investigation of a registrant or a licensee. Within 30 days of receipt of the request, the Bureau shall advise the Executive Director in writing of the status of the inspection or investigation and shall also provide an estimated date on which the inspection or investigation may reasonably be expected to be concluded. Upon completion of the inspection or investigation, the Bureau shall provide a final written report to the Executive Director.

(c) Nothing in this chapter precludes Commission staff from carrying out their duties under applicable statutes and regulations.

(d) All records required by this chapter shall be maintained in English, in California, for at least five (5) years.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12220.17. Emergency Orders.

Registrants and licensees under this chapter shall be subject to emergency orders under Business and Professions Code section 19931.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12220.18. Revocation.

The Commission may revoke a registration or license, upon any of the following grounds, after a hearing conducted pursuant to the same procedures applicable to the revocation of a gambling establishment license:

(a) The registrant or licensee committed, attempted to commit, or conspired to commit any acts prohibited by the Act or this chapter.

(b) Any act or omission by the registrant that would disqualify the registrant from obtaining registration under this chapter. Any act or omission by the licensee that would disqualify the licensee from obtaining licensing under this chapter.

(c) The registrant or licensee engaged in any dishonest, fraudulent, or unfairly deceptive activities in connection with controlled gambling, including any violation of laws related to cheating.

(d) The registrant or licensee failed or refused to comply with the requirements of Section 12220.16 (Inspections and Investigations).

(e) The registrant or licensee failed or refused to comply with the requirements of Section 12220.14 (Organization Chart and Employee Report).

(f) The registrant or licensee concealed or refused to disclose any material fact in any inquiry by the Bureau or the Commission.

(g) The registrant or licensee committed, attempted, or conspired to commit any embezzlement or larceny against a gambling business registrant or licensee or proposition player registrant or licensee or against a holder of a state gambling license, or on the premises of a gambling establishment.

(h) The registrant or licensee has been lawfully excluded from being present upon the premises of any licensed gambling establishment for any reason relating to cheating or any violation of the Act by the registrant or licensee.

(i) The registrant or licensee buys or sells chips other than to or from the house, except for exchanging with a patron chips of one denomination for chips of another denomination.

(j) The registrant or licensee lends money or chips to gambling establishment patrons or proposition players, except for exchanging with a patron chips of one denomination for chips of another denomination.

(k) The registrant or licensee made wagers that were not specifically authorized by the game rules approved by the Bureau.

(l) Any owner knowingly permitted one or more of the owner's supervisors or players to commit any act described in subsections (a) through (k), inclusive.

(m) Any owner knew, or failed to implement reasonable oversight procedures that would have apprised the owner, that one or more of the registrants or licensees was in violation of one or more provisions of this chapter or of the Act and failed or refused to take action to prevent the recurrence of the violation or violations.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12220.20. Annual Fee.

(a) No later than September 1 of each year, each registered or licensed primary owner shall submit to the Commission the annual fee set forth in subsection (c) of this section, based on the

total number of registrations or licenses affiliated with the primary owner on the immediately preceding August 1. The payment due September 1 of each year shall be based on the total number of registrations or licenses affiliated with the primary owner on August 1 of that same year.

(b) Within 30 days of approval of any request to convert a registration to a license, the Commission shall notify the licensee of any additional fees owed for the term of the license granted, allowing pro rata credit on a monthly basis for any annual fee paid in connection with a registration that has not expired.

(c) The annual fee shall be computed as follows:

(1) Beginning September 1, 2004, each primary owner shall pay the annual sum of two thousand fifty dollars (\$2050) per registrant or licensee. This fee shall be retroactive to September 1, 2004. Any overpayment of fees previously paid that cannot be applied against an installment payment that is due shall be credited against the following year's annual fee obligation, unless the primary owner no later than February 1, 2005 submits a written refund request to the Executive Director.

(2) Beginning September 1, 2005, each primary owner shall pay the annual sum of two thousand three hundred dollars (\$2300) per registrant or licensee, less any applicable credit that may apply from paragraph (1) of this subsection.

(3) Beginning September 1, 2006, and thereafter, each primary owner shall pay the annual sum of two thousand eight hundred dollars (\$2800) per registrant or licensee, less any applicable credit that may apply from paragraph (1) of this subsection.

(d)(1) The annual fee for each registered primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments prior to August 1 of that same year. Upon approval by the Executive Director, installment payments submitted prior to licensure shall be made as follows: one-third of the annual fee to be submitted no later than September 1, one-third no later than December 1, and the balance no later than March 1.

(2) The annual fee for each licensed primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments 120 days prior to the expiration of the license. Upon approval by the Executive Director, installment payments submitted after conversion to licensure shall be made as follows: one-third of the annual fee to be submitted prior to issuance of the license, one-third to be submitted three months thereafter, and one-third to be submitted six (6) months thereafter.

(e) Refunds shall not be available in the event of a subsequent decrease in the number of registrants or licensees upon which the annual fee payment was based.

(f)(1) Following assessment of the annual fee, if the primary owner increases the number of its registrants or licensees above the number upon which the annual fee assessment was based, the primary owner shall submit to the Commission both the required application fee for the additional registrants or licensees and the additional per player fee set forth in subsection (c) of

this section. No new badges shall be issued until the Commission has received all fees required by this subsection.

(2) Annual fees due under this subsection shall be prorated on a monthly basis.

(3) Annual fees due under this subsection may be paid in installments, on the conditions that the installment payment request is submitted in writing, that one-third of the fees are paid with the application for additional registrants or licensees, and that two subsequent equal payments are paid at reasonable intervals prior to expiration of the applicable term, subject to the approval of the Executive Director.

(g) No renewal application shall be approved by the Commission until any delinquent annual fees have been paid in full.

Note: Authority cited: Sections 19801, 19811, 19823, 19824, 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3), 19951, Business and Professions Code.

12220.20A. Annual Fee as Applied to Those Registered or Licensed Under Chapter 2.1.

(a) A primary owner who is currently registered or licensed under Chapter 2.1 may also operate as a gambling business and not be required to pay annual fees under Chapter 2.2 if the following conditions are satisfied:

(1) The primary owner has paid all Chapter 2.1 annual fees due on the date of the Chapter 2.2 application.

(2) The primary owner files an application for registration or licensure under this chapter and pays the applicable application fee specified in subsection (e) of Section 12008.

(3) Each registrant or licensee affiliated with the primary owner under Chapter 2.1 who wishes to be registered or licensed under Chapter 2.2 pays a one hundred and twenty-five dollar (\$125) fee for this Chapter 2.2 registration or license.

(b) If an employee works solely as part of a gambling business and does not provide services under Chapter 2.1, then the primary owner shall pay the per registrant or licensee annual fee assessment for that employee pursuant to Section 12220.20.

(c) If a background investigation of a person has already been performed under Chapter 2.1, and if that person's registration or licensure under Chapter 2.1 is current, then a second background investigation shall not be required under this chapter.

Note: Authority cited: Sections 19840, 19841, 19853(a)(3) and 19951(a), Business and Professions Code. Reference: Sections 19853(a)(3) and 19951(a), Business and Professions Code.

12220.21. Compliance.

(a) Registrants and licensees shall comply with game rules approved by the Bureau, including but not limited to the rules regarding player-dealer rotation and table wagering.

(b) Only an authorized player may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the operation of the gambling business.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12220.23. Exclusion.

(a) In order to promote the purposes of the Act to provide for effective regulation of gambling enterprises, owner-licensees of gambling establishments shall notify the Commission and Bureau of, and may exclude from the gambling establishment, any person that the owner-licensee reasonably believes is conducting a gambling business within the gambling establishment without having been registered or licensed under this chapter. An owner-licensee acting under this section shall notify the Commission and Bureau in writing of any such unregistered or unlicensed person and of any such exclusion, including the identity of the excluded individuals and entity if known, within ten business days following the exclusion. Upon receiving such notice of an unregistered or unlicensed person, the Commission shall notify the person in writing of the registration and license requirement of this chapter and shall notify all owner-licensees of the name of the unregistered or unlicensed person, if known, and may condition any subsequent registration or license of the person under this chapter or Chapter 2.1 of this division upon a 60 to 90 day suspension of registration or license or payment of a civil penalty under Business and Professions Code section 19930, subdivision (c), or both.

(b) An owner-licensee of a gambling establishment may exclude any registered or licensed gambling business and shall notify the Commission and Bureau in writing within five days following the exclusion.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3) and 19930, Business and Professions Code.

ARTICLE 2. REGISTRATION.

12221. Registration.

(a) No person may engage in a gambling business as an owner or as an employee or independent contractor of an owner, nor may any person obtain a badge as required by Section 12220.3 without a current valid registration issued by the Commission. Persons registered to provide proposition player services under Chapter 2.1 (commencing with Section 12200) of this title are not required to register under this chapter to provide proposition player services pursuant to one or more proposition player contracts approved by the Bureau pursuant to Section 12200.9 of this title.

(b) Registration shall be issued for a period of one (1) year to owners and supervisors, and for a period of two (2) years to players and other employees.

(c) Registration under this article or its predecessor shall not create any vested right to licensing under Article 3 of this chapter or any successor provision.

(d) If a primary owner is a corporation, partnership, or other business entity, each owner and individual having a relationship to that entity specified in Business and Professions Code section 19852, subdivisions (a) through (h), inclusive, shall individually apply for and obtain registration as an owner listed on the business entity's registration certificate.

(e) Any application for registration of any person, other than as the primary owner, shall designate the primary owner or owners that will employ the applicant or with whom the applicant otherwise will be affiliated.

(f) If the application is for registration as a supervisor, player, or other employee, the primary owner that will employ the applicant shall be currently registered under this chapter.

(g) Registration is non-transferable.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12222. Application for Registration.

(a) The application for registration shall designate whether registration is requested as a primary owner, other owner, or employee or independent contractor of the primary owner. The application shall be signed by both the individual applicant and the designated agent, or, if the applicant is a business entity, by the chief executive officer or other designated officer of the business entity.

(b) An application for registration shall include all of the following:

(1) Payment of a nonrefundable application fee in the amount specified in paragraph (1) of subsection (e) of Section 12008.

(2) A completed Application for Gambling Business Registration (CGCC-535 (Rev. 09/04)), which is hereby incorporated by reference.

(3) A properly completed Request for Live Scan Service (California Department of Justice Form BCII 8016, rev. 4/01) of an applicant that is an individual, confirming that the applicant's fingerprints have been submitted to the BCII for an automated background check and response.

(4) Two 2x2 inch color passport-style photographs of an applicant that is an individual taken no more than one (1) year before submission of the application to the Commission.

(c) An applicant that is an individual shall complete and submit the form Gambling Business Registration Supplemental Information (CGCC-536 (Rev. 06/04)), which is hereby incorporated by reference.

(d) An applicant for registration shall make full and true disclosure of all information to the Commission and Bureau as required for the application and as requested by the Commission or Bureau to carry out the policies of this state relating to controlled gambling.

Note: Authority cited: Sections 19840, 19841, 19853(a)(3) and 19951(a), Business and Professions Code. Reference: Sections 19853(a)(3) and 19951(a), Business and Professions Code.

12223. Processing of Applications for Initial and Renewal Registration.

(a) The Executive Director shall notify the applicant in writing within twenty (20) days of receiving the application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information needed in order to complete the application. The applicant shall be permitted 30

days in which to furnish the information. If the applicant fails to respond to the request, the application shall be deemed abandoned and no further action will be taken on it.

(b) Upon determination that an application for registration is complete, the application shall be processed within 60 days and the Executive Director shall either issue the registration and the badge applied for or shall notify the applicant of denial and the grounds therefore under Section 12224.

(c) If the applicant submits a request for withdrawal of his or her application to the Commission, the application shall be deemed abandoned and no further action will be taken on it.

(d) The Commission shall provide written notice of abandonment of an application to the applicant. If the application is for registration as other than the primary owner, the Commission shall also provide written notice of abandonment of the application to the primary owner.

(e) Nothing in this chapter shall require the Commission or Bureau to divulge to the applicant any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12224. Ineligibility for Registration.

An applicant shall be ineligible for registration for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The applicant has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The applicant has, within the ten (10) year period immediately preceding the submission of the application, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, not including convictions which have been expunged or dismissed as provided by law.

(d) The applicant has been subject to a final administrative or judicial adjudication revoking a registration under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(f) The applicant would be ineligible for a state gambling license under Business and Professions Code section 19858.

- (g) The applicant is ineligible based on any other provision of law.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12225. Cancellation of Registration.

(a) Any registration issued in accordance with this chapter shall be subject to cancellation pursuant to this section. A registration shall be cancelled if the Commission determines after a noticed hearing that the registrant is ineligible for registration, has failed in the application for registration to reveal any fact material to the holder's qualification for registration, or has supplied information in the registration application that is untrue or misleading as to a material fact pertaining to the criteria for issuance of registration.

(b) If the Commission finds that any of the circumstances set forth in subsection (a) apply, then the Executive Director shall immediately do all of the following:

(1) Provide written notice to the registrant and the Bureau of the cancellation of the registration and the grounds thereof, and provide written notice of the cancellation to the primary owner, if the registrant is not the primary owner and to all gambling establishments.

(2) Notify the registrant, if an individual, that he or she is required to surrender the registrant's badge to the Commission not more than ten days following the date that the notice of the cancellation was mailed or such greater time as is authorized by the Executive Director.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12225.1. Transition to Licensing.

(a) The Bureau shall summon persons registered as primary owners, owners, supervisors, players, and other employees for the purpose of applying for licenses under this chapter. The Bureau shall summon primary owners, owners, supervisors, players, and other employees as expeditiously as possible in light of available program resources. The registration of any registrant that fails or refuses to submit the applicable Application for Gambling Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or Application for Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)), which are hereby incorporated by reference, including any fees to the Commission within 30 days of receiving a summons from the Bureau shall expire by operation of law on the following day. Prior to and during review of a request to convert a registration to a license, a registration shall remain valid and may be renewed by the registrant as necessary, upon application and approval of renewal of registration.

(b) If the registration expires by operation of law, the former registrant shall submit a new Application for Gambling Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or Application for Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)) and a new nonrefundable application fee as specified in paragraph

(1), and the applicable additional fee specified in paragraph (3), (4), or (5), of subsection (e) of Section 12008.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3), 19867, Business and Professions Code.

ARTICLE 3. LICENSING.

12233. Request to Convert Registration to License.

(a) A request to convert a registration to a license shall be submitted to the Commission only in response to a written summons from the Bureau to a primary owner pursuant to Section 12225.1. Each primary owner's request shall be accompanied by the requests of all affiliated owners, supervisors, players, and other employees.

(b) The request to convert a registration to a license shall designate whether the license is requested as a primary owner, owner, supervisor, player, or other employee. The request shall be signed by the individual requester or, if the requester is a business entity, by the chief executive officer or other designated officer of the business entity.

(c) The request to convert a registration to a license shall include all of the following:

(1) A completed Application for Gambling Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or Application for Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)), referenced in Section 12225.1.

(2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. 05/08), referenced in Section 12342 of this division.

(3) The applicable nonrefundable application fee in the amount specified in subsection (e) of Section 12008.

(4) Two 2x2 inch color passport-style photographs of a requester that is an individual taken no more than one year before submission of the request to the Commission.

(5) The supplemental information package as defined in Section 12220.

(6) A sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

(7) A copy of the summons issued by the Bureau.

(d) Nothing in this chapter shall require the Commission or Bureau to divulge to the requester any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3) and 19867, Business and Professions Code.

12234. Withdrawal of Request to Convert Registration to License.

(a) A request for withdrawal of a request to convert a registration to a license may be made at any time prior to final action upon the request by the Chief by the filing of a written request to withdraw with the Commission. For the purposes of this section, final action by the Bureau means a final determination by the Chief regarding his or her recommendation on the request to the Commission.

(b) The Commission shall not grant the request unless the requester has established that withdrawal of the request would be consistent with the public interest and the policies of the Act and this chapter. If a request for withdrawal is denied, the Bureau may go forward with its investigation and make a recommendation to the Commission upon the request, and the Commission may act upon the request to convert as if no request for withdrawal had been made.

(c) If a request for withdrawal is granted with prejudice, the requester thereafter shall be ineligible to renew its request until the expiration of one (1) year from the date of the withdrawal. Unless the Commission otherwise directs, no payment relating to any request is refundable by reason of withdrawal of request.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3) and 19869, Business and Professions Code.

12235. Processing Times – Request to Convert Registration to License.

A request to convert a registration to license submitted pursuant to this chapter shall be processed within the following timeframes:

(a) The maximum time within which the Commission shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing by the Commission, or that a request or a resubmitted request is deficient and identifying what specific additional information is required, is 20 days after receipt of the request. For the purposes of this section, “request” means the form Application for Gambling Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or Application for Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)), referenced in Section 12225.1. A request is not complete unless accompanied by both a copy of the summons from the Bureau setting a deadline for filing the request with the Commission and the supplemental information package required by paragraph (3) of subsection (c) of Section 12233 for review by the Bureau pursuant to subsection (c) for persons affiliated with the primary owner to whom the summons was addressed. The Commission shall not review the supplemental information for completeness.

(b) A request and the supplemental information package shall be forwarded by the Commission to the Bureau for processing within ten days of the date that the Commission determines that the request is complete.

(c) The Bureau shall review the supplemental information package submitted for completeness and notify the applicant of any deficiencies in the supplemental information package, or that the supplemental information package is complete, within 45 days of the date

that the request and supplemental information package are received by the Bureau from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information package as complete, the Bureau may, pursuant to Business and Professions Code section 19866, require the requester to submit additional information.

(d) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Bureau is in receipt of both the completed request pursuant to subsection (b) and the completed supplemental information package pursuant to subsection (c). If the Bureau has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

(e) The Commission shall grant or deny the request within 120 days after receipt of the final written recommendation of the Bureau concerning the request, except that the Commission may notify the applicant in writing that additional time, not to exceed 30 days, is needed.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3) and 19868, Business and Professions Code.

12236. Ineligibility for Licensing.

A requester shall be ineligible for licensing for any of the following causes:

(a) An individual applicant is under the age of 21.

(b) The requester has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.

(c) The requester has, within the ten (10) year period immediately preceding the submission of the request to convert, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Act, or dishonesty or moral turpitude, unless the applicant has been granted relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45 shall not constitute a limitation on the discretion of the Commission.

(d) If the request to convert is for licensing as an owner, supervisor, or player, the requester has been subject to a final administrative or judicial adjudication revoking a registration or license under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Act.

(e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.

(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(g) The requester would be ineligible for a state gambling license under Business and Professions Code section 19858.

(h) The applicant is ineligible based on any other provision of law.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12237. Term of License.

All initial and renewal licenses shall be issued for a period of two (2) years.

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

12238. License Renewals.

(a) Each application for the renewal of a license shall be accompanied by all of the following:

(1) A completed Application for Gambling Business License for Business Entities and Owners (CGCC-533, (New 05/09)) or Application for Gambling Business License for Supervisor, Player or Other Employee (CGCC-534, (New 05/09)), referenced in Section 12225.1.

(2) If applicable, the Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. 05/08), referenced in Section 12342 of this division.

(3) As applicable, the nonrefundable application fee in the amount specified in subsection (e) of Section 12008.

(b) Each owner whose name is required to be endorsed upon the license of the primary owner shall submit a separate application for renewal of that individual's or entity's license, together with the application fee specified in subsection (a).

(c) The Bureau may conduct an investigation of a primary owner and each owner whose name is required to be endorsed upon the license of the primary owner; and any licensed supervisor, player, or other employee identified in the notice issued by the Bureau.

(1) Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice must submit a supplemental package pursuant to paragraph (27) of subsection (b) of Section 12220 and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

Note: Authority cited: Sections 19823, 19824, 19826, 19840, 19841, 19851, 19853, 19867 and 19951(a), Business and Professions Code. Reference: Sections 19851, 19853, 19867, 19876 and 19951(a), Business and Professions Code.

12239. Processing of Applications for Renewal License.

(a) Except as provided in subsection (b), renewal license applications submitted pursuant to Section 12237 shall be processed within the following timeframes:

(1) An application for renewal of a license shall be filed by the primary owner, owner, supervisor, player, and other employee with the Commission no later than 120 days prior to the expiration of the current license.

(2) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is ten working days after receipt of the application. For the purposes of this section, "application" means the Application for Gambling Business License as specified in paragraph (1) of subsection (a) of Section 12238.

(3) An application for a license shall be forwarded by the Commission to the Bureau for processing within five working days of the date that the Commission determines that the application is complete.

(4) If the Bureau conducts an investigation, it shall submit a written report concerning the renewal application to the Commission no later than 45 days prior to the expiration of the current license, unless that application is filed with the Commission less than 120 days prior to the expiration of the current license.

(b) The processing times specified in paragraphs (2) through (4) of subsection (a) may be exceeded in any of the following instances:

(1) The applicant has agreed to an extension of the time.

(2) The number of licenses to be processed exceeds by 15 percent the number processed in the same calendar quarter in the preceding year.

(3) The Commission or Bureau must rely on another public or private entity for all or part of the processing, and the delay is caused by that other entity.

Note: Authority cited: Sections 19824, 19826, 19840, 19841, 19853, 19868, 19870 and 19876, Business and Professions Code. Reference: Sections 19853, 19868 and 19876, Business and Professions Code.

CHAPTER 4. GAMBLING EQUIPMENT MANUFACTURERS OR DISTRIBUTORS.

12300. Definitions.

(a) Except as provided in Section 12002 and in subsection (b) of this section, the definitions in Business and Professions Code section 19805 shall govern the construction of the regulations contained in this chapter.

(b) As used in this chapter only:

(1) "Antique collector" means any individual that sells, exchanges, or otherwise transfers five or fewer antique slot machines, as defined in Penal Code section 330.7, during any calendar year. For purposes of computing the number of antique slot machines transferred during any calendar year, transactions in which a registered manufacturer or distributor acts as an agent or broker on behalf of an antique collector shall not be counted or included. "Antique collector"

does not include any individual who is otherwise a manufacturer or distributor within the meaning of paragraph (7) of this subsection.

(2) “Class B” refers to any manufacturer or distributor that has no place of business in the State of California and that does not transport gambling equipment to a destination within the State of California, other than transportation of gambling equipment from an out-of-state location to a tribal gaming facility in this state in compliance with the requirements of section 7.4.5 of the applicable Tribal-State Gaming Compact and the procedures established by agreement there under. All other manufacturers or distributors are Class A.

(3) “Essential Parts” means and includes any of the following:

(A) Game and pay table programmed media, whether in programmable read-only memory or erasable programmable read-only memory.

(B) Other electronic or magnetic storage media containing programming or data that affect the outcome of the game.

(4) “Executive Director” means Executive Director of the Commission or such other person who may be designated by the Commission.

(5) “Gambling equipment” means any slot machine or device as defined in section 330b or 330.1 of the Penal Code. “Gambling Equipment” also includes (A) any essential part and (B) any inoperable slot machine or device that is substantially complete and repairable or that can be made operable with the installation of one or more essential parts. Any reference to slot machines or devices has the meaning defined in Penal Code sections 330b and 330.1.

(6) “Manufacture or distribute” and “manufacture or distribution” refer to the activities of a manufacturer or distributor specified in paragraph (7) of this subsection.

(7) “Manufacturer or Distributor” means any person that manufactures, including the assembly, production, programming, or modification of, distributes, sells, leases, inspects, tests, repairs, refurbishes, or stores gambling equipment in this state or for use in this state. Manufacturer or distributor includes, in addition to in-state manufacturers and distributors, persons performing these functions in a location outside of this state with respect to gambling equipment intended for operation in this state.

(8) “Registration” means registration with the Commission under this chapter.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code; and Section 337j, Penal Code. Reference: Section 19841(r), Business and Professions Code; and Section 337j(e)(1), Penal Code.

12301. Registration of Manufacturers or Distributors.

(a) Except as provided in Section 12310, and after December 31, 2002, no person may manufacture or distribute gambling equipment unless that person has a currently valid registration as a manufacturer or distributor in accordance with this chapter.

(b) Each manufacturer or distributor shall apply for registration with the Commission, using the form required by Section 12309. Any manufacturer or distributor in business on the effective date of this chapter shall submit an application for registration to the Commission within 30 days

of the effective date of this chapter. An application for registration shall include all of the following:

(1) The applicant's name, Federal Employer Identification Number, if any, or Social Security Number, voice telephone number, facsimile telephone number, and address of its principal place of business and of each location in this state at which it conducts the business of manufacture or distribution of gambling equipment or gambling equipment parts, including a list of its storage facilities. For purposes of this paragraph, a vehicle used for storage or distribution of gambling equipment parts shall be deemed to be located at the address in this state where customarily garaged or kept when not in use.

(2) A statement specifying in which activities the applicant engages with respect to gambling equipment located, operated, or to be operated in this state, including, as applicable, manufacturing, distributing, selling, leasing, inspecting, testing, repairing, refurbishing, or storing.

(3) Whether the application is for registration as a class A or as a class B manufacturer or distributor.

(4) If the applicant is a business entity, the name, mailing address, voice telephone number, and facsimile telephone number, if any, of its chief executive officer, or other person designated by the entity to serve as the entity's representative.

(5) If the principal place of business of the applicant is located outside of this state, the applicant shall provide a copy or other evidence of current licensure in the jurisdiction in which it is located to manufacture or distribute gambling equipment, or shall submit a statement that licensure is not required by the jurisdiction in which it is located.

(6) A copy of the applicant's current registration with the United States Attorney General pursuant to the Gambling Devices Act of 1962, 15 United States Code section 1173, if the applicant is so registered. If the applicant is not so registered, the application shall include a statement that the applicant is not required to register under the Gambling Devices Act of 1962, Title 15 United States Code section 1173.

(7) Whether the manufacturer or distributor has currently designated an agent for service of process pursuant to the laws of this state by a filing with the Secretary of State and, if so, the name of the designated agent for service of process.

(8) A statement that the application is accurate and complete within the personal knowledge of the designated representative who executes the application.

(9) A declaration under penalty of perjury in the form specified in section 2015.5 of the Code of Civil Procedure signed by the designated representative that the application is true and correct.

(10) (A) Except as provided in subparagraph (B) of this paragraph, for class A registration, a nonrefundable application fee as specified in paragraph (1) of subsection (f) of Section 12008 shall be submitted with the application for initial registration, and annually thereafter with each application for renewal at least thirty days prior to the anniversary date of initial registration. For class B registration, no fee shall be required for initial registration or renewal. Applications for

renewal of class B registration shall be submitted annually at least thirty days prior to the anniversary date of initial registration.

(B) The nonrefundable annual application fee for a manufacturer or distributor applying for class A registration that sells, leases, inspects, tests, repairs, refurbishes, or stores only slot machines or devices that are "antique slot machines" within the meaning of Penal Code section 330.7 shall be as specified in paragraph (2) of subsection (f) of Section 12008, provided that this subparagraph does not apply to a person that is otherwise a manufacturer or distributor or who is an antique collector exempt from registration under Section 12301.1.

Note: Authority cited: Sections 19823, 19824, 19840, 19841(r) and 19951(a), Business and Professions Code. Reference: Sections 19805(b), 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; and Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

12301.1. Claim of Exemption by Antique Collector; Form.

(a) An antique collector may obtain an exemption from registration under this chapter if the antique collector satisfies all of the following requirements:

(1) Submits a completed Antique Collector Claim of Exemption, CGCC-039 (Rev. 04/08), which is hereby incorporated by reference, in which the antique collector declares under penalty of perjury in the form specified in section 2015.5 of the Code of Civil Procedure that the information provided in the application is accurate and complete.

(2) The antique collector maintains and retains in California for a period of five years a record of each transaction showing the names and addresses of all parties to the transaction.

(b) Any antique collector who intends to sell, exchange, or transfer more than five antique slot machines within a calendar year shall register as a manufacturer or distributor as otherwise required by this chapter.

(c) The records of slot machine transactions and the inventory of slot machines in the possession of any antique collector shall be subject to inspection by representatives of the Commission or the Bureau during normal business hours.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Sections 19805(b), 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

12302. Delegation of Authority; Process Times.

(a) The Executive Director shall review and grant or deny applications for registration in accordance with this chapter.

(b) The Executive Director shall approve an application for registration under this chapter if the application satisfies the requirements of Section 12301(b) of this chapter.

(c) The Executive Director shall notify the applicant in writing within ten business days of receiving the application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an

application for registration is incomplete, the Executive Director shall request in writing any information required in order to complete the application. If the applicant fails to provide the required information within 45 days, the application shall be deemed abandoned and no further action will be taken on it.

Upon determination that an application for registration is complete, the application shall be processed within ten business days and the Executive Director shall either issue the registration applied for or shall notify the applicant of denial and the grounds therefore.

(d) Notwithstanding any other provision of this chapter, including subsection (a) of Section 12301, the time within which to register as a manufacturer or distributor shall be extended during any time required by the Executive Director for consideration of a registration application that has been resubmitted pursuant to subsection (c) of this section.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19805(b) and 19841(r), Business and Professions Code.

12303. Conditions of Registration.

(a) Each manufacturer or distributor shall, as a condition of continued registration, comply with the following continuing requirements:

(1) Submit in duplicate to the Commission, at its office in the City of Sacramento, within 30 days after the close of each calendar quarter, a report on sales and shipments of gambling equipment as follows:

(A) Except as provided in subparagraph (D) of this paragraph, for each shipment of gambling equipment received or sent out by the manufacturer or distributor from or to a location in the State of California during the preceding calendar quarter, the report shall include all of the following information:

1. The name and address of the sender.
2. The name and address of the recipient.
3. The date of shipment,
4. The bill of lading number.
5. The manufacturer of each item of gambling equipment if different from the sender.
6. The model (no.) of each item of gambling equipment.
7. The year of manufacture (if known) of each slot machine or device/essential part shipped.
8. The manufacturer's serial number, if any, of each slot machine or device/essential part.
9. The number of units of each type, manufacturer, and model (no.) of slot machine/essential part.

(B) For each sale, lease, or other transfer of gambling equipment not otherwise reportable under subparagraph (A) of this paragraph, and any transfer as an agent or broker on behalf of an antique collector, during the preceding calendar quarter by the manufacturer or distributor from or to a location within the State of California, the report shall include all of the following information:

1. The names and addresses of all parties to the sale or lease.

2. The date of the contract of sale or lease.
3. The date of shipment or delivery of the gambling equipment.
4. The name of the manufacturer of the gambling equipment if different from the seller.
5. The year of manufacture (if known) of each slot machine or device/essential part sold.
6. The manufacturer's serial number, if any, of each slot machine or device/essential part.
7. The number of units of each type, manufacturer, and model (no.) of slot machine/essential part.

(C) If a manufacturer or distributor delivers or ships gambling equipment to a purchaser or other recipient at a location in this state for subsequent transportation in interstate or foreign commerce as provided in California Penal Code section 330.8, the purchaser or other recipient shall be a registrant under this chapter. These transactions shall be reported pursuant to subparagraph (B) of this paragraph.

(D) Any shipment of gambling equipment sent by a manufacturer or distributor to a tribal gaming facility or sent by a tribal gaming facility to a manufacturer or distributor that is reported to the Bureau pursuant to the terms of the transportation agreement required by section 7.4.5 of the applicable Tribal-State Gaming Compact, need only be reported to the Commission by reference to the recipient and date of the report sent to the Bureau, if the report provided to the Bureau specifies the manufacturer, model (no.), and manufacturer's serial number of the gambling equipment shipped and the shipment is transported in full compliance with all of the requirements of the transportation agreement, including the following:

1. The gambling equipment shall be located in a locked compartment or sealed container within the conveyance while being transported.
2. The gambling equipment shall not be accessible for use while being transported, and,
3. No gambling equipment shall be operated except on the Tribe's lands.

(E) The report shall also include a list of all items of gambling equipment or essential parts in the possession or custody of the registrant at any location in this state (other than a shipment in transit) during the reporting period and the address of each business location of the registrant in this state at which each listed item of gambling equipment or essential part was stored or otherwise located.

(F) The report shall include a statement that it is accurate and complete within the personal knowledge of the designated representative who executes the report, and a declaration under penalty of perjury that it is true and correct, signed by the designated representative in the form specified in Code of Civil Procedure section 2015.5.

(G) The initial quarterly report required by this section shall be for the first calendar quarter of 2003 and shall be submitted and received no later than 30 days following the close of that calendar quarter.

(2) Advise the Commission in writing of any new California business location or any termination of an existing business location, within 15 days following the change.

(3) Submit to any representative of the Commission or the Bureau any additional information requested by the representative concerning the registrant's activities as a manufacturer or

distributor, including copies of any records maintained or retained pursuant to Title 15, United States Code, section 1173. The information shall include a statement that the information is accurate and complete within the personal knowledge of the designated representative who executes the report, and a declaration under penalty of perjury that it is true and correct, signed by the designated representative in the form specified in Code of Civil Procedure section 2015.5.

(4) Submit to inspection and examination by the Bureau of all premises where gambling equipment is manufactured, sold, or distributed, pursuant to Business and Professions Code section 19827(a)(1)(B).

(5) Submit to audits by representatives of the Commission, upon request, during normal business hours in order to verify the accuracy of reporting under this chapter.

(b) The Commission may deny or revoke a registration, upon any of the following grounds, after a duly noticed hearing:

(1) The manufacturer or distributor has failed or refused to comply with any requirement of this chapter.

(2) The manufacturer or distributor has violated Penal Code sections 330a, 330b, 330.1, or 330.8.

(c) This section shall become operative on August 1, 2003, and applies to reports for all quarters beginning with the report for the third quarter of 2003, which report shall contain data reflecting the new requirements for the months of July, August, and September.

Note: Authority cited: Sections 19801(g), 19823, 19824, 19827(a)(1), 19840 and 19841(r), Business and Professions Code. Reference: Sections 19841(r), 19930 and 19931, Business and Professions Code.

12304. Fines.

(a) In addition to, or in lieu of, any denial or revocation of registration under Section 12303(b), any violation of this chapter other than as provided in subsection (c) of this section shall be subject to a fine not to exceed ten thousand dollars (\$10,000) upon first offense and twenty thousand dollars (\$20,000) upon any second or subsequent offense for each separate violation, as provided by Business and Professions Code section 19930, subdivision (c).

(b) Each day a violation continues shall be deemed a separate violation commencing after receipt of notice of violation by the manufacturer or distributor from the Commission or Bureau or 30 days after commencement of the violation, whichever first occurs.

(c) A manufacturer or distributor shall be liable for a civil penalty not to exceed five hundred dollars (\$500) per business day for each business day that the report required by Section 12303, subsection (a), paragraph (1), is overdue. For purposes of this chapter, the report shall be deemed overdue if not received by the Commission within 30 calendar days following the last day of the calendar quarter for which the report is required.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Sections 19841(r), 19930 and 19931, Business and Professions Code.

12305. Availability of Records.

(a) Copies of any and all records provided to the Commission by applicants and registrants under this chapter shall be provided upon request to the Bureau and made available upon request to any law enforcement agency.

(b) Upon request of the Commission, copies of the following records shall be provided by the Bureau to the Commission:

- (1) Any and all records received by the Bureau from manufacturers and distributors,
- (2) Any and all transportation agreements and amendments to transportation agreements entered into with gaming tribes under the Tribal-State Gaming Compacts referred to in Section 12306,
- (3) Any and all records received by the Bureau pursuant to transportation agreements entered into with gaming tribes under the Tribal-State Gaming Compacts referred to in Section 12306.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Sections 19805(b) and 19841, Business and Professions Code.

12306. Applicability on Indian Lands.

This chapter does not apply to the manufacture or distribution of gambling equipment conducted upon Indian lands in this state on which class III gaming has been authorized, in accordance with a Compact between a federally recognized Indian Tribe and the State of California, as provided in section 11 of the Indian Gaming Regulatory Act of 1988 (P.L. 100-497), Title 25, United States Code, section 2710 and any amendments thereto; provided, that the manufacture or distribution is not prohibited by the laws of the United States and is limited to gambling equipment that is used or for use in the Tribe's gaming operation, including the sale of gambling equipment previously acquired for use in the Tribe's gaming operation.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code; and Title 25, United States Code, section 2710.

12308. Penal Code Applicability.

Nothing in this chapter shall be construed to make lawful the manufacture, distribution, or transportation of any slot machine or device in violation of any provision of Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code; and Chapter 10 (commencing with Section 330) of Title 9 of Part 1, Penal Code.

12309. Forms.

(a) Applications for registration under Section 12301(b) shall be submitted on the Application for Registration of Manufacturers or Distributors of Gambling Equipment, CGCC-025 (Rev. 12/06), which is hereby incorporated by reference.

(b) Quarterly Report, CGCC-040 (Rev. 04/08), which is hereby incorporated by reference, may but need not be used for submission of reports required by Section 12303.

Note: Authority cited: Sections 19823, 19824, 19840, 19841(r) and 19864, Business and Professions Code. Reference: Sections 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

12310. Uniform Tribal Gaming Regulation Exemption.

There shall be exempt from this chapter all class B manufacturers and distributors that are subject to requirements of a Tribal Gaming Agency pursuant to a uniform regulation (1) that has been approved by the Association of Tribal and State Gaming Regulators, and is in effect as provided in section 8.4.1 of the Tribal-State Gaming Compacts, and (2) that includes the requirement for manufacturers and distributors to provide quarterly reports to the Commission pertaining to gaming device shipments pursuant to the Transportation Agreements entered into by Tribal Gaming Agencies and the State Gaming Agency pursuant to section 7.4.5 of the Tribal-State Gaming Compacts, which reports are verified by a declaration under penalty of perjury signed by the designated representative of the manufacturer or distributor that the report is true and correct.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code.

CHAPTER 6. GAMBLING LICENSES AND APPROVALS FOR GAMBLING ESTABLISHMENTS AND OWNERS; PORTABLE PERSONAL KEY EMPLOYEE LICENSES.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

12335. Definitions.

(a) Except as otherwise provided in subsection (c) of section 12002 of these regulations, the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

(1) "Table Fee" means the fee established by Business and Professions Code, section 19951(b)(2).

(2) "Portable Personal Key Employee License" or "Key Employee License" means a license which authorizes the holder to be associated with any gambling enterprise as a key employee, provided the key employee terminates employment with one gambling enterprise before commencing work for another, as provided in Business and Professions Code sections 19805, subdivisions (w) and (x), and 19854, subdivision (c).

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19800, 19805 (w), 19805 (x), 19811, 19854 and 19951(b)(2), Business and Professions Code.

ARTICLE 2. GAMBLING LICENSES.

12340. Gambling Licenses.

(a) No person may conduct a gambling operation without a current valid gambling license issued by the Commission.

(b) A gambling license shall be valid for a period of two (2) years.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19850, 19851, 19852, 19853, and 19876(a), Business and Professions Code. Reference: Sections 19850, 19851, 19855 and 19876(a), Business and Professions Code.

12341. Fee for Initial State Gambling License.

(a) The fee required by Business and Professions Code section 19951, subdivision (b)(2)(A) for initial issuance of a state gambling license shall be based on the number of tables authorized by the state gambling license and determined pursuant to the following schedule:

(1) For a license authorizing one to five tables, inclusive, at which games are played, three hundred dollars (\$300) for each table.

(2) For a license authorizing six to eight tables, inclusive, at which games are played, five hundred fifty dollars (\$550) for each table.

(3) For a license authorizing 9 to 14 tables, inclusive, at which games are played, one thousand three hundred dollars (\$1,300) for each table.

(4) For a license authorizing 15 to 25 tables, inclusive, at which games are played, two thousand seven hundred dollars (\$2,700) for each table.

(5) For a license authorizing 26 to 70 tables, inclusive, at which games are played, four thousand dollars (\$4,000) for each table.

(6) For a license authorizing 71 or more tables at which games are played, four thousand seven hundred dollars (\$4,700) for each table.

(b) Subsection (a) applies to the following:

(1) The initial issuance of a state gambling license to the holder of a provisional license as defined in Title 11, California Code of Regulations, Section 2140(c).

(2) The initial issuance of a state gambling license to a person who has purchased an existing gambling establishment and who is seeking issuance of an owner's state gambling license certificate pursuant to Business and Professions Code section 19851.

(c) Subsection (a) does not apply to the following:

(1) Changes in the ownership structure of currently licensed gambling establishments.

(2) Holders of newly acquired interests in currently licensed gambling establishments.

Note: Authority cited: Sections 19811, 19824, 19840, 19841(a), and 19951(b)(2)(A), Business and Professions Code. Reference: Section 19951(b)(2)(A), Business and Professions Code.

12342. Initial Gambling License Applications; Required Forms; Processing Times.

(a) Any person applying for a gambling license shall, as appropriate, complete the following forms, which are hereby incorporated by reference:

- (1) Application for State Gambling License, CGCC-030 (Rev. 05/08).
 - (2) Gambling Establishment Owner Applicant-Individual Supplemental Background Investigation Information, BGC-APP-015A (Rev. 04/08).
 - (3) Gambling Establishment Owner Entity Supplemental Information for State Gambling License, BGC-APP-015B (Rev. 04/08).
 - (4) Gambling Establishment Supplemental Information for State Gambling License, BGC-APP-015C (Rev. 04/08).
 - (5) Cardroom Applicant's Spouse Supplemental Background Information for State Gambling License, BGC-APP-009A (Rev. 04/08).
 - (6) Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. 05/08).
 - (7) Declaration of Full Disclosure, BGC-APP-005 (Rev. 11/07).
 - (8) Authorization to Release Information, BGC-APP-006 (Rev. 04/08).
 - (9) Applicant's Declaration, Acknowledgment and Agreement (Community Property Interest), BGC-APP-011 (Rev. 11/07).
 - (10) Applicant's Declaration, Acknowledgment and Agreement (Sole and Separate Property), BGC-APP-012 (Rev. 11/07).
 - (11) Spouse's Declaration, Acknowledgment and Agreement (Community Property Interest), BGC-APP-013 (Rev. 11/07).
 - (12) Spouse's Declaration, Acknowledgment and Agreement (Sole and Separate Property), BGC-APP-014 (Rev. 11/07).
 - (13) Appointment of Designated Agent, BGC-APP-008 (Rev. 11/07).
 - (14) Key Employee Report, BGC-LIC-101 (Rev. 11/07).
 - (15) Instructions to Applicant's Spouse, BGC-APP-010 (Rev. 05/08).
 - (16) Notice to Applicants, BGC-APP-001 (Rev. 11/07).
 - (17) Request for Live Scan Service (California Department of Justice Form BCII 8016, (Rev. 03/07)).
 - (18) Request for Copy of Personal Income Tax or Fiduciary Return, FTB-3516C1 (Rev. 06/03 side 1-PIT).
 - (19) Request for Copy of Corporation, Exempt Organization, Partnership, or Limited Liability Company Return FTB-3516C1 (Rev. 06/03 side 2-CORP).
 - (20) Request for Transcript of Tax Return IRS 4506-T, (Rev. 01/08).
- (b) Except as provided in subsection (c), initial gambling license applications submitted pursuant to this chapter shall be processed within the following timeframes:
- (1) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 20 days after receipt of the application. For the purposes of this section, "application" means the Application for State Gambling License, CGCC-030, as referred to in paragraph (1) of subsection (a) of this section. An application is not complete unless accompanied by the fee specified in subsection (a) of Section 12008 for a

gambling license. In addition, an applicant shall submit with the application, any supplemental information required in paragraph (a) of this section for review by the Bureau pursuant to paragraph (3) of this subsection. The Commission shall not review the supplemental information for completeness.

(2) An application for a gambling license and the supplemental information shall be forwarded by the Commission to the Bureau within 10 days of the date that the Commission determines that the application is complete.

(3) The Bureau shall review the supplemental information submitted for completeness and notify the applicant of any deficiencies in the supplemental information, or that the supplemental information is complete, within 30 days of the date that the application and supplemental information are received by the Bureau from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information as complete, the Bureau may pursuant to Business and Professions Code section 19866 require the applicant to submit additional information.

(4) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Bureau is in receipt of both the completed application pursuant to paragraph (2) of this subsection and the completed supplemental information pursuant to paragraph (3) of this subsection. If the Bureau has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

(5) The Commission shall grant or deny the application within 120 days after receipt of the final written recommendation of the Bureau concerning the application, except that the Commission may notify the applicant in writing that additional time, not to exceed 30 days, is needed.

(c) The processing times specified in subsection (b) may be exceeded in any of the following instances:

(1) The applicant has agreed to extension of the time.

(2) The number of licenses to be processed exceeds by 15 percent the number processed in the same calendar quarter the preceding year.

(3) The Commission must rely on another public or private entity for all or part of the processing and the delay is caused by that other entity.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19841, 19850, 19851, 19852, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19868, 19880, 19881, 19883, 19890, 19893, 19951, and 19982, Business and Professions Code.

12343. Processing Times – Initial Applications.

(a) Except as provided in subsection (b), initial gambling or key employee license applications submitted pursuant to this chapter shall be processed within the following timeframes:

(1) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 20 days after receipt of the application. For the purposes of this section, "application" means the Application for State Gambling License, CGCC-030 (Rev. 05/08) and the Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. 05/08), referenced in Section 12342. An application is not complete unless accompanied by the fee specified in subsection (a) of Section 12008 for a gambling license or subsection (b) of Section 12008 for a key employee license. In addition, an applicant shall submit with the application, any supplemental information required by Section 12342 for review by the Bureau pursuant to paragraph (3) of this subsection. The Commission shall not review the supplemental information for completeness.

(2) An application for a license and the supplemental information shall be forwarded by the Commission to the Bureau within 10 days of the date that the Commission determines that the application is complete.

(3) The Bureau shall review the supplemental information submitted for completeness and notify the applicant of any deficiencies in the supplemental information, or that the supplemental information is complete, within 30 days of the date that the application and supplemental information are received by the Bureau from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information as complete, the Bureau may pursuant to Business and Professions Code section 19866 require the applicant to submit additional information.

(4) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Bureau is in receipt of both the completed application pursuant to paragraph (2) of this subsection and the completed supplemental information pursuant to paragraph (3) of this subsection. If the Bureau has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

(5) The Commission shall grant or deny the application within 120 days after receipt of the final written recommendation of the Bureau concerning the application, except that the Commission may notify the applicant in writing that additional time, not to exceed 30 days, is needed.

(b) The processing times specified in subsection (a) may be exceeded in any of the following instances:

(1) The applicant has agreed to extension of the time.

(2) The number of licenses to be processed exceeds by 15 percent the number processed in the same calendar quarter the preceding year.

(3) The Commission must rely on another public or private entity for all or part of the processing and the delay is caused by that other entity.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19841 and 19868, Business and Professions Code.

12344. License Renewals.

(a) Each application for renewal of a state gambling license or for renewal of a key employee license shall be accompanied by all of the following:

(1) A completed application:

(A) Applicants for a state gambling license shall use the form "Application for State Gambling License, CGCC-030 (Rev. 05/08)."

(B) Applicants for a key employee license shall use the form "Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. 05/08)."

(2) A nonrefundable application fee in the amount specified in subsection (a) of Section 12008 for a gambling license or subsection (b) of Section 12008 for a key employee license.

(b) Each key employee or other person whose name is required to be endorsed upon the license shall submit a separate application for renewal of that person's license, together with the application fee specified in subsection (b) of Section 12008.

(c) All applications for renewal of state gambling licenses and key employee licenses for a particular gambling establishment shall be submitted together as a single package to the California Gambling Control Commission.

(d) If, after a review of an application for renewal of a state gambling license or a key employee license, the Bureau determines that further investigation is needed, the applicant shall submit an additional sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19851, 19854 and 19951, Business and Professions Code. Reference: Sections 19851, 19876, 19854 and 19951, Business and Professions Code.

12345. License Renewals; Processing Times.

(a) Each application for renewal of a gambling license shall be accompanied by all of the following:

(1) A completed "Application for State Gambling License, CGCC-030," as referred to in paragraph (1) of subsection (a) of Section 12342.

(2) A nonrefundable application fee in the amount specified in subsection (a) of Section 12008 for a gambling license.

(b) Each person whose name is required to be endorsed upon the license shall submit a separate application for renewal of that person's license, together with the application fee specified in subsection (a) of Section 12008.

(c) All applications for renewal of gambling licenses for a particular gambling enterprise shall be submitted together as a single package to the California Gambling Control Commission.

(d) If, after a review of an application for renewal of a gambling license, the Bureau determines that further investigation is needed, the applicant shall submit an additional sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

(e) Except as provided in subsection (f), renewal gambling license applications submitted pursuant to subsection (a) of this section shall be processed within the following timeframes:

(1) An application for renewal of a gambling license shall be filed by the owner licensee with the Commission no later than 120 days prior to the expiration of the current license.

(2) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 10 days after receipt of the application. For the purposes of this section, "application" means the Application for State Gambling License, CGCC-030 referred to in paragraph (1) of subsection (a) of Section 12342. An application is not complete unless accompanied by the fee specified in subsection (a) of Section 12008 for a gambling license.

(3) An application for a gambling license shall be forwarded by the Commission to the Bureau for processing within five days of the date that the Commission determines that the application is complete.

(4) The Bureau shall submit its written report concerning the renewal application, which may include a recommendation pursuant to Business and Professions Code section 19826, subdivision (a), to the Commission no later than 45 days prior to the expiration of the current license.

(f) The processing times specified in paragraphs (2) through and including (4) of subsection (e) may be exceeded in any of the following instances:

(1) The applicant has agreed to extension of the time.

(2) The number of licenses to be processed exceeds by 15 percent the number processed in the same calendar quarter the preceding year.

(3) The Commission must rely on another public or private entity for all or part of the processing and the delay is caused by that other entity.

Note: Authority cited: Sections 19811, 19824, 19840, 19841, and 19951, Business and Professions Code.
Reference: Sections 19826, 19851, 19868, 19876, and 19951, Business and Professions Code.

12346. Mandatory and Discretionary Grounds for Denial of Application for a Gambling License.

(a) An application for a gambling license shall be denied by the Commission if any of the following apply:

(1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or unsuitable pursuant to the criteria set forth in the Act or other applicable law or that granting the license would be inimical to public health, safety, welfare, or would undermine the public trust that gambling operations are free from criminal or dishonest elements.

(2) The Commission finds that the local ordinance does not conform to the requirements of Business and Professions Code section 19860.

(b) An application for a gambling license may be denied if:

(1) The Commission finds that the applicant meets any of the criteria for license denial set forth in Business and Professions Code section 19862, subdivision (a).

(2) The Commission finds that an applicant has attempted to communicate or has communicated ex parte, as that term is defined in Business and Professions Code section 19872, subdivision (e), with one or more Commissioners, through direct or indirect means, regarding the merits of the application while the application is pending disposition at the Bureau or the Commission.

(3) The Commission finds that the applicant's past behavior calls into question the applicant's qualification requirements and considerations outlined in Business and Professions Code section 19856. Examples of past behavior that may be considered include, but are not limited to:

(A) Convictions which demonstrate a pattern of disregard for the law,

(B) A conviction involving gambling or gambling-related activities,

(C) A final administrative decision concluding that there was a violation of law involving gambling or gambling-related activities, or

(D) A conviction regarding or final administrative decision concluding that there was a violation of campaign finance disclosure or contribution limitations applicable to an election conducted pursuant to Business and Professions Code section 19960.

(4) The Commission finds that the applicant has, within ten years immediately preceding the submission of the application, willfully or persistently violated any of the following:

(A) Any regulation adopted by the Commission or Bureau.

(B) Any condition, limitation, or directive imposed on a previously held gambling license.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute or any grounds that would support revocation under chapter 10 of these regulations.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19861, 19870, 19872, 19880, 19890 and 19982, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19857, 19858, 19859, 19860, 19862, 19863 and 19960, Business and Professions Code.

ARTICLE 3. PORTABLE PERSONAL KEY EMPLOYEE LICENSE.

12350. Initial Licenses; Required Forms; Processing Times.

(a) Except as provided in Business and Professions Code section 19883 and Section 12354, no person may be associated with a gambling enterprise as a key employee without a valid key employee license issued by the Commission.

(b) A key employee license, including an interim key employee license, shall be valid for a period of two (2) years. If an interim key employee license is issued pursuant to Section 12354, the term of the subsequently issued initial key employee license shall be for the remaining unexpired term of the interim license.

(c) Any person applying for a key employee license shall submit the following:

(1) A completed "Application for Gambling Establishment Key Employee License CGCC-031 (Rev. 08/09)," which is attached in Appendix A to this chapter.

(2) A nonrefundable application fee in the amount specified in subsection (b) of Section 12008 for a key employee license.

(3) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the key employee application.

(4) Key Employee Supplemental Background Investigation Information, BGC-APP-016A (Rev. 08/09), which is hereby incorporated by reference.

(5) Authorization to Release Information, BCG-APP-006, as referred to in paragraph (8), subsection (a) of Section 12342.

(6) Request for Live Scan Service, BCII 8016, as referred to in paragraph (17), subsection (a) of section 12342.

(d) Except as provided in subsection (e), initial key employee license applications submitted pursuant to this chapter shall be processed within the following timeframes:

(1) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application. For the purposes of this section, "application" means the Application for Gambling Establishment Key Employee License, CGCC-031, referred to in paragraph (1) of subsection (c) of Section 12350. An application is not complete unless accompanied by the fee specified in subsection (b) of Section 12008. In addition, an applicant shall submit with the application, any supplemental information required by subsection (c) of this section for review by the Bureau pursuant to paragraph (3) of this subsection. The Commission shall not review the supplemental information for completeness.

(2) An application for a key employee license and the supplemental information shall be forwarded by the Commission to the Bureau within five working days of the date that the Commission determines that the application is complete.

(3) The Bureau shall review the supplemental information submitted for completeness and notify the applicant of any deficiencies in the supplemental information, or that the supplemental information is complete, within 30 days of the date that the application and supplemental information are received by the Bureau from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information as complete, the Bureau may pursuant to Business and Professions Code section 19866 require the applicant to submit additional information.

(4) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Bureau is in receipt of both the completed application pursuant to paragraph (2) of this subsection and the completed supplemental information pursuant to paragraph (3) of this subsection. If the Bureau has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

(5) The Commission shall grant or deny the application within 120 days after receipt of the final recommendation of the Bureau concerning the application, except that the Commission may notify the applicant in writing that additional time, not to exceed 30 days, is needed.

(e) The processing times specified in subsection (d) may be exceeded in any of the following instances:

(1) The applicant has agreed to the extension of the time.

(2) The Commission must rely on another public or private entity for all or part of the processing and the delay is caused by that other entity.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19876(a), Business and Professions Code.
Reference: Sections 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19876(a), 19951 and 19982, Business and Professions Code.

12351. License Renewals; Required Forms; Processing Times.

(a) Each application for renewal of a portable personal key employee license shall be accompanied by all of the following:

(1) A completed "Application for Gambling Establishment Key Employee License, CGCC-031," as referred to in paragraph (1) of subsection (c) of Section 12350.

(2) A nonrefundable application fee in the amount specified in subsection (b) of Section 12008 for a key employee license.

(3) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the key employee renewal application.

(b) If, after a review of an application for renewal of a key employee license, the Bureau determines that further investigation is needed, the applicant shall submit a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

(c) Except as provided in subsection (d), key employee renewal license applications shall be processed within the following timeframes:

(1) An application for renewal of a key employee license shall be filed by the key employee with the Commission no later than 120 days prior to the expiration of the current license.

(2) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the

application. For the purposes of this section, “application” means the Application for Gambling Establishment Key Employee License, CGCC-031, as referred to in paragraph (1) of subsection (c) of Section 12350. An application is not complete unless accompanied by the fee as specified in subsection (b) of Section 12008 for a key employee license.

(3) A renewal application for a key employee license shall be forwarded by the Commission to the Bureau for processing within five days of the date that the Commission determines that the application is complete.

(4) If the Bureau conducts an investigation, it shall submit a written report concerning the renewal application, which may include a recommendation pursuant to Business and Professions Code section 19826, subdivision (a), to the Commission no later than 45 days prior to the expiration of the current license, unless that application is filed with the Commission less than 120 days prior to the expiration of the current license.

(d) The processing times specified in subsection (c) may be exceeded in any of the following instances:

(1) The applicant has agreed to the extension of the time.

(2) The Commission must rely on another public or private entity for all or part of the processing and the delay is caused by that other entity.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19851, 19854 and 19951, Business and Professions Code. Reference: Sections 19826, 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866 and 19867, Business and Professions Code.

12352. Employment Status Notification; Replacement License; Required Forms; Processing Times.

(a) The holder of a valid key employee license shall notify the Commission within 10 days of acceptance or termination of employment by a gambling enterprise by submitting a completed Notification of Change in Employment Status, CGCC-033 (New 08/09), which is attached in Appendix A to this chapter.

(b) The holder of a valid key employee license may request a replacement license in the event the license has been lost, stolen, damaged, or as needed to reflect a change of name by submitting the following:

(1) A completed Request for Replacement Key Employee License, CGCC-034 (New 08/09) which is attached in Appendix A to this chapter.

(2) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the key employee license replacement request.

(3) A nonrefundable fee payable to the Commission as specified in subsection (b) of Section 12008.

(c) The Executive Director shall issue a replacement portable personal key employee license to the holder as long as there is not any cause for revocation of the key employee license.

(d) A replacement key employee license issued pursuant to this section shall be valid during the unexpired term of the replaced key employee license.

(e) Upon issuance of the replacement key employee license, the previously issued key employee license shall become invalid and shall not be used thereafter.

(f) Applications submitted pursuant to subsection (b) of this section shall be processed within the following time frames:

(1) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(2) A replacement key employee license shall be either issued or denied within 15 working days after the filing of a complete application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, and 19854, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866 and 19867, Business and Professions Code.

12353. License Content; License Display and Presentation.

(a) A key employee license issued by the Commission shall contain all of the following on the front of the license:

- (1) A photograph of the licensee,
- (2) The first name of the licensee;
- (3) The license number; and
- (4) The expiration date of the license.

(b) A key employee license issued by the Commission shall contain the full name of the licensee on the reverse side of the license.

(c) A key employee must wear in a visible and conspicuous manner, their key employee license at all times while on duty in the gambling establishment.

(d) A key employee license shall be presented upon request without delay or interference, to the employee's gambling enterprise employer or supervisor, a representative of the Commission or Bureau, or anyone requesting to verify the key employee has a valid license.

(e) A key employee license shall not be altered in any manner nor shall the content contained on the license be obstructed from view.

(f) A key employee license that has expired or is determined to be invalid, pursuant to any applicable provision of the Act or this division, shall not be used to gain employment or perform any duties which require a valid key employee license. Any expired or invalid license shall be surrendered to the Commission or Bureau upon request.

Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19827, 19840, 19841, and 19854, Business and Professions Code. Reference: Sections 19850, 19851, 19854, 19855, 19864, Business and Professions Code.

12354. Interim Key Employee Licenses; Processing Times.

(a) An individual, if holding a valid work permit for any gambling enterprise, may immediately begin to work as an interim key employee provided that the individual submit the following to the Commission within 10 days of hiring:

(1) An Application for Interim Key Employee License, CGCC-035 (New 08/09), which is attached in Appendix A to this chapter.

(2) A nonrefundable application fee pursuant to subsection (b) of Section 12008.

(3) A copy of the employee's valid work permit issued pursuant to section 19912 of the Business and Professions Code for any gambling enterprise.

(4) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the interim key employee application, which shall be in addition to the photograph submitted for the initial portable personal key employee license.

(b) Applications for issuance of an interim key employee license by the Executive Director shall be processed within the following timeframes:

(1) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(2) An interim key employee license shall be either granted or denied within 15 working days after the filing of a complete application.

(c) Interim key employee license approvals are subject to the following conditions:

(1) An application package for an initial portable personal key employee license as required in subsection (c) of Section 12350 must be submitted to the Commission within 30 days of assuming a key employee position.

(2) An interim license shall be valid for a period of two years from the date it is issued.

(3) Issuance of an interim license does not obligate the Commission to issue a regular key employee license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license.

(5) The interim key employee shall cease working in a key employee position if, during the term of the interim license, any of the following occurs:

(A) The application for key employee license is abandoned or denied.

(B) The interim key employee's work permit expires, is revoked, or is cancelled before the key employee license is approved.

(C) The Executive Director notifies the applicant and gambling enterprise that the interim status is cancelled pursuant to subsection (e), of this section.

(d) Upon issuance or denial of a regular key employee license by the Commission, the interim license previously issued shall become invalid and shall not be used thereafter.

(e) With ten day's advance written notice to the interim key employee and to the gambling enterprise, the Executive Director shall cancel the interim key employee license based upon the following:

(1) Evidence showing that the applicant has sustained any disqualifying criminal convictions;

(2) Evidence showing that the applicant is statutorily ineligible for a key employee license under the Act;

(3) Evidence which discloses that having the applicant serve as an interim key employee pending determination of their application may in the judgment of the Executive Director present a danger to the public or to the reputation of controlled gambling in this state;

(4) A determination by the Executive Director that the applicant has failed to reveal any fact that is material to, or supplied materially untrue or misleading information on, the applicant's key employee license application;

(5) A Bureau recommendation of denial of the applicant's key employee application;

(6) Referral by the Commission of the applicant to an evidentiary hearing with direction to the Executive Director to cancel the interim key employee status; or

(7) A determination by the Executive Director that the gambling enterprise using the interim key employee procedure has shown a pattern or practice of hiring or promoting persons to key employee positions in violation of subsection (a) above or that the gambling enterprise has acted in bad faith, with actual knowledge that the persons hired or promoted would be ineligible for licensure.

(f) Within ten days of the date of notice of a cancellation of interim status pursuant to this section, the gambling enterprise shall notify the Commission in writing of the effective date of the position change for or suspension of the employee, and shall describe the employee's revised job duties, if any.

(g) Judicial review of a cancellation of interim status shall be by petition pursuant to section 1085 of the Code of Civil Procedure.

(h) This section shall apply to any individual employed in the capacity of a key employee, whether employed in a gambling establishment owned by a non-corporate licensee or by a corporate licensee, as provided in Business and Professions Code section 19883.

Note: Authority cited: Sections 19823, 19824, 19840, 19841 and 19883, Business and Professions Code.
Reference: Sections 19805(w), 19805(x), 19850, 19855, 19856, 19857, 19859, 19866, 19870 and 19883, Business and Professions Code.

12355. Mandatory and Discretionary Grounds for Denial of Application for a Key Employee License.

(a) An application for a portable personal key employee license shall be denied by the Commission if any of the following applies:

(1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or unsuitable pursuant to the criteria set forth in the Act or other applicable law or that granting the license would be inimical to public health, safety, welfare, or would undermine the public trust that gambling operations are free from criminal or dishonest elements.

(b) An application for a key employee license may be denied if:

(1) The Commission finds that an applicant has attempted to communicate or has communicated *ex parte*, as that term is defined in Business and Professions Code section 19872, subdivision (e), with one or more Commissioners, through direct or indirect means, regarding the merits of the application while the application is pending disposition at the Bureau or the Commission.

(2) The Commission finds that the applicant's past behavior calls into question the applicant's qualification requirements and considerations outlined in Business and Professions Code section 19856. Examples of past behavior that may be considered include, but are not limited to:

- (A) Convictions which demonstrate a pattern of disregard for the law,
- (B) A conviction involving gambling or gambling-related activities,
- (C) A final administrative decision concluding that there was a violation of law involving gambling or gambling-related activities, or
- (D) A conviction regarding or final administrative decision concluding that there was a violation of campaign finance disclosure or contribution limitations applicable to an election conducted pursuant to Business and Professions Code section 19960.

(3) The Commission finds that the applicant has, within ten years immediately preceding the submission of the application, willfully or persistently violated any of the following:

- (A) Any regulation adopted by the Commission or Bureau.
- (B) Any condition, limitation, or directive imposed on a previously held gambling or key employee license.
- (c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute or any grounds that would support revocation under chapter 10 of these regulations.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19859, 19870, 19872, 19890 and 19982, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19856, 19857, 19858 and 19859, Business and Professions Code.

ARTICLE 4. TABLE FEE; REQUESTS FOR ADDITIONAL TABLES.

12357. Table Fee.

The fee required by Business and Professions Code section 19951, subdivision (b)(2)(B) shall be based on the criteria in subsection (a) or (b) of this section, whichever is applicable, and shall be due and paid annually by the holder of a state gambling license to the Commission no later than 120 calendar days following the end of the licensee's fiscal year.

(a) The fee specified in Business and Professions Code section 19951, subdivision (c) shall be based on the number of tables authorized by the license during the licensee's preceding fiscal year.

(b) The fee specified in Business and Professions Code section 19951, subdivision (d) shall be based on the owner licensee's gross revenues for the preceding fiscal year.

(c) Each holder of a state gambling license shall submit to the Commission, together with their payment of the annual fee specified in this section, a completed form Gambling Establishment Annual Fee Calculation, CGCC-028 (New 08/07), which is hereby incorporated by reference.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19876(a) and 19951, Business and Professions Code. Reference: Sections 19841, 19876(a) and 19951, Business and Professions Code.

12358. Request for Additional Temporary Tables for Tournaments or Special Events.

(a) An owner licensee of a gambling establishment may apply to operate, on a limited and temporary basis, for a tournament or special event (hereinafter, event), more tables than the gambling establishment is authorized to regularly operate. To apply for additional tables, the applicant must submit to the Commission, no less than 45 days prior to the event, the following for each event:

(1) A completed and signed application form entitled "Request for a Certificate to Operate Additional Tables on a Temporary Basis" CGCC-024 (Rev. 04/08), which is attached in Appendix A to this chapter.

(2) A non-refundable application fee of \$500, plus a Bureau review deposit, pursuant to California Code of Regulations, Title 11, Section 2037, made payable to the California Gambling Control Commission.

(3) Fees for the additional tables, as calculated according to the form in paragraph (1) of this subsection.

(b) The Commission shall not grant the application if a review by the Bureau discloses any of the following:

(1) The requested temporary increase in the number of tables would exceed the number of tables allowed to be operated by the local jurisdiction for either the particular cardroom or the jurisdiction where the gambling establishment is located.

(2) The requested temporary increase in the number of tables has been denied by the local jurisdiction where the gambling establishment is located.

(3) The gambling establishment's state gambling license is suspended or contains conditions precluding the approval of a temporary increase in the number of tables.

(4) The gambling establishment has outstanding fees, deposits, fines, or penalties owing to the Commission or to the Bureau.

(c) The Commission may deny the application if the application as submitted was untimely or incomplete.

(d) A request by an applicant to withdraw the application shall result in the application being considered abandoned, and the fees for the additional tables and unused deposit amounts returned, with no further action to be taken by the Commission.

(e) The Commission may delegate the authority to deny the requested temporary increase or to issue a license certificate approving the requested temporary increase in the number of tables to any employee of the Commission. Commission staff shall commence the initial review and shall forward the application to the Bureau for review within 7 days of receipt of the application. The Bureau shall complete its review and return its findings to the Commission within 25 days of receipt of the application from the Commission. Commission staff shall then complete the review within 13 days of receiving the Bureau's findings and notify the applicant.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841(a)-(c) and (p), 19864, 19950(b) and 19952, Business and Professions Code. Reference: Section 19951, Business and Professions Code.

12359. Request for Additional Permanent Tables.

(a) The owner licensee of a gambling establishment may apply to operate additional tables on a permanent basis by submitting the following to the Executive Director:

(1) A completed and signed application form entitled “Application for Additional Authorized Permanent Tables,” CGCC–027 (Rev. 04/08), which is attached in Appendix A to this chapter.

(2) A non-refundable application fee of \$500, plus a Bureau review deposit, pursuant to California Code of Regulations, Title 11, Section 2037, made payable to the California Gambling Control Commission.

(b) The Commission shall not grant the application if any of the following are disclosed by the application or the results of the investigation of the applicant by the Bureau:

(1) The requested increase in the number of tables would exceed the number of tables allowed to be operated by the local jurisdiction for either the particular cardroom or the jurisdiction in which the gambling establishment is located.

(2) The requested increase in the number of tables has been denied by the local jurisdiction in which the gambling establishment is located.

(3) The gambling establishment’s state gambling license is suspended or is subject to conditions precluding the approval of an increase in the number of tables.

(4) The gambling establishment has outstanding fees, deposits, fines, or penalties owing to the Commission or to the Bureau.

(c) A request by an applicant to withdraw the application shall result in the application being considered abandoned and unused deposit amounts returned, with no further action to be taken by the Commission.

(d) Commission staff shall commence the initial review and shall forward the application to the Bureau for investigation within 7 days of receipt of the application. The Bureau shall complete its review and return its findings to the Commission within 25 days of receipt of the application from the Commission. Commission staff shall then complete the review and set the request on the Commission agenda within 90 days of receiving the Bureau’s findings and advise the applicant of the agenda date and any required table fees due. If the request for additional permanent tables is approved, applicant must pay the required table fees due before placing the additional tables in operation.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19864, 19950(b) and 19951, Business and Professions Code. Reference: Section 19951, Business and Professions Code.

APPENDIX A FORMS

See following page



State Of California
California Gambling Control Commission
CGCC - 024 (Rev. 03/08)

REQUEST FOR A CERTIFICATE TO OPERATE ADDITIONAL TABLES ON A TEMPORARY BASIS

Commission Use Only	
Date Cashiered:	
Fee Received:	

Type or print (in ink) all information requested on this application form. If additional space is needed, please note response on a separate sheet of paper and attach to the application. Any corrections, changes, or other substitutions must be initialed and dated by the applicant. Do not misstate or omit any material fact(s) as each statement made herein is subject to verification.

PLEASE SEND COMPLETED APPLICATIONS TO CGCC at: 2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231

Attach a payment (payable to the California Gambling Control Commission), for the total amount of the following fees and deposit:

A non-refundable \$500 application fee

Temporary tables fees (see reverse for instructions)

A review deposit, pursuant to Cal. Code of Regulations, title 11, section 2037

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Name of Gambling Establishment:

Business Address:

Street

City

State

Zip Code

Business Telephone Number:

Business Facsimile Number (if applicable):

SECTION 2: EVENT INFORMATION

A) Number of Presently Authorized Permanent Tables:	
B) Number of Requested Additional Temporary Tables for the Event:	
C) Total Number of Proposed Tables during the date listed in this request: (Total Amount of A and B)	
D) Amount of table fees included with this request: (Refer to Instructions for additional information.)	
E) Proposed Date(s) and Time(s) of the Event (If the number of tables vary on multiple dates, attach a list by date):	
F) Name of the Event:	
G) Location of the Event within the Gambling Establishment:	
H) Approved Games or Gaming Activities to be offered during this Event: (If Division approval is pending, please so state.)	

SECTION 3: DECLARATION

I request the issuance of a Certificate to Operate Additional Tables on a Temporary Basis at the above-named gambling establishment.

I understand that the establishment identified above will not be allowed to legally operate more than the number of tables for which a fee is being paid.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this application is true, correct, and complete.

Signature of Owner Licensee: _____

Print Name:

Date:

Designated Contact for this Application

Telephone Number:

REQUEST FOR A CERTIFICATE TO OPERATE ADDITIONAL TABLES ON A TEMPORARY BASIS

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Provide the legal name of the entity and any alternative names for the same business entity. You must notify the Commission of any name, address or telephone number changes. Your information is used to provide proper identification of your file, to contact you, and/or to determine your eligibility. Personal information contained in this application may be disclosed to the public in accordance with the Gambling Control Act (Business and Professions Code section 19821(b)).

SECTION 2: EVENT INFORMATION

Indicate the number of tables that the gambling establishment currently has and the number it is requesting to operate on a temporary basis. Also provide the total number of tables that the gambling establishment wishes to operate and all relevant event information. Note: All requests are subject to compliance with local ordinances and state gambling laws.

INSTRUCTIONS FOR CALCULATING THE AMOUNT OF TABLE FEES TO OPERATE ADDITIONAL TABLES ON A TEMPORARY BASIS

Determine the amount of the required fee that must be included with this request by completing the following steps and using the table below:

Number of Tables	Per Table Fee
One to Five	\$300
Six to Eight	\$550
Nine to Fourteen	\$1,300

Number of Tables	Per Table Fee
Fifteen to Twenty-five	\$2,700
Twenty-six to Seventy	\$4,000
Seventy-one or more	\$4,700

1. Add the current number of authorized tables licensed by the Commission to operate to the number of special event tables.
2. Multiply the total number of tables by the per table fee indicated in the above table.
3. From this total, subtract the basic table fees previously assessed for the current year.
4. Divide this figure by 365. This establishes the additional daily table fee for the event.
5. Multiply this total by the number of event days (fractions or portions of a day are considered a full day) and round your result up to the nearest whole number.
6. Multiply this number by two. This final figure is the table fee for the tournament or special event.

EXAMPLE: Gambling establishment "A" proposes to operate an additional 3 tables during a 5-day tournament. Establishment "A" is licensed/certified by the Commission for 24 tables and has been previously assessed a fee of \$64,800 (24 tables x \$2,700 per table = \$64,800)

1. Add the current number of tables and the additional number of tournament tables (24 current + 3 additional = 27 total)
2. Multiply this amount by the per table fee shown above (27 total # tables x \$4,000 per table = \$108,000).
3. From this amount, subtract the previously assessed fee for the year (\$108,000 - \$64,800 previously assessed fee = \$43,200).
4. Divide this amount by 365 (\$43,200 ÷ 365 = \$118.36).
5. Multiply this amount by the number of days of the tournament (\$118.36 x 5 days = \$591.80) and round this number up to the nearest whole number (\$592).
6. Multiply this amount by two (\$592 x 2 = \$1184). The final fee for Establishment "A" to operate the additional tables for its tournament would be \$1184.

SECTION 3: DECLARATION

Sign and date the application under penalty of perjury. An application must be signed and dated to be considered complete. The designated contact person for this application must also be included, if applicable.



State of California
California Gambling Control Commission
CGCC – 027 (Rev. 03/08)

Commission Use Only

Fee Received: _____

Date to DGC: _____

APPLICATION FOR ADDITIONAL AUTHORIZED PERMANENT TABLES

Please refer to the instructions when completing the application. Type or print (in ink) all information requested on this application form. If additional space is needed, please note response on a separate sheet of paper and attach to the application. .

Any corrections, changes, or other substitutions must be initialed and dated by the applicant.

Do not misstate or omit any material fact(s) as each statement made herein is subject to verification.

PLEASE SEND COMPLETED APPLICATIONS TO CGCC at: 2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231

Attach a payment (payable to the California Gambling Control Commission), for the total amount of the following fee and deposit:

A non-refundable \$500 application fee

A review deposit, pursuant to Cal. Code of Regulations, title 11, section 2037

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Name of Gambling Establishment:

Business Address:

Street

City

State

Zip Code

Mailing Address (if different than Business Address):

Street

City

State

Zip Code

Business Telephone Number:

Business Facsimile Number (if applicable):

SECTION 2: TABLE INFORMATION

A) Number of Presently Authorized Permanent Tables:	
B) Number of Requested Additional Permanent Tables:	
C) Total Number of Proposed Tables: (Total Amount of A and B)	

SECTION 3: DECLARATION

I request approval to operate additional permanent tables, described in Section 2, at the gambling establishment described in Section 1.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this application is true, correct, and complete.

Signature of Owner Licensee: _____

Print Name:

Date:

Designated Contact for this Application

Telephone Number:

APPLICATION FOR ADDITIONAL AUTHORIZED PERMANENT TABLES

Retain a photocopy of the complete application packet for your permanent records.

Applications not fully and accurately completed (including all required supporting materials) will be returned to the sender for completion. If the application is returned at any point in the processing, the applicant will need to follow the directions included with it and resubmit it in a timely manner. If any or all information is not provided, the application may be delayed, returned for completion, or denied.

The applicant is responsible for providing the appropriate information needed to determine eligibility for additional authorized permanent tables. If a question is not applicable, indicate with "N/A." If additional space is needed, use a separate sheet of paper and precede each response with the applicable section and item. Attach the paper to the back of the application.

Items required for the application to be considered complete:

- Application for Additional Authorized Permanent Tables (CGCC-027)
- A non-refundable \$500 application fee
- A Division review deposit, pursuant to California Code of Regulations, title 11, section 2037

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Provide the legal name of the entity and any alternative names for the same business entity. You must notify the Commission of any name, address or telephone number changes. Your information is used to provide proper identification of your file, to contact you, and/or to determine your eligibility. Personal information contained in the *Additional Authorized Permanent Tables CGCC-027* may be disclosed to the public in accordance with the Gambling Control Act (Business and Professions Code section 19821(b)).

SECTION 2: TABLE INFORMATION

Indicate the number of tables that the gambling establishment currently has and the number it is requesting. Also provide the total number of tables that the gambling establishment wishes to operate. Please note that all requests are subject to compliance with local ordinances and state gambling laws.

SECTION 3: DECLARATION

Sign and date the application under penalty of perjury. An application must be signed and dated to be considered complete. The designated contact person for this application must also be included, if applicable.

CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS.

ARTICLE 1. GENERAL PROVISIONS.

12360. CHAPTER DEFINITIONS.

The definitions in Business and Professions Code section 19805 govern the construction of this chapter. As used in this chapter:

(a) “Licensee” means “owner licensee” as defined in Business and Professions Code section 19805, subdivision (ac).

(b) “Security department,” means the operational entity within a gambling establishment that is responsible, but not necessarily solely responsible, for patrol of the public areas of the establishment, and to assist in:

- (1) Maintaining order and security;
- (2) Excluding underage patrons;
- (3) Responding to incidents involving patrons or others;
- (4) Detecting, reporting and deterring suspected illegal activity; and
- (5) Completing incident reports.

(c) “Surveillance unit,” means the operational system or entity within a gambling establishment that is responsible for the video recording, as may be specified in Article 3 of this chapter, of all activities required to be under surveillance, monitored and/or recorded pursuant to the Act and this division for the purposes of detecting, documenting and reporting suspected illegal activities, including suspected gambling by persons under 21 years of age, and assisting the personnel of the security department in the performance of their duties.

Note: Authority cited: Sections 19811, 19824, 19840, 19841, and 19924, Business and Professions Code.

Reference: Sections 19805, 19841, 19860, and 19924, Business and Professions Code.

12362. Statewide Involuntary Exclusion List.

(a) A licensee may remove a person from the gambling establishment pursuant to Business and Professions Code section 19801, subdivision (i), or Business and Professions Code section 19845. A gambling establishment may also have an internal removal list to bar certain individuals from entering the specific gambling establishment only.

(b) A licensee or government official (such as law enforcement, or agents of the California Horse Racing Board, Bureau, or Commission) (“requestor”) may submit, on form CGCC – 12362 (New 10-08) “Request for Statewide Involuntary Exclusion of an Individual,” which is attached in Appendix A to this chapter, a request to exclude an individual from all California gambling establishments based upon the reasons listed in Business and Professions Code section 19844 or 19845, subdivision (a)(7). Such request shall have the protections afforded under Business and Professions Code section 19846, subdivision (a).

(c) Removal of an individual from a specific gambling establishment, as described in subsection (a) above, or statewide exclusion, pursuant to the request described in subsection (b) above, shall not be based upon the sex, race, color, religion, ancestry, national origin, marital

status, sexual orientation, medical condition, or disability of the individual, with the exception that a problem or pathological gambler may be excluded pursuant to Article 6 of these regulations (commencing with section 12460) or involuntarily excluded pursuant to this section.

(d) Upon receipt of a request by a licensee or governmental official for statewide involuntary exclusion of an individual, the Executive Director shall review the reason for exclusion. If there appears to be good cause to place an individual on the statewide involuntary exclusion list, the Executive Director shall cause a notice of exclusion to issue to the individual. Such notice shall state the grounds for exclusion and may be served by personal service, by certified mail at the last known address of the individual, or by publication daily for 1 week in a newspaper of general circulation in the vicinity of the requestor. The exclusion shall be effective upon perfection of notice and shall remain in effect until the individual is removed from the list by Commission decision.

(e) An individual may contest the Commission's notice of exclusion by requesting a hearing from the Commission. Such hearing may be pursuant to Business and Professions Code section 19871 or pursuant to Government Code section 11500 et seq., as determined by the Executive Director. Such hearing shall occur within 60 days of the request for hearing, unless the time of the hearing is changed by agreement of the Commission and the individual requesting the hearing.

(f) If the individual fails to appear at the time and place set for hearing, and the individual does not contact the Commission within 24 hours to give good cause why the hearing should be reset, a default decision shall issue affirming the exclusion.

(g) At the hearing, the individual may appear in person and/or be represented by counsel at the individual's own expense and present relevant testimony or documentary evidence. If a governmental agency requested that the individual be placed on the statewide involuntary exclusion list, the governmental agency may appear. If a licensee requested that the individual be placed on the statewide involuntary exclusion list, then the licensee or designated agent may appear.

(h) The standard of proof shall be preponderance of the evidence that the individual poses a threat either to the public, gambling enterprise employees, or the gambling industry, or should be excluded pursuant to Business and Professions Code section 19844 or 19845, subdivision (a)(7). The burden of proof shall be on the Commission staff. Evidence of exclusion or discipline by another gaming jurisdiction based upon the factors described in Business and Professions Code section 19844 or 19845, subdivision (a)(7) may be introduced.

(i) The final decision in the matter shall be in writing, shall state any term-length for the exclusion if other than lifetime, shall be sent by certified mail or personal service to the individual and the governmental agency or gambling establishment which requested the individual be placed on the statewide involuntary exclusion list, and shall be effective immediately.

(j) If the individual requested a hearing after the Commission's notice of exclusion and was given a final decision in the matter that affirmed the exclusion, that individual shall not petition

the Commission to be removed from the statewide involuntary exclusion list for a minimum of one year after the date of the final decision.

(k) Petitions to be removed from the statewide involuntary exclusion list shall be in writing, directed to the Executive Director, and sent to the Commission at 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833. Petitioners should clearly state the circumstances of the ejection or exclusion, any new evidence which is material and necessary, including evidence that circumstances have changed since placement on the statewide involuntary exclusion list, and why they do not pose a threat to the public, gambling enterprise employees, the gambling industry, or should otherwise not be excluded pursuant to Business and Professions Code section 19844 or 19845, subdivision (a)(7). This statement shall be signed under penalty of perjury under the laws of the State of California. The Executive Director may summarily deny the petition without prejudice due to lack of compliance with this subsection. If not summarily denied, the Executive Director shall provide notice and opportunity to comment to the requestor. After review of the requestor's comments, the Executive Director, may notify the Bureau to remove the individual from the statewide involuntary exclusion list, or may set the matter for hearing pursuant to Business and Professions Code section 19871 or pursuant to Government Code section 11500 et seq., as determined by the Executive Director.

(l) The Executive Director may order an individual removed from the list after verified information is received that the individual is deceased and shall so notify the Bureau.

(m) If the Commission determines that an individual should be removed from the statewide involuntary exclusion list, the Commission's decision shall include an order removing the individual's name from the list, and shall so notify the Bureau. The Bureau shall amend the exclusion database and send notification to all gambling establishments and to the requestor.

(n) Judicial review of the Commission's decision shall be in accordance with Code of Civil Procedure, section 1094.5.

(o) The statewide involuntary exclusion list shall be maintained by the Bureau, sent or made available to all gambling establishments, and may be shared with law enforcement personnel of any jurisdiction.

(p) Licensees shall implement policies and procedures designed to thwart excluded persons, as noticed by the Bureau, from entering the gambling establishment, ejection or removal procedures of any patrons once recognized as being a known excluded person, and notification to the Bureau of any incidents of attempted entry, entry, or removals of known excluded persons. This regulation does not require a licensee's policies and procedures to include patrons providing proof of identification before entering the gambling establishment. This regulation does not require the gambling establishment to use physical force in ejecting or removing an excluded person.

(q) The Commission may discipline a licensee that knowingly fails to take prompt, reasonable action to eject or exclude an individual listed on the statewide involuntary exclusion list, or fails to notify the Bureau of any entries or attempts to enter by an excluded person, pursuant to Chapter 10 of these regulations.

(r) This regulation does not create any right or cause of action against a gambling establishment, government official (such as law enforcement, or agents of the California Horse Racing Board, Bureau, or Commission) by an excluded person or abrogate the existing statutory privileges and immunities of a licensee or requestor, or limit or expand the provisions of Business and Professions Code section 19846.

Note: Authority cited: Sections 19840 and 19844, Business and Professions Code. Reference: Sections 19801(i) and (l), 19844, 19845, 19846, and 19940, Business and Professions Code.

ARTICLE 2. EMERGENCY PREPAREDNESS, SECURITY AND SURVEILLANCE PLANS.

12370. Emergency Planning and Preparedness.

(a) As required by California Code of Regulations Title 24, Part 9, Chapter 4 (commencing with Section 401), and Title 19, Section 3.09, a gambling establishment shall prepare and maintain a fire safety and evacuation plan, conduct emergency evacuation drills and conduct employee training on the content of their fire safety and evacuation plan. Fire safety and evacuation plans, emergency evacuation drills and employee training procedures adopted pursuant to this section shall comply with, as applicable, California Code of Regulations Title 24, Part 9, Chapter 4 (commencing with Section 401) and Title 19, Section 3.09, or those standards adopted by local ordinance pursuant to Health and Safety Code section 13143.5.

(b) Each applicant as an owner-licensee under Chapter 6 of this Division shall submit to the Commission one copy of a current fire safety and evacuation plan, pursuant to this section, together with those application documents required by Section 12342.

(c) Each licensee shall submit one copy of its current fire safety and evacuation plan, pursuant to this section, with the first biennial license renewal application submitted after the effective date of this section, and with every second renewal application submitted thereafter.

(d) If a licensee's fire safety and evacuation plan is revised as a result of the addition of permanent tables, or as a result of any change to the physical premises which alters the locations of phones, fire extinguishers, manual fire alarm pull stations or exits, or which alters evacuation routes or procedures, the licensee shall submit one copy of its revised fire safety and evacuation plan with the first biennial license renewal application submitted immediately following any revision, and, subsection (c) notwithstanding, with every second renewal application submitted thereafter.

(e) Each fire safety and evacuation plan submitted to the Commission pursuant to this Section shall include the following documentation, as applicable:

(1) If the responsible local authority provides reviews, the licensee shall send to the Executive Director documentation showing that the local authority approved the fire safety and evacuation plan, pursuant to Health and Safety Code section 13143.5 and California Code of Regulations Title 24, Part 9, Chapter 1, Section 111.2.1.1. Health and Safety Code section 13143.5, subdivision (f), paragraph (2), provides that any fee charged pursuant to the enforcement authority of subdivision (f) shall not exceed the estimated reasonable cost of providing the service for which the fee is charged.

(2) If the responsible local authority does not provide reviews, the licensee shall send the fire safety and evacuation plan to the State Fire Marshal, and shall send to the Executive Director documentation showing that the State Fire Marshal has approved the fire safety and evacuation plan.

(f) Failure by a licensee to develop and implement a fire safety and evacuation plan, conduct emergency evacuation drills or conduct employee training on the content of its fire safety and evacuation plan pursuant to this section, constitutes an unsuitable method of operation and also may result in denial of an application for license renewal, pursuant to Section 12348, or in the suspension or revocation of its existing license, pursuant to Chapter 10 of this division.

(g) In addition to any other remedy under the Act or this division, the Commission may assess a civil penalty of at least \$500 but not more than \$5000 for each violation of this section.

Note: Authority cited: Sections 19811, 19824 and 19840, Business and Professions Code. Reference: Sections 19801, 19823, 19841, 19860, 19920 and 19924, Business and Professions Code.

12372. Security and Surveillance Plan.

(a) No later than December 1, 2011, each gambling establishment in Tier I and Tier II, as provided in subsection (b) of Section 12380, shall develop and implement a written security and surveillance plan for the gambling establishment that includes, but is not limited to, provisions for the following:

- (1) Close monitoring and control of all controlled gambling and gaming activity;
- (2) Close monitoring and control of access to restricted areas of the gambling establishment that include, but are not limited to, cages, count rooms, vaults, security offices and surveillance rooms;
- (3) Surveillance procedures, including video recording requirements, as applicable;
- (4) Lighting in and around the gambling establishment;
- (5) Specific conditions, procedures and instructions for reporting suspected criminal incidents or activity to state and local law enforcement agencies;
- (6) Procedures for securing or protecting persons, property, assets and records.

(b) No later than December 1, 2011, each gambling establishment in Tiers III through and including V, as provided in subsection (b) of Section 12380, shall develop and implement a security and surveillance plan for the gambling establishment that, in addition to the requirements of subsection (a), includes, but is not limited to, provisions for the following:

- (1) A listing of the names and job titles of the employees who are responsible for making decisions that involve the security of patrons, patrons' property, employees, employees' property, and the gambling establishment's property, cash or equivalent assets and records;
- (2) The presence and duties of uniformed security personnel;
- (3) Surveillance procedures, including video recording and monitoring requirements, as applicable;
- (4) Specific conditions, procedures and instructions for stopping controlled gambling and gaming activities; and

(5) Specific employee training schedules that relate to the gambling establishment's security and surveillance plan.

(c)(1) Each security and surveillance plan shall identify and comply with all state and local requirements and shall implement all applicable provisions of Article 3 of this chapter. Each licensee shall submit, pursuant to paragraph (2), (3) or (4), as an attachment to its security and surveillance plan, copies of identified, applicable local ordinances and any locally-issued certificate of compliance with those ordinances.

(2) Each applicant as an owner-licensee under Chapter 6 of this Division shall submit to the Commission one copy of a current security and surveillance plan, pursuant to this section, together with those application documents required by Section 12342.

(3) Each licensee shall submit to the Commission one copy of its current security and surveillance plan with the first biennial license renewal application that is submitted eighteen months after the effective date of this section, and with every second renewal application submitted thereafter.

(4) If a licensee's security and surveillance plan is revised as a result of the addition of permanent tables, or as a result of any change to the physical premises which alters the locations or configurations of any restricted areas of the gambling establishment, or which alters or affects any security or surveillance capabilities or procedures, the licensee shall submit one copy of its revised security and surveillance plan with the first biennial license renewal application submitted immediately following any revision to its security and surveillance plan, and, paragraph (3) notwithstanding, with every second renewal application submitted thereafter.

(5) If the responsible local authority provides reviews of security or surveillance plans, the licensee shall send documentation of the areas reviewed by the responsible local authority and whether or not the responsible local authority approved those areas of the security and surveillance plan under the responsible local authority's jurisdiction.

(d) The Bureau shall review the licensee's security and surveillance plan, including those provisions under the responsible local authority's jurisdiction, whether reviewed by the local authority or not, and those provisions not under the responsible local authority's jurisdiction. If the Bureau determines that the licensee's security and surveillance plan does not address the elements set forth in this section, then the Bureau may issue a determination identifying the deficiencies and specifying a time certain within which those deficiencies shall be cured.

(e)(1) Each licensee shall, at least annually, provide for a review of the requirements of the security and surveillance plan with those employees that have been assigned duties under the plan, ensuring that each employee has a general understanding of the provisions of the plan applicable to his or her position and understands his or her specific duties under the plan. This annual review shall be documented, including a signature from each employee indicating that they have participated in the review and a signature from the person who provided the review.

(2) When a new employee begins work, the licensee, or the licensee's designate, shall review the requirements of the security and surveillance plan with the new employee, ensuring that each new employee has a general understanding of the provisions of the plan applicable to his or her

position and understands his or her specific duties under the plan. This initial review shall be documented as provided in paragraph (1).

(f) Failure by a licensee to develop and implement a security and surveillance plan, or to cure a deficiency identified pursuant to subsection (d), constitutes an unsuitable method of operation and also may result in denial of an application for license renewal pursuant to Section 12348, or in the suspension or revocation of its existing license pursuant to Chapter 10 of this division.

(g) In addition to any other remedy under the Act or this division, the Commission may assess a civil penalty of at least \$500 but no more than \$5000 for each violation of this section.

Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19924, Business and Professions Code.
Reference: Sections 19841, 19860, 19920 and 19924, Business and Professions Code.

ARTICLE 3. MINIMUM INTERNAL CONTROL STANDARDS FOR GAMBLING ESTABLISHMENTS.

12380. Minimum Internal Control Standards; General Terms, Conditions, Definitions.

(a) “Minimum Internal Control Standards,” or “MICS,” are the minimum requirements to operate a gambling establishment as set forth in this chapter, and include, but are not limited to, administration controls, and controls requiring segregation of duties. A licensee must meet or exceed these requirements in controlling their gambling operation.

(b) The purposes of the MICS are to better ensure the maintenance of accurate records, the recording of all income, the safeguarding of assets and records of the gambling establishment, operational efficiency and integrity, and adherence to prescribed policies and procedures.

(c) Failure by a licensee to comply with the requirements of this article constitutes an unsuitable method of operation and is a ground for disciplinary action.

(d) For purposes of this article:

(1) “Tier I licensee,” means an owner licensee authorized to operate one to five tables.

(2) “Tier II licensee,” means an owner licensee authorized to operate six to ten tables.

(3) “Tier III licensee,” means an owner licensee authorized to operate eleven to thirty tables.

(4) “Tier IV licensee,” means an owner licensee authorized to operate thirty-one to sixty tables.

(5) “Tier V licensee,” means an owner licensee authorized to operate sixty-one or more tables.

(6) Absent specific reference to a particular tier, any requirement of any regulation in this article shall be deemed to be applicable to all licensees.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19840, 19841, 19922 and 19924, Business and Professions Code.

12381. Policies and Procedures.

(a) All licensees shall have written policies and procedures that meet or exceed the MICS contained in this article.

(b) A licensee’s policies and procedures shall be communicated to employees through new employee orientations and periodic training sessions.

(c) Adherence to the policies and procedures established to comply with this article shall be required.

(d) On request, copies of a licensee's policies and procedures shall be provided, within a reasonable time specified, for the Commission and/or Bureau to review.

(e) Unless otherwise specified in this chapter, all forms, books, records, logs, lists and any and all other original source or duplicate documentation required to be maintained by a licensee pursuant to this chapter shall be:

(1) Recorded in English;

(2) Recorded in a permanent form or media; and

(3) Maintained for a minimum of three years, unless otherwise specified, in a secured area on site at the gambling establishment or at a California facility approved in advance by the Bureau.

(f) In addition to the requirements of subsection (a) through and including (e), licensees in Tiers II through and including V shall assign the overall responsibility for establishing, periodically reviewing, monitoring, and testing for compliance with their MICS policies and procedures to a specific owner licensee or key employee and shall document the assignment in the licensee's policies and procedures. Tests for compliance with MICS policies and procedures shall be performed at least annually, and may be performed by a licensee's staff, other than the person or persons who normally perform the duties being tested, or by agents or outside consultants (e.g., a certified public accountant) for the licensee. The results of the tests, and a detailed record of the efforts to correct any noncompliance found as a result of the tests, shall be documented and the documentation retained by the licensee.

(g) Licensees shall establish and implement policies and procedures in accordance with the applicable provisions of this section no later than April 1, 2010.

Note: Authority cited: Sections 19827, 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

12384. Drop and Drop Collection.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for the drop and collection of the drop for non-electronic gambling tables:

(1) Drop collection fees shall be deposited into a secure container, known as a "drop box," that shall be securely attached to the gambling table. A drop box shall be constructed and controlled in a manner to provide for the security of its contents.

(2) If a jackpot or any other player-funded gaming activity is offered, jackpot collections shall be deposited into a separate drop box, or otherwise segregated, and accounted for separately.

(3) Drop boxes shall have all of the following:

(A) A lock securing the contents.

(B) A separate lock securing the drop box to the gambling table. This lock shall be keyed differently from the lock securing the contents of the drop box.

(C) An individual identifier that corresponds to the gambling table to which the drop box is attached and the shift, if applicable, for which it is used, and that can be documented when the box is removed from the table. Visible drop box identifiers shall be imprinted or impressed on the box and capable of being seen and read in video surveillance recordings, either while attached to the table or when removed from the table and immediately displayed to a surveillance camera. If a bar code or an equivalent system is used, in addition to the imprinted or impressed identifiers, it shall have the capability to identify each drop box by shift and table, the person or persons performing the collection, and the date and time of the collection.

(D) An opening through which chips collected for fees shall be inserted.

(4) An emergency, interim, or temporary drop box may be maintained without a number or marking, if the applicable designation is permanently imprinted or impressed thereon and, when put into use, it is temporarily marked as provided in subparagraph (C) of paragraph (3) above.

(5) A drop box, when removed from a gambling table, whether in use or not, shall be afforded security sufficient to protect the drop box and its contents and shall be stored in a secure area while awaiting the count.

(6) A drop box, when not in use during a shift, may be stored on a gambling table.

(7) The licensee shall establish and schedule the time(s) for the collection of drop boxes and shall ensure that the entire drop collection process is recorded by video surveillance. Except as otherwise provided in subsection (c), the drop box collection may be performed more frequently or less frequently than the time(s) scheduled by the licensee when circumstances warrant a reasonable deviation from the established schedule.

(8) The drop collection shall be performed by at least one licensed or permitted individual.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall include the following standards for drop collection:

(1) All drop boxes, whether in use or not, shall be removed from the gambling table as provided in subsection (a) by at least one employee of the gambling establishment who holds a valid license or work permit, accompanied by at least one member of the security department or its equivalent. The employee of the gambling establishment shall not be a member of the security department or its equivalent.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, or any other provision of this article related to the designation of employees to perform the drop collection, a Tier III licensee that does not directly employ security personnel may have the drop collection performed by at least two employees of the gambling establishment who hold a valid license or work permit and who are each assigned to a different department.

(3) The names of the individuals performing the drop collection shall be documented either by software or in writing and, when documented in writing, those individuals who performed the collection shall legibly print their names and sign the documentation.

(4) A drop box, when not in use during a shift, may be stored on a gambling table if the entire area is covered by recorded video surveillance during that period of time.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall include standards for drop collection that provide for the designation of at least one employee of the gambling establishment who holds a valid license or work permit to video monitor the drop box collection process and that the entire drop collection process be continuously recorded by video surveillance.

(d) Licensees shall establish and implement the applicable standards for drop collection specified in subsections (a) through and including (c) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12385. Count; Count Room Functions.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for count room functions:

(1) The licensee shall ensure that the contents of drop boxes are counted and recorded in a manner and in a location within the licensed gambling establishment that ensures the appropriate security and proper accounting of all gambling chips.

(2) The licensee shall designate an individual or individuals, each holding a valid gambling license or work permit, who shall be responsible for performing the drop count. The opening, counting and recording of the contents of a drop box shall be performed in the presence of and by the designated individual(s).

(3) (A) Drop box counts shall be permanently recorded, in ink or another form approved by the owner licensee, on a daily count sheet or the equivalent, which documents all of the following information, as applicable:

1. The name of the gambling establishment;
2. The date and time of the count;
3. The shift, individual box number and table number of each box counted;
4. The amount in each individual box;
5. The total number of boxes counted; and
6. The printed or recorded name(s) of the individual(s) conducting the count and, if a hard copy record, the signature(s) of the individual(s).

(B) Corrections to the information initially recorded for the drop count prior to the completion and signing of a hard copy daily count sheet shall be permitted. Corrections shall be made by drawing a single line through the error and writing the correct figures above the original figures or by another method approved by the Bureau. The designated individual making the correction shall write his or her initials and the date, in ink, immediately next to the correct figures. The correction, in a hard copy of a daily count sheet, of errors discovered subsequent to the completion and signing by the designated individual(s) shall require the completion of a revised or amended count sheet, which shall be maintained with the original count sheet.

(4) The entire count process, beginning with the opening of the first drop box and continuing through completion of the count sheet, shall be continuously recorded by video surveillance.

(5) The contents of a drop box shall not be mixed or commingled with the contents of any other drop box prior to the counting and recording of its contents.

(6) A drop box shall be emptied in a manner that will identify and record the box identification, as specified in Section 12384, subsection (a), paragraph (3), subparagraph (C), and paragraph (4), and so that video surveillance recording will document that all contents are removed from the drop box for the count.

(b)(1) In addition to the requirements of subsection (a), the policies and procedures for Tiers II through and including V shall include standards for count room functions that require the use and maintenance of a secured area known as the count room for the counting of gambling chips, which shall:

(A) Be designed and constructed to provide appropriate security for the materials housed therein and for the activities conducted therein;

(B) Not be used as a storage facility for items or materials not directly associated with the count process or cage functions, nor have any removable containers other than drop boxes that could be used to conceal chips or cash.

(2) If the count room is used to store chips, cash, drop boxes or any other items or materials that are directly associated with the count, the interior of the room and all of its contents shall be under constant recorded video surveillance.

(c) In addition to the requirements of subsection (a) and (b), the policies and procedures for Tiers III through and including V shall include the following standards for count room functions:

(1) The number of individuals designated by the licensee, pursuant to paragraph (2) of subsection (a), to perform the drop count shall not be less than two individuals, or one individual using an automated chip counting machine that counts, sorts and racks the chips, and records the count electronically on the licensee's computer system.

(2) The designated individuals performing the count shall be attired so as to reduce their ability to conceal chips on their person; for example, by wearing, over their regular clothing, smocks or other clothing with no pockets.

(3) At the conclusion of the count, a cage or vault cashier or at least the equivalent shall count the chips received and verify the accuracy of the count and count sheets.

(4) Count sheets verified pursuant to paragraph (3) above shall, immediately following verification, be remitted to the accounting department or its equivalent, or deposited in a locked box, located in a secure area of the gambling establishment, the contents of which are accessible only by the accounting department or its equivalent. Count sheets shall be maintained and controlled by the accounting department or its equivalent.

(d) In addition to the requirements of subsections (a) through and including (c), the policies and procedures for Tiers IV and V shall include the following standards for count room functions:

(1) The count room shall be a fully enclosed room that is separate and apart from all other rooms in the gambling establishment and is equipped with an alarm system or device connected

to all entrances to the count room which causes a signaling to the surveillance unit or its equivalent, whenever any door to the count room is opened.

(2) Immediately prior to the commencement of the count, one of the designated individuals shall notify the surveillance unit, or its equivalent, that the count is about to begin. At least one employee of the gambling establishment who holds a valid license or work permit shall be designated to video monitor the count process and the entire count process shall be continuously recorded by video surveillance.

(3) Immediately prior to the opening of a drop box, the door to the count room shall be secured. Except as otherwise authorized by the licensee's policies and procedures, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

(e) In addition to the requirements of subsections (a) through and including (d), the policies and procedures for Tier V shall include standards for count room functions that require the drop count to be performed by not less than three individuals designated by the licensee pursuant to paragraph (2) of subsection (a), or two individuals using an automated chip counting machine that counts, sorts and racks the chips, and records the count electronically on the licensee's computer system.

(f) Licensees shall establish and implement the applicable standards for count and count room functions specified in subsections (a) through and including (e) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12386. Cage Functions.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for the cage:

(1) The licensee shall maintain within the gambling establishment at least one separate and secure area at a fixed location that is accessible to the public, and that is designated as the cage. The cage shall be located, designed, constructed and operated to provide appropriate security and accountability for funds.

(2) The licensee shall designate at least one employee to process monetary transactions through the cage. All employees designated to process monetary transactions through the cage shall be listed by title or position on the gambling establishment's organizational chart, and shall be responsible for any or all of the following:

(A) Custody of the cage or individual cage drawer inventory, which is comprised of currency, coin, patron checks, gambling chips, forms, documents and records consistent with the operation of a cage or individual cage drawer.

(B) Receipt, distribution, and redemption of gambling chips.

(C) Deposits to and withdrawals from players' banks and dealers' banks.

(D) Cashing checks and/or extensions of credit for patrons, as permitted by the licensee's policies and procedures.

(E) Preparation of cage accountability reconciliations and records necessary to document compliance with the requirements of this chapter.

(F) Record patron information that is necessary for compliance with the requirements of sections 5313 and 5314 of Title 31 of the United States Code, sections 103.21, 103.22, 103.23, 103.63 and 103.64 of Title 31 of the Code of Federal Regulations, and subsection (a) of Section 12404 of this chapter.

(G) Ensuring the proper accounting and safeguarding of funds and chips.

(3) Routine access and entry into the cage area shall be limited to on-duty cage personnel designated pursuant to paragraph (2) of this subsection. Other employees of the gambling establishment who hold a valid gambling license or work permit may be granted access to the cage area for the purpose of performing their duties.

(4) A log shall be maintained to document entry into the cage by any person not authorized access pursuant to paragraphs (2) and (3) of this subsection. The log must contain the person's name, title, date of entry, and time entering and exiting; or provide substantially equivalent information through an automated access control system. Any automated access control system must provide a secure, tamperproof means of recording and maintaining entry and exit information.

(5) Cage activity shall be reconciled after each shift by the incoming and outgoing designated cage employees. If an imprest drawer is used, each outgoing designated cage employee responsible for an imprest drawer shall reconcile his or her drawer to the imprest amount. All transactions that flow through the cage shall be appropriately summarized and documented, in writing, for each shift. The cage activity reconciliations shall be posted and reconciled to the general ledger at least monthly. For the purposes of this paragraph, the word "shift" means an individual employee's shift, or two or more employees that work the same schedule.

(6) The purchase or redemption of chips by a patron may only occur at the cage or from a designated gambling establishment employee on the gambling floor. Licensees shall not permit proposition player services providers to purchase or redeem chips for cash or cash equivalents from a patron or to sell chips to a patron. For the purposes of this article, the purchase or redemption of chips or the sale of chips shall not include the exchange of a chip or chips of one total value for a chip or chips of an equal total value.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall include the following standards for the cage:

(1) The cage and cage activities shall be under continuous recorded video surveillance.

(2) The reconciliation of the cage transactions provided for in paragraph (5) of subsection (a), shall be summarized on a cage accountability form that shall include, at a minimum, all of the following, as applicable:

(A) The date of the reconciliation;

(B) The designation of the shift being reconciled;

(C) An accounting of all items in the cage inventory (e.g., cash, coin, chips, players' and dealers' banks, etc.), for each cage window, drawer or bankroll in use during the subject shift, including:

1. The beginning shift balances, unless an imprest drawer is used;
2. All credits (receipts);
3. All debits (disbursements);
4. The ending balances;
5. An identification of any overage or shortage with an explanation, if known.

(D) The printed name and signature of each designated cage employee (incoming and outgoing, unless an imprest drawer is used) performing the reconciliation.

(3) The cage activity reconciliations specified in paragraph (2) of this subsection shall be posted and reconciled to the general ledger, as provided in paragraph (5) of subsection (a), by someone other than a designated cage employee or cage supervisor.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall include the following standards for the cage:

(1) The design and construction of the cage shall include:

(A) A manually triggered silent alarm system connected directly to the surveillance unit, or its equivalent, or an alarm monitoring agency; and

(B) Access through a secured door or doors, which shall be under constant recorded video surveillance.

(2) In addition to the information specified in paragraph (2) of subsection (b), the cage accountability form referenced therein shall include an itemization of the following, with beginning and ending balances for non-imprest drawers, and ending balances for imprest drawers:

(A) Cash and coin by denomination;

(B) Chips by denomination;

(C) All other items of monetary value (e.g., markers, patron checks, players' and dealers' banks, chip runners' banks, etc.), specifying the source of each;

(3) The licensee shall maintain a list of the names of all persons designated pursuant to paragraph (2) of subsection (a) as being authorized to access and/or enter the cage, which list shall specify those persons who possess the combination or the keys or who control the mechanism to open the devices securing the entrance to the cage, and those who possess the ability to operate the alarm system.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier V shall include standards for the cage that require monitored and recorded video surveillance of the interior of the cage and all of its contents, and the exterior of all access doors.

(e) Licensees shall establish and implement the applicable standards for cage functions specified in subsections (a) through and including (d) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

12388. Extension of Credit, Check Cashing, and Automatic Teller Machines (ATMs).

(a) A licensee may extend credit to a patron if, prior to extending credit to the patron, the licensee determines that an extension of credit is not prohibited by any statute, law, regulation, or local ordinance. A licensee shall not extend credit to an owner, supervisor, player, or other employee of a gambling business (as defined in Title 4 CCR Section 12220) that is occupying a player-dealer position in any game in any gambling establishment owned by the licensee. A licensee shall not extend credit to an owner, supervisor, player, or other employee of a third-party provider of proposition player services (as defined in Title 4 CCR Section 12200) that is a party to a contract with the licensee to provide third party proposition player services in a game with a player-dealer position in any gambling establishment owned by the licensee. A licensee may not extend credit to an employee of the licensee to act as a “house prop player” or “public relations player” in any controlled game. In addition to complying with all laws regarding the issuance of credit, a licensee that extends credit to a patron shall address, in written policies and procedures and credit application form(s), the following requirements for the extension and collection of credit:

(1) Establish a method for determining the maximum amount which will be advanced to a patron, changes in the credit amount, the maximum time an extension of credit will be outstanding, and repayment terms.

(2) Prior to extending credit to a patron for the first time, ensure that the person requesting the credit is identified by examining the patron’s unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver’s license or passport.

(3) Ensure that the patron is credit worthy through an assessment of one of the following:

(A) Receipt of patron information on a credit application form which includes the patron’s name and signature, current address, telephone number, social security number, bank and/or trade references, employment information and income information, which shall be verified and used to form an assessment of the patron’s financial situation, collateral circumstances and credit worthiness.

(B) Receipt of a signed and dated authorization from the patron to access their consumer credit report from a bona fide credit-reporting agency to show the patron has an established credit history consistent with approved credit policies and receipt of information from a bona fide credit-reporting agency that the patron has an established credit history consistent with approved credit policies.

(C) If any previous credit transactions exist between the patron and the gambling establishment, an examination of those records showing that the patron has paid in a timely manner all credit instruments and/or otherwise documenting that there is a reasonable basis for extending the credit amount to the patron.

(4) An owner or designated key employee other than a dealer must approve any credit application.

(5) No credit may be extended to any patron who has signed a self-exclusion form (Title 4 CCR Section 12464) or has self-restricted access to credit (Title 4 CCR Section 12463) for the time period of the exclusion or restriction.

(6) Notify the patron of the issuance or denial of credit. The notification for issuing credit shall include the date of issuance, terms of repayment, and interest charges, if applicable. If a patron is denied credit, and the denial is based, in whole or part, on any information contained in a consumer credit report, the licensee shall comply with Civil Code section 1785.20.

(7) If a patron is approved for credit pursuant to subparagraph (B) of paragraph (3), a copy of the patron's consumer credit report obtained by the licensee shall be kept on file with the cardroom for as long as that patron's credit account is open.

(8) Written or electronic records shall be maintained on each attempt to collect on delinquent credit accounts.

(9) For each patron issued credit, the licensee shall maintain a record of the patron's credit limit, payment schedule, outstanding credit balance, and the patron's signature on a credit agreement.

(b) For each patron that is issued credit for the first time, the following information shall be collected and maintained:

(1) Patron's name, current address and telephone number;

(2) A photocopy of the patron's unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport;

(3) Basis upon which credit verified, as listed in subsection (a)(3);

(4) Documentation of authorization by a person designated by management to approve credit.

(c) If payment upon an extension of credit is delinquent for more than 90 days, as determined by the original credit agreement, the person to whom credit was extended shall be prohibited from obtaining additional credit until the amount owed is paid in full.

(d) No gambling enterprise shall cash any check if cashing such a check is prohibited by any statute, regulation, or ordinance. No gambling enterprise employee shall be permitted to cash any check drawn against any federal, state, county, or other government fund, including, but not limited to, social security, unemployment insurance, disability payments, or public assistance payments, as outlined in Business and Professions Code section 19841, subdivision (q), unless the check is for wages or payment for goods or services.

(e) A licensee who does not deposit a patron's check within three banking days after receipt shall be considered to have extended credit to that patron.

(f)(1) A licensee shall not allow a patron to replace, redeem, reclaim or repurchase a personal check with a subsequent personal check, unless that patron has been approved for an extension of credit as provided in this Article and the amount of the check or checks to be replaced is within the patron's approved credit limit.

(2) A subsequent personal check used by a patron to replace a previous personal check may not be replaced with another personal check at any time after receipt by the licensee.

(3) Paragraph (1) of this subsection shall not apply to a personal check that has not been deposited by a licensee within three banking days after a receipt, or to a dishonored check.

(g) A licensee that cashes checks for a patron shall address, in written policies and procedures, the following requirements for the cashing of checks:

(1) Prior to cashing a check for a patron, the designated employee shall determine that

(A) The licensee's records do not contain information reflecting that the patron presenting the check has signed a self-exclusion form or self-restricted access to check cashing for the time period of the exclusion or restriction,

(B) Cashing such check is not prohibited,

(C) Cashing such check conforms to the licensee's approval process,

(D) The check is for a specific amount and within the patron's established check cashing amount limit, and, in the case of a personal check, includes the current date, and,

(E) In the case of a third party check, the check is endorsed over to the gambling establishment.

(2) If personal checks, cashier's checks, or payroll checks are cashed, the licensee or designated employee shall examine and, if the patron is not approved for credit or check cashing, record an unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport. If the patron's identification information is already on file with the licensee, then retrieval and examination of this identification file by the licensee or designated employee shall satisfy the provisions of this paragraph.

(3) Records of all returned checks shall be maintained by the gambling establishment and shall include, at a minimum, the following:

(A) Date on the check.

(B) Name of the customer presenting the check.

(C) Amount of the check.

(D) Date(s) the check was dishonored.

(E) Date(s) and amount(s) of any collection received on the check after being returned by a bank.

(4) If a check is dishonored, the person who proffered the check shall be prohibited from cashing additional checks until the amount owed is paid in full, but may replace a dishonored check in accordance with the policies of the licensed gambling establishment.

(5) The licensee shall include written procedures for the collection of checks dishonored for non-sufficient funds (NSF), including a point in time that the NSF check will be written off as a bad debt.

(h) If a licensee that cashes checks for a patron charges a check-cashing fee, the licensee shall obtain and maintain an unexpired California Department of Justice Check Cashing Permit pursuant to Civil Code section 1789.37.

(i) Checks accepted or credit instruments completed in accordance with this Article are valid and enforceable instruments.

(j) A licensed gambling establishment shall not have an ATM (automatic teller machine or cash- or voucher-dispensing machine) accessible by an individual while physically seated at a gaming table, unless otherwise required under the Americans with Disabilities Act.

(k) ATMs shall be configured to reject Electronic Benefit Transfer cards (EBTs) issued by the State of California or by any city, county, or city and county therein.

Note: Authority cited: Sections 19811, 19823, 19840, 19841(g), (o) and (q), 19901, 19905 and 19920, Business and Professions Code. Reference: Sections 19801, 19841(g), (o) and (q), 19901, 19905 and 19920, Business and Professions Code.

12395. Security.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for security:

(1) Access to restricted areas of the gambling establishment, including but not limited to cages, count rooms, vaults, security offices and surveillance rooms, shall be limited to authorized personnel in the performance of their duties and shall be closely controlled.

(2) For the purpose of video surveillance recordings, gambling establishments shall provide adequate lighting of all public areas, entrances and exits, and for all adjoining parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(3) Licensees shall file an incident report with the Bureau's Criminal Intelligence Unit within five business days of either of the following:

(A) Any owner or key employee contacting a local law enforcement agency, pursuant to the provisions of the licensee's security plan, regarding any reasonably suspected violation of the Act, this division, Division 3 of Title 11 of the California Code of Regulations, any statute set forth in sections 330 through 337z of the Penal Code that pertains to gambling, section 1916-3(b) of the Civil Code (loan-sharking), chapter 1 (commencing with section 11000) of division 10 of the Health and Safety Code (illegal possession or distribution of controlled substances), section 4022 of the Business & Professions Code (illegal possession or distribution of dangerous drugs), or any violation of the following Penal Code sections: 186.10 (money laundering), 211 (robbery), 245 (assault with deadly weapon), 266h (pimping), 266i (pandering), 459 (burglary), 470 (forgery), 476 (fraud), 487 (grand theft), 488 (petty theft), 503 (embezzlement), 518 (extortion), 641.3 (commercial bribery), 648 (counterfeit currency), 653.22 (loiter for prostitution), 653.23 (pimping), or 647(b) (prostitution).

(B) Any owner or key employee obtaining knowledge or notice of any reasonably suspected violation listed in subparagraph (A).

(4) An incident report shall include, when available and applicable, the following information:

(A) The date and time of the incident or event.

(B) The identity of each perpetrator or suspect, including the following:

1. Full name.

2. Address.
3. Date of birth.
4. Driver license or identification card number.

(C) Law enforcement report number.

(D) Detailed description of the event or suspected incident, including an identification of any witnesses and a description of any evidence.

(5) Licensees shall maintain a list of all mechanical keys or electronic card keys to the locking devices used to secure the gambling establishment, restricted areas of the gambling establishment, or any fixtures, appurtenances and equipment used in the gambling operation, the names of all gambling establishment employees who have been issued, possess or have access to any of those keys, and the location where un-issued keys are stored. If any coded mechanical or electronic locking devices are used, the list shall include all access codes and combinations, as applicable, and the names of all gambling establishment employees who possess any code or combination, or who control the mechanism to open any of the locks. The licensee may maintain a master list or separate departmental lists. Each list shall be:

(A) Continuously maintained while current, at a minimum, in a permanent, written form and dated as of the date created or updated;

(B) Updated as changes in the information contained in the list changes;

(C) Kept in a secure, locked receptacle, such as a key control box, safe, locking file drawer or similar container; and

(D) Retained for a minimum of one year after the list has been updated.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall meet or exceed the following standards for security:

(1) Except as otherwise provided, licensees shall install and maintain a minimum of at least one secure key control box for the storage and safeguarding of all un-issued gambling-related keys and access code cards associated with the gambling establishment; e.g., keys to the gambling establishment, cage, count room or other restricted areas of the gambling establishment, and any fixtures, appurtenances and equipment used in the gambling operation, including but not limited to gambling tables and drop boxes. This paragraph does not apply to an individual licensee, who does not employ, except in unforeseeable exigencies, more than one person or any person except members of his or her immediate family. For the purposes of this paragraph, "immediate family member" means spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

(2) All key control boxes shall meet or exceed the following requirements:

(A) The key control box shall have a minimum of one keyed locking mechanism. A coded key lock or a mechanical or electronic combination lock is acceptable.

(B) The key control box shall be securely attached to a permanent structure within the gambling establishment. The hardware used to attach the box shall not be visible or accessible externally.

(C) All keys, stored within a key control box shall be easily identifiable and individually

labeled.

(D) Access to a key control box shall be limited to the licensed gambling establishment owners, key employees, or other employees designated by the owner of the gambling establishment.

(3) Licensees shall maintain a key control log for each key control box maintained pursuant to paragraph (1). The key control log shall document the issuance and return of all gambling-related keys used to control access by gambling establishment employees to restricted areas of the gambling establishment, or any fixtures, appurtenances and equipment, associated with the department or operation.

(4) During any period of time, between one-half hour before or after sunset and one-half hour before or after sunrise, in which the gambling establishment is open for business or patrons are present on the premises, licensees shall have at least one uniformed security officer on duty, who shall periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons. Any security officer, whether an employee, agent or contractor of the licensee, who is a gambling enterprise employee as defined in subdivision (m) of section 19805 of the Business and Professions Code, shall be required to hold a work permit pursuant to paragraph (1) of subdivision (a) of section 19912 of the Business and Professions Code, and Chapter 2 of this division. Any contract security officer whose scope of employment is limited to performance of his or her duties exclusively outside the licensee's gambling establishment shall not be required to hold a work permit under these regulations.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall meet or exceed the following standards for security:

(1) Licensees shall install and maintain a backup generator that is sufficient, during power outages, to provide for the operation of lighting systems, information systems, and surveillance and recording systems for a time necessary to protect the safety and security of patrons and employees, patrons' property, and the licensee's assets and property while gambling operations are terminated and patrons exit the premises.

(2) Any gambling establishment that elects to continue gambling operations during a power outage shall install and maintain a backup generator that is sufficient to provide for the full and continued operation of all lighting systems, all information systems, and all surveillance and recording systems.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier IV shall include standards for security that require at least two uniformed security officers, as specified in paragraph (4) of subsection (b), to be on duty during all hours of operation, one of which shall periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(e) In addition to the requirements of subsections (a), (b), (c) and (d), the policies and procedures for Tier V shall include standards for security that require at least two uniformed

security officers, as specified in paragraph (4) of subsection (b), to be on duty during all hours of operation, one of which shall continuously patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(f) Licensees shall establish and implement the applicable standards for security specified in subsections (a) through and including (e) no later than December 1, 2011.

Note: Authority cited: Sections 19801(g), 19826(b), 19840, 19841, 19856(c), 19857 and 19924, Business and Professions Code. Reference: Sections 19841, 19856(c), 19857, 19912, 19922 and 19924, Business and Professions Code.

12396. Surveillance.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for surveillance:

(1) Licensees shall install and maintain, on site in their gambling establishment, a surveillance system, with video recording and closed circuit television (CCTV) monitoring capabilities, to record critical activities related to the licensees' gambling operations. The surveillance system shall record with reasonable coverage and clarity, at a minimum, the gambling operation, the payment of player drop fees, the collection of drop boxes, the drop count processes, cage and cashier activities, gambling equipment storage areas, except for furniture storage areas, and the interior of gambling establishment entrances and exits. The video recording equipment shall include date and time generators which shall display the current date and time of recorded events on videotape or digital recordings. The displayed date and time shall not significantly obstruct the view of recorded images. The surveillance system may have remote, off-site access capabilities, but only ancillary to any on-site systems required by this section.

(2) All surveillance recordings shall be made in real time mode, or at a speed sufficient to capture and record with reasonable completeness the actions of all individuals being observed, except that any recordings of the gambling establishment parking areas, and the gambling establishment entrances and exits may be recorded in time-lapse mode, at a minimum speed of 15 frames per second.

(3) All video surveillance cameras shall be installed in a manner that prevents them from being intentionally obstructed, tampered with or disabled by patrons or employees, to the extent reasonably possible. All recording and monitoring equipment shall be located in secure rooms or areas of the gambling establishment so that access is controlled.

(4) The surveillance system operation shall be checked daily to ensure that all surveillance equipment is functioning properly and reasonable efforts shall be made to repair malfunctioning surveillance equipment within 72 hours of the discovery of the malfunctions.

(5) If a digital video recording (DVR) system is utilized, the system shall meet the following standards:

(A) The DVR system shall have a failure notification system that, at a minimum, provides a visual notification of any failure in the surveillance system or the DVR media storage system.

(B) The DVR system shall have a media storage system that is configured so that a failure of any single component will not result in the loss of any data from the media storage system.

(C) The DVR system shall have the capability to reproduce or copy all or any portion of the stored data from the media storage system to a digital video disk (DVD).

(D) A single DVR system shall not have more than 8 cameras required by the standards of this section, unless the DVR system has an appropriate backup system to ensure that there is no loss of data in the event of a failure of the primary DVR system or any single component of that system.

(6) Videotapes or other recording media shall be marked or coded to denote the activity recorded.

(7)(A) Unless otherwise requested by the Bureau, all recordings shall be retained for a minimum of seven complete days of operation, except that recordings that are determined by the Bureau or a law enforcement agency to be of evidentiary value shall be retained for a period specified in writing by the determining agency. Recordings of any criminal offense subject to reporting pursuant to paragraph (3) of subsection (a) of Section 12395 shall be retained indefinitely, or until the Bureau authorizes their disposal.

(B) Subsection (f) notwithstanding, the seven day retention period specified in subparagraph (A) shall be increased to 14 days no later than June 1, 2013.

(8) For the purpose of enforcing the provisions of the Act, this division, or Division 3 of Title 11 of the California Code of Regulations, Bureau staff, with the approval of the chief, may, at any time during the gambling establishment's actual hours of operation, demand immediate access to the surveillance room and any area of the gambling establishment where surveillance equipment is installed or maintained or where surveillance video recordings are stored, and such access shall be provided by the licensee or the licensee's authorized representative. The Bureau may, pursuant to subparagraph (D) of paragraph (1) of subdivision (a) of section 19827 of the Business and Professions Code, take custody of and remove from the gambling establishment the original of any video recording, or a copy of any digital recording, required to be made and maintained pursuant to the Act or this division. Any surveillance video recording that is in the custody of the Bureau pursuant to this paragraph may be disclosed by the Bureau only when necessary to administer or enforce the provisions of the Act, this division, or Division 3 of Title 11 of the California Code of Regulations or when necessary to comply with a court order. Upon reasonable request of the licensee or the licensee's authorized representative, a copy of the recordings shall be made and left on the premises if copying equipment is available to enable Bureau staff to make copies. If copying equipment is not available to Bureau staff, upon reasonable request of the licensee or the licensee's authorized representative, a copy of the recordings will be provided to the licensee at the licensee's expense, unless the Bureau expressly waives its costs of providing the copies.

(9) Licensees shall prominently display in a place and manner conspicuous to all patrons entering and exiting the gambling establishment, a sign containing the following statement printed in bold lettering of sufficient size to be visible and readable: **"All Public Areas,**

Entrances and Exits of This Establishment are Subject to Surveillance and Video Recording.” The lettering and background shall be of contrasting colors, and the sign shall

comply in all respects with applicable signage requirements, if any, of the local jurisdiction.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers II through and including V shall meet or exceed the following standards for surveillance:

(1) The surveillance system shall, at a minimum, record both the interior and the exterior of gambling establishment entrances and exits.

(2) The surveillance system shall have a sufficient number of cameras dedicated to gambling tables to be capable of viewing and recording, with reasonable coverage and clarity, patrons, dealers, wagers, cards, and game outcome at each table. For the purposes of this paragraph, an overhead view of patrons and dealers is acceptable. This paragraph shall not apply to demonstration or instructional tables, when cash or prizes are not being wagered, won or lost.

(3) The surveillance system shall include an audio recording of, at a minimum, any areas of the gambling establishment that are used for vault or count room functions.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers III through and including V shall include standards for surveillance that require the surveillance system to include coverage and recording of all adjoining parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier IV shall include a requirement that, during all hours of operation, a gambling establishment owner or key employee be on duty who has the ability to access live video from surveillance cameras and previous surveillance video recordings.

(e) In addition to the requirements of subsections (a), (b), (c) and (d), the policies and procedures for Tier V shall meet or exceed the following standards for surveillance:

(1) Licensees shall establish a surveillance unit separate and apart from the security department. The head of the surveillance unit and all surveillance unit personnel shall be independent of the security department and have no other gambling-related duties.

(2) Licensees shall establish and maintain a separate surveillance room that meets or exceeds the following requirements:

(A) The surveillance room shall have controlled access through a secured door or doors, which shall be under constant recorded video surveillance.

(B) No entrance or exit door of a surveillance room shall be readily observable or accessible from the gambling operation area.

(3) Routine access and entry into the surveillance room shall be limited to on-duty employees of the surveillance unit assigned to monitor gambling operations. Owners, managers and other employees of the gambling establishment who hold a valid gambling license or work permit may be granted access to the surveillance room for the purpose of performing their duties. Other persons may be granted limited access to the surveillance room for educational, investigative or maintenance purposes, if accompanied at all times by a surveillance unit employee.

(4) At least one surveillance employee shall be present in the surveillance room and actively monitoring the gambling operations, via the surveillance room equipment, during all hours of operation, except that the surveillance room may be unattended for no more than a total of one hour during any shift or eight-hour period to allow for required meal and rest breaks for staff. No controlled gambling may take place when a surveillance employee is not present and on duty in the gambling establishment, whether on a break or not.

(5) Count room surveillance shall include closed circuit television (CCTV) monitoring and video recording.

(6) Licensees shall maintain a record of all surveillance activity in the surveillance room, by surveillance period or shift, in a surveillance activity log. The surveillance activity log entries shall be made by on-duty surveillance personnel and shall include, at a minimum, the following:

(A) The date and time of commencement of the surveillance period or shift;

(B) The printed name(s) of the person(s) conducting the surveillance;

(C) The date and time of termination of the surveillance period or shift;

(D) A summary of the results of the surveillance, including a notation of the time of recording of any event, activity, occurrence, process or procedure that was monitored during the surveillance period or shift, whether the recording or monitoring was required or not;

(E) A notation of the time of the discovery or occurrence of any equipment or camera malfunctions during the surveillance period or shift;

(F) A notation of the time of the correction or repair of any equipment or camera malfunctions occurring during the surveillance period or shift, if corrected or repaired during that period or shift;

(G) A notation of the time of the correction or repair of any equipment or camera malfunctions discovered and noted in a previous surveillance period or shift, if corrected or repaired during the current period or shift;

(H) A notation of the time of occurrence of any medical emergency event or law enforcement event, including any incident number generated by the responding entity, if available;

(I) A notation of the time(s) of drop box collection occurring during the surveillance period or shift;

(J) A notation of the time of drop count procedure(s) occurring during the surveillance period or shift; and

(K) A notation of the times of patron disputes occurring during the surveillance period or shift that require the intervention of the security department, if any.

(7) Each gambling table must have a dedicated camera, meeting the requirements of paragraph (2) of subsection (a), providing clear surveillance coverage of all controlled gambling at all hours of operation. In addition, one Pan/Tilt/Zoom (PTZ) camera must be installed for every ten or fewer authorized tables present in any gambling operations area of the gambling establishment. A reasonable attempt must be made to pan the faces of patrons and dealers for identification at least once per work shift of surveillance unit employees.

(f) Licensees shall establish and implement the applicable standards for surveillance

specified in subsections (a) through and including (e) no later than December 1, 2011.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

ARTICLE 4. ACCOUNTING AND FINANCIAL REPORTING.

12400. Definitions.

(a) Except as otherwise provided in subdivision (b), the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

(1) “Authorized game” means a controlled game approved by the Bureau of Gambling Control.

(2) “Dealer's bank” means the total amount of moneys a dealer of the gambling establishment has on deposit with the gambling establishment for chip trays.

(3) “Drop” means the total amount of compensation collected from patrons of a gambling establishment to play in controlled games.

(4) “Fiscal year” means the annual period used by a licensee for financial reporting purposes.

(5) “Group I licensee” means a licensee with a reported gross revenue of \$10 million or more for the preceding fiscal year.

(6) “Group II licensee” means a licensee with a reported gross revenue of \$2 million or more but less than \$10 million for the preceding fiscal year.

(7) “Group III licensee” means a licensee with a reported gross revenue of less than \$2 million for the preceding fiscal year.

(8) “Jackpot” means a gaming activity appended to the play of an authorized game in a gambling establishment in which a prize is awarded based on predetermined criteria.

(9) “Jackpot administrative fee” means a fee to cover all expenses incurred by the licensee for administering a jackpot.

(10) “Licensee” means “owner licensee” as defined in Business and Professions Code section 19805 (ac).

(11) “Player's bank” means the total amount of moneys a patron of the gambling establishment has on deposit with the gambling establishment.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19805 and 19841, Business and Professions Code.

12401. Accounting Records.

Each licensee shall:

(a) Maintain accurate, complete, and legible records of all transactions pertaining to gross revenue as defined in Business and Professions Code section 19805(q). Records must be maintained in sufficient detail to support the amount of revenue reported to the Commission in renewal applications.

(b) Maintain accounting records identifying the following:

- (1) Revenues, expenses, assets, liabilities, and equity for the gambling establishment.
- (2) Records of all players' banks, dealers' banks, credit transactions, returned checks, and drop for each table (either by shift or other accounting period).
- (3) Records required by the licensee's written system of internal controls.
- (4) Records of all jackpot moneys contributed by the gambling establishment, jackpot moneys collected from patrons, or both, and moneys withdrawn for either jackpot administrative fees or payment to patrons.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12402. Chart of Accounts.

Each licensee shall:

- (a) Maintain a uniform chart of accounts and accounting classifications in order to ensure consistency, comparability, and effective disclosure of financial information. The chart of accounts shall provide the classifications necessary to prepare a complete set of financial statements including but not limited to a statement of financial position, a statement of operations, a statement of changes in equity, a statement of cash flows, or other statements appropriate for the licensee. If the licensee elects to submit to the Bureau and the Commission copies of its federal income tax return as provided in Section 12403, the chart of accounts shall contain classifications necessary to prepare the licensee's federal income tax return.
- (b) Within 90 days of the effective date of these regulations, submit the chart of accounts to the Commission for approval. The Commission shall submit a copy of the chart of accounts to the Bureau for review and comment. The Bureau shall provide the Commission with comments, if any, within 15 days of the submission to the Bureau. If the Bureau does not respond within 15 days, it shall be deemed that the Bureau does not object to the chart of accounts or have comments. The Commission shall then have 30 days to approve, reject, request additional information, or approve with modification(s) the chart of accounts and advise the licensee.
- (c) Not use a chart of accounts other than the approved chart of accounts, but may create subaccounts for some or all accounting classifications. The licensee may alter the account numbering system, provided that the licensee maintains and provides to the Commission a cross-reference to the approved chart of accounts no later than 30 calendar days following the end of the fiscal year in which the change occurs.
- (d) Keep a general ledger, which documents all accounting transactions completed and posted to accounts listed in the chart of accounts referred to in subsection (a) of this section. General accounting records shall be maintained on a double entry system of accounting with recorded transactions supported by detailed subsidiary records, including but not limited to ledgers, invoices, purchase orders, and other source documents.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12403. Financial Statements and Reporting Requirements.

(a) A licensee shall prepare financial statements covering all financial activities of the licensee's gambling operation for each fiscal year, in accordance with generally accepted accounting principles unless otherwise provided in this section. If the licensee (or a person or entity that has an interest, control, or common control with the licensee) owns or operates lodging, food, beverage, or any other non-gambling operation at the establishment, the financial statements must reflect the results of the gambling operation separately from those non-gambling operations.

(1) A Group I licensee shall engage an independent accountant licensed by the California Board of Accountancy to audit the licensee's annual financial statements in accordance with generally accepted auditing standards.

(2) A Group II licensee shall engage an independent accountant licensed by the California Board of Accountancy to review the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards. The Bureau or Commission may require the licensee, or the licensee may elect, to engage, an independent accountant licensed by the California Board of Accountancy to audit the annual financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

- (A) Inadequate internal control procedures;
- (B) Insufficient financial disclosure;
- (C) Material misstatement in financial reporting;
- (D) Inadequate maintenance of financial data; or
- (E) Irregularities noted during an investigation.

(3) A Group III licensee with a gross revenue of \$500,000 or more per year shall prepare financial statements including at a minimum a statement of financial position, a statement of income or statement of operations, and disclosure in the form of notes to the financial statements. If the licensee is unable to produce the financial statements, it shall engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards, including full disclosure in the form of notes to the financial statements. The Bureau or Commission may require the licensee, or the licensee may elect, to engage an independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

- (A) Inadequate internal control procedures;
- (B) Insufficient financial disclosure;
- (C) Material misstatement in financial reporting;

- (D) Inadequate maintenance of financial data; or
- (E) Irregularities noted during an investigation.

(4) (A) A Group III licensee with a gross revenue of less than \$500,000 per year shall prepare financial statements that include, at a minimum, a statement of financial position and a statement of income or statement of operations. If the licensee is unable to produce the financial statements, it shall do one of the following:

1. Engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards and management may elect not to provide footnote disclosures as would otherwise be required by generally accepted accounting principles.

2. Submit to the Bureau and Commission no later than 120 calendar days following the end of the year covered by the federal income tax return, copies of the licensee's complete signed and duly filed federal income tax return for the tax year in lieu of the financial statements as otherwise required under this section.

(B) The Bureau or Commission may require the licensee, or the licensee may elect, to engage an independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

1. Inadequate internal control procedures;
2. Insufficient financial disclosure;
3. Material misstatement in financial reporting;
4. Inadequate maintenance of financial data; or
5. Irregularities noted during an investigation.

(b) Unless otherwise provided in this section, a licensee shall submit copies of the annual financial statements, with the independent auditor's or accountant's report issued to meet the requirements under this section, to the Bureau and Commission no later than 120 calendar days following the end of the fiscal year covered by the financial statements. If a management letter is issued, a copy of the management letter must also be submitted to the Bureau and Commission, including the licensee's reply to the management letter, if any.

(c) The Bureau or Commission may request additional information and documents from either the licensee or the licensee's independent accountant, regarding the annual financial statements or the services performed by the accountant.

(d) The Bureau or Commission may require the licensee to engage an independent accountant licensed by the California Board of Accountancy to perform a fraud audit in the event that fraud or illegal acts are suspected.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12404. Records and Reports of Monetary Instrument Transactions.

(a) A gambling establishment, as defined in section 19805(n) of the Business and Professions Code, is required to file a report of each transaction involving currency in excess of \$10,000, in accordance with section 14162(b) of the Penal Code.

(b) A gambling establishment shall comply with sections 5313 and 5314 of Title 31 of the United States Code and with sections 103.21, 103.22, 103.23, 103.63, and 103.64 of Title 31 of the Code of Federal Regulations, and any successor provisions.

(c) A gambling establishment, regardless of gross revenue, shall make and keep on file at the gambling establishment a report of each transaction in currency in excess of \$10,000. These reports shall be available for inspection at any time as requested by the Bureau or the Commission. These reports shall include, but not be limited to:

- (1) Patron's name
- (2) Patron's address
- (3) Patron's identification
- (4) Amount of transaction
- (5) Type of transaction
- (6) Date of transaction.

(d) Nothing in this section shall be deemed to waive or to suspend the requirement that a gambling establishment make and keep a record and file a report of any transaction otherwise required by the Bureau or the Commission.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12405. Record Retention and Disclosure.

The licensee shall retain within California all records required to be maintained by the Act or by these regulations for at least seven years after the records are made. Upon request of the Bureau or Commission, a licensee shall provide the Bureau or Commission with copies of such records, within the time period specified in the request. If the records are maintained in electronic form and the licensee is requested to do so, the licensee shall provide a printed copy pursuant to this section.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12406. Language.

A licensee shall make and maintain all books, accounts, and other financial records in English.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

12410. Unclaimed or Abandoned Property.

A licensee shall establish written policies and procedures which comply with California's Unclaimed Property Law (Code Civ. Proc., section 1500 et seq.), regarding unclaimed chips, cash, and cash equivalents left at a gaming table or in any player's bank deemed inactive by the terms of the licensee's policies and procedures, un-deposited checks issued by the licensee to a patron, and un-deposited checks drawn on a licensee's account.

Records of the date and amount of any unclaimed property sent or reported to the State Controller shall be kept by the licensee.

Note: Authority cited: Sections 19811, 19840, 19841(g), (h), and (j), and 19920, Business and Professions Code. Reference: Sections 19801 and 19841(g), (h) and (j), Business and Professions Code. Title 10, Chapter 7 (Commencing with section 1500), Code of Civil Procedure.

ARTICLE 6. PROGRAM FOR RESPONSIBLE GAMBLING.

12460. Article Definitions.

For purposes of this Article:

(a) "Self-Exclusion" means an irrevocable voluntary agreement to be excluded from gambling establishments and all games or gaming activities or privileges and to be prohibited from collecting any winnings or recovering any losses for a specified term. A Self-Exclusion list shall be maintained by the Bureau and shall not be open to public inspection.

(b) "Self-Restriction" means an irrevocable voluntary agreement for a specified term to:

(1) Completely exclude from a particular gambling establishment and all games or gaming activities or privileges and to be prohibited from collecting any winnings or recovering any losses,

(2) Exclude from the play of a particular game or gaming activity, if the gambling establishment determines that such segregation of games is feasible,

(3) Restrict the amount of credit and/or check cashing that may occur at that particular gambling establishment, and/or

(4) Exclude from any marketing or promotional activities of the particular gambling establishment.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Section 19845, Business and Professions Code.

12461. Posting Referral Information.

(a) Each licensee, by July 1, 2007, shall post or provide, at patron gambling entrances or exits, and in conspicuous places in or near gambling areas and any areas where cash or credit are available to patrons, accessible written materials concerning the nature and symptoms of problem gambling and the toll-free telephone number approved by the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently "1-800-GAMBLER."

(b) If the licensee operates a web site for the gambling establishment, by July 1, 2007, that web site shall contain a responsible gambling message and a link to the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently “<http://www.problemgambling.ca.gov>.”

(c) If the licensee produces any advertising material, by July 1, 2007, such material shall contain a responsible gambling message and shall refer to the telephone number listed in subsection (a) above and/or the link to the web site listed in subsection (b) above.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Sections 4369.2 and 4369.4, Welfare and Institutions Code.

12462. Training Requirements.

(a) Each licensee shall implement, by July 1, 2007, procedures to conduct new employee orientations and annual training for all employees, excluding food and beverage servers, who directly interact with gambling patrons in gambling areas.

(b) New employee orientations and annual training shall be documented, including signatures by the employee and the licensee or key employee who coordinated the training, the date and length of the training, and the name of the trainer, as part of the licensee's application for renewal. Copies of this documentation shall be kept in an employee's personnel file for a minimum of five years.

(c) The training shall, at a minimum, consist of information concerning the nature and symptoms of problem gambling behavior, assisting patrons in obtaining information about problem gambling programs, and information on the self-restriction and self-exclusion programs.

(d) Each licensee shall designate personnel responsible for maintaining the program and addressing the types and frequency of such training and procedures.

(e) This section shall not be construed to require employees to identify problem gamblers.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Sections 4369.2 and 4369.4, Welfare and Institutions Code.

12463. Self-Restriction Program.

(a) Licensees shall implement, by July 1, 2007, a program that allows patrons to self-limit their access to the gambling establishment entirely, or to the issuance of credit, check cashing, or marketing by that licensee. Such program shall contain, at a minimum, the following:

(1) The development of written materials for dissemination to patrons explaining the program;

(2) The development of written forms allowing patrons to participate in the program, which may include use of a form entitled “Self-Restriction Form,” CGCC-036 (Rev. 04/08), attached in Appendix A to this chapter;

(3) Policies and procedures for maintaining and updating a list of self-restricted persons, wherein the confidentiality of the list is protected pursuant to Section 12466 and only agents or

employees have access, unless needed by Bureau staff or law enforcement pursuant to an investigation or in assisting in a Problem Gambling program by an entity approved by the Commission;

(4) Policies and procedures that allow a patron to be excluded from certain games or gaming activities within the gambling establishment, if the gambling establishment determines that such segregation of games is feasible, or from the gambling establishment completely during the term of exclusion, with the exception of access for the sole purpose of carrying out the duties of employment, including:

(A) Removal procedures for patrons who attempt entry after requesting to be excluded,

(B) Notification to the Bureau of any incidents of removals where the police and/or security are called to remove a person from the premises, and

(C) Forfeiture of any money or prizes won or any losses recovered by an excluded person and the remittance of such for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the Department of Alcohol and Drug Programs, Office of Problem and Pathological Gambling;

(5) Policies and procedures that allow a patron to be excluded from access to check cashing or the issuance of credit during the term of restriction;

(6) Policies and procedures that allow a patron to be excluded from customer lists maintained by the licensee for direct mail marketing, telephone marketing, and other direct marketing regarding gaming opportunities or promotions at the gambling establishment during the term of restriction;

(7) Policies and procedures for removal of a patron from check-cashing, credit, or marketing opportunities by the gambling establishment.

(b) This section does not mandate that a gambling establishment provide the services of a notary public for persons who wish to complete the Self-Restriction form.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801, 19920, and 19954, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

12464. Self-Exclusion Program.

(a) Licensees shall implement, by July 1, 2007, a program that allows patrons to self-exclude themselves from gambling establishments using a form entitled "Self-Exclusion Form," CGCC-037 (Rev. 04/08), attached in Appendix A to this chapter. Such program shall contain, at a minimum, the following:

(1) Policies and procedures for providing Self-Exclusion forms and for sending any completed Self-Exclusion forms to the Bureau;

(2) Policies and procedures for maintaining and updating a list of self-excluded persons, wherein the confidentiality of the list is protected pursuant to Section 12466 and only agents or employees have access, unless needed by Bureau staff or law enforcement pursuant to an investigation or in assisting in a Problem Gambling program by an entity approved by the Commission;

(3) Policies and procedures designed to thwart self-excluded patrons, as noticed by the Commission or Bureau, from entering the gambling area during the term of exclusion, with the exception of access for the sole purpose of carrying out the duties of employment, including removal procedures for patrons who attempt entry after requesting to be excluded and notification to the Bureau of any incidents of removals, where the police and/or security are called to remove a person from the premises;

(4) Policies and procedures for the forfeiture of any money or prizes won or any losses recovered by an excluded person and the remittance of such for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the Department of Alcohol and Drug Programs, Office of Problem and Pathological Gambling;

(5) Policies and procedures for removal of a patron from customer lists maintained by the licensee for direct mail marketing, telephone marketing, and other direct marketing regarding gaming opportunities or promotions at the gambling establishment;

(6) Policies and procedures for removal of a patron from check-cashing, credit, or marketing opportunities by the gambling establishment.

(b) This section does not mandate that a gambling establishment provide the services of a notary public for persons who wish to complete the Self-Exclusion form.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801, 19920, and 19954, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

12466. Responsible Gambling Program Review.

(a) The Executive Director or Bureau staff may require that any licensee make available for review or submit any of the elements of its program described in this article, to the Executive Director or Bureau staff for review. If the Commission makes an administrative determination that the licensee's program does not adequately address the standards as set forth in this article, then the Executive Director may issue such a determination identifying the deficiencies and specifying a time certain within which those deficiencies shall be cured. Judicial review of the Executive Director's decision is subject to the limitation of Business and Professions Code section 19804.

(b) Failure by a licensee to establish the programs set forth in this article, or to cure a deficiency identified pursuant to subsection (a), constitutes an unsuitable method of operation and is in violation of this section.

(c) Protecting the confidentiality of self-restriction or self-exclusion lists includes:

(1) Not willfully disseminating self-excluded or self-restricted patrons' names, photos, or other personally identifying information to third parties or confirming to third parties whether or not a patron is on a self-exclusion or self-restriction list.

(2) Not posting self-excluded or self-restricted patron photos or other personally identifying information in areas where other patrons would readily notice the information.

(d) In addition to any other remedy under the Act, the Commission may assess a monetary penalty not exceeding \$1,000 for each violation of this article.

(e) This article does not create any right or cause of action on behalf of an individual who participates in self-restriction or self-exclusion under this article against the state of California, the California Gambling Control Commission, the Bureau of Gambling Control, the Office of Problem Gambling, or any gambling establishment.

Note: Authority cited: Sections 19811, 19840, 19841(o), and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

Appendix A Forms

See following page



State of California
California Gambling Control Commission
CGCC-036 (Rev. 04/08)

State of California Use Only
Date Received: _____
Data Input Date: _____
Date to CGCC: _____

SELF-RESTRICTION FORM

Type or print (in ink) all information requested on this form.

If additional space is needed, please note response on a separate sheet of paper and attach to the form.

SECTION 1: PERSONAL INFORMATION

Full Legal Name:

--	--	--

First

Middle (if applicable)

Last

Other Names (Former Names (such as Maiden names), Nicknames, or Aliases / A.K.A.'s):

--

Home Address:

--

Street

City

State

Zip Code

Mailing Address (if different than Home Address):

--

Street

City

State

Zip Code

Home Telephone Number:

()

Business Number:

()

Games most often played:

--

SECTION 2: RESTRICTION FOR _____ (NAME OF CARDROOM OR PARTICIPATING GAMBLING FACILITY)

TOTAL EXCLUSION: Initial Appropriate Term: One Year _____ Five Years _____ Lifetime _____

Please delete me from any MARKETING or PROMOTIONAL information: ☐

Please exclude me from this GAME or GAMING ACTIVITY _____

Please restrict me from any CHECK-CASHING privileges: ☐ Or Limit as follows: _____

Please restrict me from any CREDIT: ☐ Or Limit as follows: _____

SECTION 3: PHOTO AND VISUAL DESCRIPTION

Gender: Male ☐ Female ☐

Date of Birth:

/	/	/
---	---	---

Race/Ethnicity:

--

Height:

--

Weight:

--

Hair Color/Type:

--

Eye Color:

--

Date of Photograph:

/	/	/
---	---	---

CA Drivers License:

--

AFFIX A RECENT
PASSPORT QUALITY
PHOTOGRAPH
HERE SHOWING
HEAD AND SHOULDERS OF
PERSON TO BE EXCLUDED

Distinguishing marks (such as visible scars or tattoos – describe mark & location):

--

Type of vehicle normally driven:

--

License Plate:

--

SECTION 4: DECLARATION

I understand English or have had an interpreter read and explain this form to me from _____
(Language)

I understand that the ultimate responsibility to limit my access to the Gambling Establishment or participating gambling facility or gaming services in the State of California remains mine alone.

I voluntarily seek to exclude or restrict myself as indicated in Section 2.

If I choose Total Exclusion:

(Initial Here) I agree that I will not attempt to enter and/or use any of the services or privileges of a California Gambling Establishment or participating gambling facility during the period checked in Section 2.

(Initial Here) I acknowledge and understand that should I attempt to enter a California Gambling Establishment or participating gambling facility or use the services of a Gambling Establishment or participating gambling facility during the Term of Exclusion, once identified, I shall be escorted from the Gambling Establishment or participating gambling facility and any winnings or prizes I may have accrued or losses recovered will be confiscated and remitted by the Gambling Establishment or participating gambling facility for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the Department of Alcohol and Drug Programs, Office of Problem and Pathological Gambling.

(Initial Here) This self-exclusion request is irrevocable during the time period checked in Section 2.

I understand that disclosure of certain information is necessary to effect my request for self-exclusion or restriction. Disclosure may also occur if needed for the conduct of an official investigation or if ordered by a court of competent jurisdiction.

I will not seek to hold the Gambling Establishment or participating gambling facility liable in any way should I enter a Gambling Establishment or participating gambling facility and/or use any of the services or privileges therein despite this exclusion/restriction request, and I agree to indemnify the State of California, the California Gambling Control Commission, the Bureau of Gambling Control and the Office of Problem Gambling for any liability relating to this request. Specifically, I for myself, my heirs, executors, administrators, successors, and assigns, hereby release and forever discharge the California Gambling Control Commission, the Bureau of Gambling Control, the Office of Problem Gambling, the Gambling Establishment, participating gambling facility, their agents, employees, officers, and Directors and those with whom they may lawfully share information regarding this exclusion or restriction (collectively, the "Released Parties") from any and all claims in law or equity that I now have, or may have in the future, against all or any of all of the Released Parties arising out of, or by reason of, the performance or non-performance of this self-exclusion/restriction request, or any matter relating thereto. I further agree, in consideration for the Released Parties' efforts to implement my exclusion or restriction, to indemnify and hold harmless the Released Parties to fullest extent permitted by law for any and all liabilities, judgments, damages, and expenses of any kind, including reasonable attorneys' fees, resulting from or in connection with the performance or non-performance of the self-exclusion/restriction requested herein.

I declare that all information submitted on or with this self-restriction form is true, correct, and complete.

Signature: _____

Print Name: _____

Date: _____

SECTION 5: NOTARIZATION

OR

WITNESS BY KEY EMPLOYEE

Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20____.

By _____
☐ personally known to me OR ☐ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Notary Public Seal:

Signature of Notary Public _____

My Commission expires on: _____

As a Key Employee of _____, I
(name of Establishment or participating facility)
affirm that on _____ day of _____, 20____,
I witnessed _____
(individual's name)

complete this form and that this person is:

☐ personally known to me OR
☐ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Signature of Key Employee _____



State of California
California Gambling Control Commission
CGCC – 037 (New 04/06)

State of California Use Only

Date Received: _____

Date Input Date: _____

Date to CGCC: _____

SELF-EXCLUSION FORM

Type or print (in ink) all information requested on this form.

If additional space is needed, please note response on a separate sheet of paper and attach to the form.

You may hand this completed form in to any Cardroom, to the Division of Gambling Control, or the California Gambling Control Commission. Or you may mail this completed form to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231

SECTION 1: PERSONAL INFORMATION

Full Legal Name:

First	Middle (if applicable)	Last

Other Names (Former Names (such as Maiden names), Nicknames, or Aliases / A.K.A.'s):

--

Home Address:

Street	City	State	Zip Code

Mailing Address (if different than Home Address):

Street	City	State	Zip Code

Home Telephone Number:

()

Business Number:

()

Games most often played:

--

SECTION 2: TERM OF EXCLUSION

Please Initial Appropriate Term: One Year _____ Five Years _____ Lifetime _____

SECTION 3: PHOTO AND VISUAL DESCRIPTION

Gender: Male ☐

Female ☐

Race/Ethnicity:

--

Height:

--

Weight:

--

Hair Color/Type:

--

Eye Color:

--

Date of Photograph:

/ /

Distinguishing marks (such as visible scars or tattoos – describe mark & location):

--

AFFIX A RECENT
PASSPORT QUALITY
PHOTOGRAPH
HERE SHOWING
HEAD AND SHOULDERS OF
PERSON TO BE EXCLUDED

Type of car normally driven (if any):

--

License Plate (if any):

--

SECTION 4: DECLARATION

I understand English or have had an interpreter read and explain this form to me.

I voluntarily seek to exclude myself as described checked in Section 2 above.

(Initial Here)

I agree that I will not attempt to enter and/or use any of the services or privileges of a California Gambling Establishment during the period checked in Section 2 above.

I acknowledge and understand that should I attempt to enter a California Gambling Establishment or use the services of a Gambling Establishment during the Term of Exclusion, once identified, I shall be escorted from the Gambling Establishment and any winnings or prizes I may have accrued or losses recovered will be confiscated and donated by the Gambling Establishment to the Office of Problem Gambling.

(Initial Here)

I understand that the ultimate responsibility to limit my access to the Gambling Establishment or gaming services in the State of California remains mine alone.

This self-exclusion request is **irrevocable** during the time period checked in Section 2 above.

(Initial Here)

I understand that, while the information I have provided above will be treated as confidential, disclosure of certain information is necessary to effect my request for self-exclusion. Disclosure may also occur if needed for the conduct of an official investigation or if ordered by a court of competent jurisdiction.

I will not seek to hold the Gambling Establishment liable in any way should I enter a Gambling Establishment and/or use any of the services or privileges therein despite this exclusion request, and I agree to indemnify the State of California, the California Gambling Control Commission, and the Division of Gambling Control for any liability relating to this request. Specifically, I for myself, my heirs, executors, administrators, successors, and assigns, hereby release and forever discharge the California Gambling Control Commission, the Division of Gambling Control, the Gambling Establishment, their agents, employees, officers, and Directors and those with whom they may lawfully share information regarding this exclusion (collectively, the "Released Parties") from any and all claims in law or equity that I now have, or may have in the future, against all or any of all of the Released Parties arising out of, or by reason of, the performance or non-performance of this self-exclusion request, or any matter relating thereto. I further agree, in consideration for the Released Parties' efforts to implement my exclusion, to indemnify and hold harmless the Released Parties to fullest extent permitted by law for any and all liabilities, judgments, damages, and expenses of any kind, including reasonable attorneys' fees, resulting from or in connection with the performance or non-performance of the self-exclusion requested herein.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this self-exclusion form is true, correct, and complete.

Signature: _____

Print Name: _____

Date: _____

SECTION 5: NOTARIZATION

Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20____.

By _____
☐ personally known to me OR ☐ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Notary Public Seal:

Signature of Notary Public _____
My Commission expires on: _____

OR

WITNESS BY KEY EMPLOYEE

As a Key Employee of _____, I
affirm that on _____
(name of Establishment or participating facility)
day of _____, 20____,
I witnessed _____
(individual's name)

complete this form and that this person is:
☐ personally known to me OR
☐ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Signature of Key Employee _____



State of California
California Gambling Control Commission
CGCC – 12362 (New 10/08)

State of California Use Only
Date Received: _____
Data Input Date: _____

REQUEST FOR STATEWIDE INVOLUNTARY EXCLUSION OF AN INDIVIDUAL

Type or print (In Ink) as much information as possible on this form. If additional space is needed, please note response on a separate sheet of paper and attach to the form. **NOTE: THIS IS NOT A VOLUNTARY SELF-RESTRICTION OR SELF-EXCLUSION FORM.**

Mail this completed form to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento CA 95833.

SECTION 1: PERSONAL INFORMATION

Full Legal Name:

First	Middle (if applicable)	Last

Other Names (Former Names (such as Maiden names), Nicknames, or Aliases / A.K.A.'s):

--

Home Address:

Street	City	State	Zip Code

Mailing Address (if different than Home Address):

Street	City	State	Zip Code

Home Telephone Number:

()

Business Number:

()

Games most often played:

--

SECTION 2: PHOTO AND VISUAL DESCRIPTION

Gender: Male ☐

Female ☐

Date of Birth:

/	/
---	---

Race/Ethnicity:

--

Height:

--

Weight:

--

Hair Color/Type:

--

Eye Color:

--

Date of Photograph:

/	/
---	---

CA Drivers License
or other ID

--

AFFIX A RECENT
PASSPORT QUALITY
PHOTOGRAPH
HERE SHOWING
HEAD AND SHOULDERS OF
PERSON TO BE EXCLUDED

Distinguishing marks (such as visible scars or tattoos – describe mark & location):

--

Type of vehicle normally driven:

--

License Plate:

--

SECTION 3: AFFIRMATION BY KEY EMPLOYEE OR OWNER OR BY GOVERNMENT EMPLOYEE

NOTE: This form is not for voluntary self-restriction or self-exclusions. This form is not to be completed by patrons.

The facts and reasons why the individual should be excluded are as follows:

The information provided above is true and accurate to the best of my knowledge and the individual described above should be excluded because he or she poses a threat to the public, gambling enterprise employees, or the gambling industry.

Signature: _____ Date:

	/		/	
--	---	--	---	--

Print Name, Title, and Gambling Establishment or Facility Name or Governmental Entity:

--

CHAPTER 8. BINGO.

ARTICLE 1. BINGO EQUIPMENT, DEVICES AND SUPPLIES.

12480. Definitions.

(a) Except as otherwise provided in Section 12002 and subsection (b) of this regulation, the definitions in Business and Professions Code section 19805 and Penal Code section 326.3 and 326.5 (p)(3)(B), shall govern the construction of this chapter.

(b) As used in this chapter:

(1) “Administrative duties” include, but are not limited to, activities relating to planning, organizing, directing, controlling, and budgeting remote caller bingo games.

(2) “Automatic daubing” or “auto daub” means the input or recording, by any means or in any manner, of any number or symbol announced by a live caller in the play of any bingo game, into a card-minding device without manual action of the player.

(3) “Bingo equipment” includes, but is not limited to, any card-minding device; the point of sale system for card-minding devices; all network and telecommunications equipment used to communicate from the calling station to card-minding devices; the calling station and all related equipment; the main flashboard and all related equipment, the balls, the verifier, and the game pacer used in the playing of remote caller bingo games.

(4) “Bingo supplies” include, but are not limited to, any bingo paper or cards, daubers, and related supplies used in the playing of remote caller bingo games.

(5) “Caller” means an individual who is a member of an authorized organization present at a live remote caller bingo game site who announces the numbers or symbols from randomly drawn plastic balls.

(6) “Check” means a negotiable instrument drawn against deposited funds, to pay a specified amount of money to a specific person upon demand.

(7) “Distributor” means any person that directly or indirectly does the following:

(A) Distributes; supplies; vends; leases; or otherwise provides supplies, services, or equipment used in a remote caller bingo game.

(B) Distributes; supplies; vends; leases; or otherwise provides card-minding devices in this state, or for use in this state; including the supplying, repairing, and servicing if authorized by the manufacturer.

(C) Performs any of the functions listed in subparagraphs (A) or (B) in a location outside of this state, with respect to remote caller bingo equipment and supplies or card-minding devices intended for operation in this state.

(8) “Employee” means an individual who may be a volunteer or may be paid a reasonable fee for the performance of duties in any of the following categories on behalf of an authorized organization:

(A) Administrative;

(B) Financial;

(C) Managerial;

(D) Security; or

(E) Technical.

(9) “Fiduciary” means an individual who is designated in writing by an authorized organization to manage the finances of the organization’s remote caller bingo operation for the benefit of the organization rather than the benefit of the designated individual, exercising the highest level of good faith, loyalty, and diligence.

(10) “Financial duties” include, but are not limited to, cashiering, accounts payable and receivable, payroll processing, maintaining financial accounting books and records, and financial analysis.

(11) “Game” is defined as beginning when the first ball or number symbol is called and ends when all succeeding balls or number symbols are returned to the cage or blower and the machine has been cleared. A game may have two or more parts with different winning patterns for each part.

(12) “Game pacer” means an electrical or electronic device that is set to a predetermined interval establishing the timing of bingo calls. The game pacer may be a separate device or may be incorporated into the bingo calling station.

(13) “Host site” means the location at which the live bingo game is conducted and the transmission of the remote caller bingo game originates.

(14) “Interim approval” means:

(A) Approval by the Commission of a card-minding device for use in the play of any bingo game based on a certification from the manufacturer, pursuant to Section 12486, that the device complies in all respects with the provisions of Penal Code section 326.5, subdivision (p), paragraphs (1) and (2), including the requirement that the device be both portable and hand-held.

(B) Approval by the Commission, pursuant to Section 12488, of any bingo or remote caller bingo equipment or supplies used in the play and transmission of any remote caller bingo game.

(15) “Interim license” means a license issued by the Commission pursuant to Section 12492 or Section 12498 that allows the following:

(A) A fiduciary, site manager, or caller of an authorized organization to conduct remote caller bingo games; or

(B) An owner-licensee of a manufacturing or distributing business to provide remote caller bingo equipment and supplies or card-minding devices in this state.

(16) “Interim work permit” means a card, certificate, or permit issued by the Commission pursuant to Section 12501 that authorizes the holder to participate in the operation of remote caller bingo games and be employed by an authorized organization conducting those games. The capacity of employment is limited to the following categories:

(A) Administrative;

(B) Financial;

(C) Managerial;

(D) Security; or

(E) Technical.

(17) “Managerial duties” include, but are not limited to, the oversight and supervision of remote caller bingo games.

(18) “Manufacturer” means any person that directly or indirectly does one of the following:

(A) Manufactures, distributes, supplies, vends, leases, or otherwise provides bingo equipment, supplies, or services used in a remote caller bingo game.

(B) Manufactures, distributes, supplies, vends, leases, or otherwise provides card-minding devices, including the assembly, production, programming, or modification of card-minding devices, in this state or for use in this state.

(C) Performs any of the functions listed in subparagraphs (A) or (B) in a location outside of this state, with respect to remote caller bingo equipment and supplies or card-minding devices intended for operation in this state.

(19) “Member” means an individual who belongs to an authorized organization conducting remote caller bingo games.

(20) “Modification” means a change or alteration in card-minding device software that affects the manner or mode of play of the device.

(21) “Net receipts” means the total revenue from all activities connected with participation in a game of remote caller bingo after costs and expenses are deducted.

(22) “Nonrecurring capital acquisition” means any money, property, or equipment acquired in a single transaction.

(23) “Organization” or “Authorized Organization,” means an organization that is exempt from the payment of the bank and corporation tax by Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or 23701w of the Revenue and Taxation Code; a mobile home park association; a senior citizens organization; or a charitable organization affiliated with a school district.

(24) “Owner” means an individual, corporation, limited liability company, partnership, trust, joint venture, association, or any other entity that has 10 percent or more interest in or has the power to exercise significant influence over a manufacturer or distributor business.

(25) “Owner-licensee” means an individual, corporation, limited liability company, partnership, trust, joint venture, association, or any other owner of a manufacturing or distributing business that holds a manufacturer or distributor interim license issued by the Commission.

(26) “Point of sale system” means a financial interface software system used to track transactions involving card-minding devices and customer accounts.

(27) “Profit” means the gross receipts collected from one or more bingo games, less reasonable sums necessarily and actually expended for prizes, licensing fees, overhead costs, and other allowable expenses.

(28) “Progressive prize” means any prize that increases or accumulates as consecutive remote caller bingo games are played.

(29) "Record" includes, but is not limited to, ledgers and accounts relating to inventory, proceeds, expenditures, and the distribution of all profits derived from remote caller bingo games.

(30) "Recognized organization" means an organization recognized by the Commission pursuant to Section 12504.

(31) "Regular approval" means:

(A) Approval by the Commission of a card-minding device for use in the play of any bingo game based on a finding that the device complies in all respects with the provisions of Penal Code section 326.5, subdivision (p), paragraphs (1) and (2), including the requirement that the device be both portable and hand-held, and any specific additional criteria established by the Commission in regulation;

(B) Approval by the Commission of any bingo or remote caller bingo equipment or supplies used in the play and transmission of any remote caller bingo game based on a finding that the equipment and supplies comply in all respects with any specific standards and testing procedures for the approval of equipment or supplies established by the Commission in regulation.

(32) "Regular license" means a license issued by the Commission pursuant to the provisions of Section 12498, section 326.3(p)(1) of the Penal Code, and any specific additional licensing criteria established by the Commission in regulation.

(33) "Regular work permit" means any card, certificate, or permit issued by the Commission pursuant to provisions of Section 12501, section 326.3(p)(1) of the Penal Code, and any additional specific criteria established by the Commission in regulation authorizing the holder to participate in the operation of remote caller bingo games and be employed by an authorized organization conducting those games. The capacity of employment is limited to the following categories:

- (A) Administrative;
- (B) Financial;
- (C) Managerial;
- (D) Security; or
- (E) Technical.

(34) "Remote caller bingo equipment" includes, in addition to the equipment specified in paragraph (3), all network, video, audio and telecommunications equipment used for the purpose of transmitting the play of a bingo game from a host site to one or more satellite sites.

(35) "Satellite site" means the location at which the transmission of the live bingo game from a host site is received.

(36) "Security duties" include, but are not limited to, physically safeguarding the authorized organization's patrons, staff, assets, and property, including the site's surrounding area and parking facility.

(37) "Site" means the property owned or leased by the licensee, or property whose use is donated to the licensee and which property is used by such licensee for performance of the charitable purpose for which the organization is organized.

(38) “Site manager” means an individual who is a member of an authorized organization who is present at any remote caller bingo game and is responsible for the game conduct, staff, and patrons present at the site.

(39) “Sponsor” means an authorized organization conducting remote caller bingo games, which has met the requirements of section 326.3(b)(1) of the Penal Code.

(40) “Technical duties” include, but are not limited to, providing expertise related to the maintenance, repair and operation of bingo equipment, including but not limited to, the application of scientific, engineering, or design principles related to the transmission and reception of remote caller bingo games.

(41) “Vendor” means, for purposes of section 326.3 of the Penal Code, a manufacturer, as defined in paragraph (18), or a distributor, as defined in paragraph (7).

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12482. Assistance to Bingo Players with Disabilities.

(a) Pursuant to the provisions of paragraph (6) of subdivision (p) of section 326.5 of the Penal Code, the following requirements are established as means by which the operator of a bingo game shall, as required by applicable law, offer assistance to players with disabilities:

(1) For players with disabilities consistent with definitions set forth in the Americans with Disabilities Act (ADA), when those disabilities would restrict a player’s ability to mark cards:

(A) The operator of a bingo game that offers card-minding devices shall reserve at least two card-minding devices, approved pursuant to Section 12486, for use by disabled players. If there are no requests for use of the reserved card-minding devices prior to fifteen minutes before the scheduled start of a session, the reserved devices may be made available for use by any player.

(B) If the operator of a bingo game, or any other person involved in the conduct of a bingo game, charges players a fee for the use of card-minding devices, players with disabilities as described in paragraph (1) shall not be required to pay that fee or to comply with a minimum purchase requirement imposed on players utilizing card-minding devices, if any. Those players are required to comply with any minimum purchase requirement imposed on all players by an operator.

(C) The operator of a bingo game that offers card-minding devices shall allow players with disabilities as described in paragraph (1) to claim prizes by presenting a printout of a winning card, or other evidence of a winning card approved by the Commission.

(2) For players with disabilities consistent with definitions set forth in the ADA, when those disabilities would restrict a player’s ability to verbally announce “BINGO,” the operator of a bingo game shall allow those players to utilize a form of visual or audible signaling to notify the operator of a winning pattern or “bingo,” which may include a flag, paddle, light, horn, bell or whistle, or other means approved by the Commission.

(3) For players with disabilities consistent with definitions set forth in the ADA, when those disabilities would restrict the players’ ability to mark cards, or to announce “BINGO,” the

operator of a bingo game shall allow another individual to assist the disabled players in the play of bingo. The assisting individual shall not be counted towards the 750-player maximum applicable to remote caller bingo as provided in subdivision (i) of section 326.3 of the Penal Code.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

ARTICLE 2. BINGO EQUIPMENT, DEVICES, AND SUPPLIES.

12486. Approval of Card-Minding Devices.

(a) Beginning January 1, 2009, any card-minding device that is used in the play of any bingo game, as described in subdivision (p) of section 326.5 of the Penal Code, shall be approved by the Commission in advance as meeting the requirements of section 326.5. An interim approval process is established to further the legislative intent of avoiding disruption of fundraising efforts by nonprofit organizations as expressed in Business and Professions Code section 19850.6. Until such time as the Commission establishes in regulation specific additional criteria for the approval of card-minding devices, interim approval may be obtained from the Commission pursuant to this section, subject to the following conditions:

(1) An interim approval shall be valid for one year from the date it is granted by the Commission or until regulations specifying additional criteria for card-minding devices become effective, whichever is later.

(2) An interim approval does not obligate the Commission to grant a regular approval and does not create a vested right in the holder to either an extension of the interim approval or to the granting of a subsequent regular approval.

(3) An interim approval does not in any way change the legal requirement that the applicant bears the burden of establishing that a specific device is manufactured to be used in compliance with all of the provisions of paragraphs (1) and (2) of subdivision (p) of section 326.5 of the Penal Code.

(4) Issuance of an interim approval concerning a specific card-minding device has no bearing on the question of whether the manufacturer of the device, or any affiliated person, will qualify for issuance of any Commission permit, registration, or license. Any interim approval will be cancelled in the event that the manufacturer of the device is subsequently determined to be ineligible for licensure.

(5) If, during the term of an interim approval, it is determined that any particular card-minding device is not qualified for approval, the Executive Director shall prepare an order to show cause why that device's interim approval should not be cancelled. The manufacturer of the device shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the manufacturer's response, or if the manufacturer fails to respond within the specified time, the matter shall be set for consideration at a noticed Commission meeting. The manufacturer may address the Commission by way of an oral statement at the Commission

meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(b) A specific model of card-minding device and its designated software version shall be deemed approved on an interim basis by the Commission if the following requirements are satisfied:

(1) The chief executive officer or other authorized representative of the business entity that manufactures the card-minding device certifies under penalty of perjury using the form “Application for Interim Approval of Bingo Card-Minding Device,” CGCC-615 (New 11/08), which is attached in Appendix A to this chapter, that the specific model and its designated software version satisfies all the requirements set out in Penal Code section 326.5(p)(1)(A-D) and (2)(A-D). An application fee of \$50 for each specified model and its designated software version for which approval is being requested shall accompany the application.

(2) The Commission has issued an interim approval for the specified model and its designated software version, having found that the certification has satisfied the requirements of this section.

(c) Any material change in the software used in a previously approved card-minding device shall require application for approval of the subject model and its revised software version, as provided in subsection (b)(1), and approval by a designated member of the Commission staff.

(d) When using any card-minding device, players shall manually input or daub each individual number or symbol announced by a live caller into the individual player-operated units or components of the device; automatic daubing shall not be permitted. Any card-minding device possessing automatic daubing capabilities shall have that capability disabled as a condition of approval.

(e) Each application for interim approval shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this section, the manufacturer shall be provided a written list of deficiencies.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5 and, 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12488. Approval of Remote Caller Bingo Equipment.

(a) This section does not apply to card-minding devices.

(b) Beginning on the effective date of these regulations, any equipment used in the conduct of remote caller bingo must be approved by the Commission in advance. An interim approval process is established to further the legislative intent of avoiding delays in implementing the California Remote Caller Bingo Act, as expressed in Section 19850.6 of the Business and Professions Code. Until such time as the Commission establishes specific standards and testing procedures for the approval of remote caller bingo equipment, such equipment shall be approved on an interim basis pursuant to this section.

(c) At least 30 days prior to conducting a remote caller bingo game, an organization that conducts or cosponsors the game must submit a written list to the Commission of all equipment to be used, including any equipment used in the transmission of the game. The list must include the make and model number of the equipment to be used and, to the extent feasible, the manufacturer, distributor or vendor from which the item was purchased, leased or otherwise acquired. Equipment lists shall only be accepted from authorized organizations, as defined in this chapter. Unless disapproved by the Executive Director, the equipment listed on the equipment list shall be deemed approved 30 days after the submission date.

(d)(1) Any equipment purchased, leased or otherwise acquired after the effective date of this section and used in the play of remote caller bingo, except for audio and video technology used to transmit a live bingo game from a host site to a satellite site, must be manufactured by a licensed manufacturer and distributed through a licensed distributor as provided in Section 12492.

(2) Any audio and video technology used to transmit a live bingo game from a host site to a satellite site purchased after the effective date of these regulations must either:

(A) Be manufactured by a licensed manufacturer and distributed through a licensed distributor as provided in Section 12492; or

(B) Be commercially available and able to send the transmission of the live bingo game from the host site to any and all satellite sites in a manner that is secure, accurate, and simultaneous.

(e) Any approval received pursuant to this section is subject to the following conditions:

(1) An interim approval shall be valid for one year from the date it is granted or until regulations specifying additional standards and requirements for the approval and testing of remote caller bingo equipment become effective, whichever is later.

(2) An interim approval does not obligate the Commission to grant a regular approval and does not create a vested right to either an extension of the interim approval or to the granting of a subsequent regular approval.

(3) Issuance of an interim approval for bingo equipment has no bearing on whether the equipment will meet standards later established by the Commission.

Note: Authority cited: Section 19850.6, Business and Professions Code; and Section 326.3(s). Reference: Section 19850.6, Business and Professions Code; and Section 326.3(s), Penal Code.

ARTICLE 3. MANUFACTURERS AND DISTRIBUTORS OF BINGO EQUIPMENT, DEVICES AND SUPPLIES.

12492. Interim Licenses; Initial and Renewal; Conditions.

(a) An interim approval process is established to further the legislative intent of avoiding disruption of fundraising efforts by nonprofit organizations as expressed in Business and Professions Code section 19850.6.

(b) No person may manufacture or distribute remote caller bingo equipment, supplies or card-minding devices in this state unless they have a valid interim license issued by the Commission pursuant to this article.

(c) Any manufacturer or distributor providing remote caller bingo equipment, supplies, or card-minding devices in this state on or after April 24, 2009, shall apply for an interim license, pursuant to this article, within 30 days of the effective date of this section.

(d) Any person applying for an initial interim license as the owner licensee of the manufacturer or distributor business shall submit the following:

(1) Application for Interim License for Bingo Equipment Manufacturers and Distributors, CGCC-610 (New 03/09), which is attached in Appendix B.

(2) A non-refundable application fee of \$500.00.

(3) If the applicant is an individual residing in the state of California, a completed Request for Live Scan Service, California Department of Justice Form BCII 8016, (Rev. 03/07) confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(4) If the applicant is an individual residing outside the state of California, two FBI Fingerprint cards.

(e) Any person applying for an initial interim license as an owner of a manufacturer or distributor business shall submit the following:

(1) Application for Interim License for Bingo Equipment Manufacturers and Distributors, CGCC-610 (New 03/09), referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of \$500.00.

(3) If the applicant is an individual residing in the state of California, a completed Request for Live Scan Service, California Department of Justice Form BCII 8016, (Rev. 03/07) confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(4) If the applicant is an individual residing outside the state of California, two FBI Fingerprint cards.

(f) Interim license approvals pursuant to this article, are subject to the following conditions:

(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.

(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines the applicant does not qualify for a regular license.

(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12494, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(g) Any person applying for a renewal interim license as the owner licensee of the manufacturer or distributor business shall submit the following no later than 90 days prior to the expiration of that license:

(1) Application for Interim License for Bingo Equipment Manufacturers and Distributors, CGCC-610 (New 03/09), referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of \$500.00.

(h) Any person applying for a renewal interim license as an owner of the manufacturer or distributor business shall submit the following no later than 90 days prior to the expiration of that license:

(1) Application for Interim License for Bingo Equipment Manufacturers and Distributors, CGCC-610 (New 03/09), referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of \$500.00.

(i) Each application for an initial or renewal interim license shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this article, the applicant shall be provided a written list of the deficiencies.

(j) A renewal interim license shall be valid for one year from the date of approval of the renewal application or from the expiration of the prior interim license, whichever is later.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12494. Interim License Denial; Applicant Disqualification.

(a) An application for an interim license shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12496. Change of Business Location.

A manufacturer or distributor shall advise the Commission in writing of any new California business locations, or any terminations of existing business locations, within 15 days following the change.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3, 326.4, and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12498. Interim Licenses; Initial and Renewal; Conditions.

(a) An interim approval process is established to further the legislative intent of avoiding disruption of fundraising efforts by nonprofit organizations as expressed in Business and Professions Code section 19850.6.

(b) No person may perform in the capacity of a fiduciary, site manager, or caller for the purposes of conducting remote caller bingo games unless that person has a valid interim license issued by the Commission pursuant to this article.

(c) Any fiduciary, site manager, or caller applying for an initial interim license shall submit the following:

(1) Application for Interim License for Remote Caller Bingo, CGCC-620 (New 03/09), which is attached in Appendix C.

(2) A non-refundable application fee of \$50.00.

(3) Completed Request for Live Scan Service, California Department of Justice Form BCII 8016, (Rev. 03/07) confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(d) Interim license approvals are subject to the following conditions:

(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.

(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will

be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for a regular license.

(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12499, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(e) Any fiduciary, site manager, or caller applying for a renewal interim license shall submit the following no later than 90 days prior to expiration of that license:

(1) Application for Interim License for Remote Caller Bingo, CGCC-620 (New 03/09), referred to in paragraph (1) of subsection (c).

(2) A non-refundable application fee of \$50.00.

(f) Each application for an initial or renewal interim license shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this article, the applicant shall be provided a written list of deficiencies.

(g) A renewal interim license shall be valid for one year from the date of approval of the renewal application or from the expiration of the prior interim license, whichever is later.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12499. Interim License Denial; Applicant Disqualification.

(a) An application for an interim license shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12501. Interim Work Permits; Initial and Renewal; Conditions.

(a) No person may act in the capacity of an employee for an authorized organization without a current interim work permit issued by the Commission pursuant to this article.

(b) Any employee applying for a remote caller bingo interim work permit shall submit the following:

(1) Application for Interim Work Permit for Remote Caller Bingo, CGCC-622 (New 03/09), which is attached in Appendix C.

(2) A non-refundable application fee of \$50.00.

(3) A completed Request for Live Scan Service, California Department of Justice Form BCII 8016 (Rev. 03/07) confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(c) An interim work permit is subject to the following conditions:

(1) An interim work permit shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular work permit have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular work permit, the Commission will notify the holder of the interim work permit of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim work permit will not be eligible for renewal.

(3) An interim work permit does not obligate the Commission to issue a regular work permit nor does it create a vested right in the holder to either a renewal of the interim work permit or the granting of a subsequent regular work permit.

(4) Issuance of an interim work permit has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim work permit will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for issuance for any Commission permit, registration, or license.

(5) If, during the term of an interim work permit, it is determined that the holder is disqualified pursuant to Section 12502, the Executive Director shall prepare an order to show cause why that interim work permit should not be cancelled. The holder of the interim work permit shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(d) Any employee applying for renewal of a remote caller bingo interim work permit shall submit to the Commission the following no later than 90 days prior to expiration of the work permit:

(1) Application for Interim Work Permit for Remote Caller Bingo, CGCC-622 (New 03/09) referred to in paragraph (1) of subsection (b).

(2) A non-refundable application fee of \$50.00.

(e) Each application for an initial or renewal interim work permit shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this article, the applicant shall be provided a written list of the deficiencies.

(f) A renewal interim work permit shall be valid for up to one year from the date of approval of the renewal application or from the expiration of the prior interim work permit, whichever is later.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12502. Interim Work Permit Denial; Applicant Disqualification.

(a) An application for an interim work permit shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

12504. Recognition of Organizations Conducting Remote Caller Bingo Games.

(a) No organization may conduct remote caller bingo games in this state unless it has been recognized by the Commission pursuant to this article.

(b) Any organization requesting recognition by the Commission shall:

(1) Meet the requirements specified in section 326.3(b)(1-5) of the Penal Code.

(2) Submit a Statement of Eligibility to Conduct Remote Caller Bingo, CGCC-618 (New 03/09), which is attached in Appendix C to this Chapter.

(3) Submit a non-refundable processing fee of \$50.00.

(c) Any organization recognized by the Commission shall annually submit the following within 120 calendar days after the close of the organization's fiscal year:

(1) Statement of Eligibility to Conduct Remote Caller Bingo, CGCC-618 (New 03/09), referred to in paragraph (2) of subsection (b), specifying any changes in the information included in the organization's last statement of eligibility filed with the Commission.

(2) A non-refundable processing fee of \$25.00.

(d) Each statement received pursuant to this section shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the statement does not satisfy the requirements of this article, the applicant shall be provided a written list of the deficiencies. The Commission reserves the right to refuse recognition to any organization that does not meet the requirements specified in Section 12504.

Note: Authority cited: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, and 19850.6, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

ARTICLE 5. REMOTE CALLER BINGO REQUIREMENTS; STANDARDS OF PLAY.

12508. Requirements for Organizations.

The following requirements shall apply to organizations that conduct Remote Caller Bingo:

- (a) An organization conducting remote caller bingo shall have been incorporated or in existence for three (3) years or more.
- (b) An organization conducting remote caller bingo shall hold a license issued by the local jurisdiction that authorizes the organization to conduct a remote caller bingo game within that jurisdiction.
- (c) The operation of remote caller bingo may not be the primary purpose for which the organization is organized.
- (d) The receipts of the game shall be used only for charitable purposes. The organization conducting the game shall determine the disbursement of the net receipts of the game.
- (e) Each organization that conducts or cosponsors a remote caller bingo game shall maintain full and accurate records of the income received and expenses disbursed in connection with the operation, conduct, promotion, supervision, and any other related activity of remote caller bingo games. Such records shall be maintained in accordance with generally accepted principles of accounting.
- (f) Organizations shall retain records in connection with the remote caller bingo game within California for five (5) years.
- (g) Organizations shall make and maintain all books, accounts, and other records in English.
- (h) Organizations authorized to conduct remote caller bingo shall provide copies of the records pertaining to those games to the Commission within 30 days after the end of each calendar quarter.
- (i) The records kept by the organization for the remote caller bingo games conducted, shall be audited by an independent California certified public accountant at least annually, and copies of the reports shall be provided to the Commission within 120 days after the close of the organization's fiscal year.
- (j) An organization authorized to conduct remote caller bingo games shall provide the Commission with at least 30 days advance written notice of its intent to conduct those games. The notice shall include all of the following:
 - (1) The legal name of the organization and the address of record of the agent upon whom legal notice may be served.
 - (2) The locations of the caller and remote players, whether the property is owned by the organization or donated, and if donated, by whom.
 - (3) The name of the licensed caller and site manager.
 - (4) The names of administrative, managerial, technical, financial, and security personnel employed.

(5) The name of the vendor and any person or entity maintaining the equipment used to operate and transmit the game.

(6) The name of the person designated as having a fiduciary responsibility for the game.

(7) The license numbers of all persons who are required to be licensed.

(8) A copy of the local ordinance for the counties in which the game will be played.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; Section 326.3, Penal Code.
Reference: Sections 326.3(b), 326.3(i)(4), 326.3(r), and 326.3(v)(2), Penal Code.

12510. Cosponsor Requirements.

The following requirements related to cosponsor agreements shall be in place for each remote caller bingo game.

(a) Except as provided in subsection (b), an organization shall not cosponsor a remote caller bingo game with one or more other organizations unless one of the following is true:

(1) All of the cosponsors are affiliated under the master charter or articles and bylaws of a single organization.

(2) All of the cosponsors are affiliated through an organization described in Penal Code section 326.3(b)(1), and have the same Internal Revenue Service activity code.

(b) No more than ten (10) unaffiliated organizations may enter into a cosponsor agreement and the remote caller bingo game shall not have more than ten (10) locations.

(c) An organization shall not conduct remote caller bingo more than one day per week.

(d) Copies of cosponsor agreements shall be forwarded to the Commission ten (10) days before sponsoring or operating any remote caller bingo game.

(e) Cosponsor agreements shall contain language requiring the cosponsors to comply with the standards of play adopted by the organization.

(f) Cosponsor agreements shall contain language requiring the cosponsors to comply with any regulations adopted by the Commission.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; Section 326.3, Penal Code.
Reference: Section 326.3(n), Penal Code.

12511. Standards of Play for Remote Caller Bingo.

(a) Prior to conducting a remote caller bingo game, the organization shall submit to the Commission the controls, methodology, and standards of game play, including the equipment used to select bingo numbers and create or originate cards, control or maintenance, distribution to participating locations, and distribution to the players.

(b) The controls, methodologies, and standards shall be subject to prior approval by the Commission, provided that controls shall be deemed approved by the Commission after 90 days from the date of submission unless disapproved.

(c) No person may operate, supervise, or staff a remote caller bingo game unless that person is a member of the authorized organization or they have been approved by the Commission to work in an administrative, managerial, technical, financial, or security personnel capacity.

(d) The following standards related to the location of play shall be in place for each remote caller bingo game.

(1) A remote caller bingo game shall not include any site that is not located within the state of California.

(2) Games shall be conducted only on property that is owned or leased by the organization or donated to the organization.

(3) Games are to be open to the public, not just to the members of the authorized organization.

(e) The following standards related to bingo prizes shall be in place for each remote caller bingo game.

(1) Every game shall be played until a winner is declared.

(2) Prizes awarded during the conduct of any remote caller bingo game shall not exceed 37 percent of the gross receipts for that game.

(3) Progressive prizes are prohibited.

(4) To claim a prize a player must present a covered or marked tangible card.

(5) Prizes are to be paid only by check. Organizations may issue a check to the winner at the time of the game, or may send a check to the declared winner by US Postal Service certified mail, return receipt requested.

(6) The declared winner of a remote caller bingo game shall provide his or her identifying information and mailing address to the onsite manager of the remote caller bingo game.

(7) Prize money exceeding state and federal exemption limits shall be subject to income tax reporting and withholding and shall be forwarded, within ten business days, to the appropriate state or federal agency on behalf of the winner.

(f) The following standards related to players shall be in place for each remote caller bingo game.

(1) No persons under the age of 18 shall be allowed to participate.

(2) No more than 750 players per site may participate in a game, unless the Governor of California or the President of the United States declares a state of emergency in response to a natural disaster and the net proceeds of the games are donated to or expended exclusively for the relief of the victims of the disaster, in which case the organization must advise the Commission in writing at least ten days prior to conducting the game.

(3) No person shall be allowed to participate unless the person is physically present at the time and place where the remote caller bingo game is being conducted.

(4) A player shall not use a card-minding device unless the device is both portable and hand-held.

(g) The following standards related to game play shall be in place for each remote caller bingo game.

(1) Electronics or video displays shall not be used in connection with the game of bingo, except in connection with the caller's drawing of numbers or symbols and the public display of that drawing, or Commission-approved card-minding devices.

(2) The drawing of each ball bearing a number or symbol shall be visible to all players as the ball is drawn, including through simultaneous live video feed at remote locations.

(3) Any game interrupted by a transmission failure, electrical outage, or act of God shall be considered void in the location that was affected. A refund for a canceled game or games shall be provided to the purchasers.

(4) The winning cards shall not be known prior to the game by any person participating in the playing or operation of the bingo game.

(5) All preprinted cards shall bear the legend, "For sale or use only in a bingo game authorized under California law and pursuant to local ordinance."

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; Section 326.3, Penal Code. Reference: Sections 326.3(f), (g), (h), (i)(1)-(3), (j)(1), (m), (o), (t)(3)-(4), Penal Code; and Section 6500 Family Code.

ARTICLE 6. ACCOUNTING AND FINANCIAL REPORTING.

12514. Audits.

(a) The Commission shall have the authority to conduct audits of any organization engaged in the conduct or cosponsoring of remote caller bingo to ensure compliance with Section 326.3 of the Penal Code. The audit may be conducted at any time and prior notification is not required. No audit shall be conducted until on or after January 1, 2010.

(b) Each organization that conducts or cosponsors remote caller bingo shall allow the Commission complete access to all records, documents, and files in any form related to the conduct or cosponsoring of remote caller bingo and to any personnel involved in the conduct or cosponsoring of remote caller bingo.

(c) The Commission shall have the authority to make copies of any and all documents deemed necessary by the auditor to substantiate audit findings.

(d) Pursuant to subdivision (c) of section 19821 of the Business and Professions Code, all information obtained by the Commission during an audit shall be exempt from disclosure.

(e) Each organization that conducts remote caller bingo shall contract with an independent California certified public accountant to conduct an audit of all records at least annually. Copies of the audit report shall be provided to the Commission within 120 days after the close of the organization's fiscal year.

Note: Authority cited: Section 19850.6, Business and Professions Code; and Section 326.3(v), Penal Code. Reference: Section 19821(c), Business and Professions Code; and Section 326.3(v), Penal Code.

Appendix A

APPLICATION FOR INTERIM APPROVAL OF BINGO CARD-MINDING DEVICE

CGCC-615 (New 11/08)



State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

APPLICATION FOR INTERIM APPROVAL OF BINGO CARD-MINDING DEVICE

Pursuant to California Code of Regulations, Title 4, section 12482 and California Penal Code (PC) section 326.5(p)(3), the California Gambling Control Commission (Commission) shall approve in advance any card-minding device to be used in the play of any bingo game. Card-minding devices must meet all requirements indicated in PC section 326.5(p)(1)(A-D), and must not perform any of the functions indicated in PC section 326.5(p)(2)(A-D).

Send the completed *Application for Interim Approval of Bingo Card-minding Device* form with a \$ 50.00 application fee for each card-minding device model and its designated software version to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

APPROVAL TYPE		
<input type="checkbox"/> Initial Approval	<input type="checkbox"/> Modification of Commission-Approved Device	
SECTION 1a – MANUFACTURER BUSINESS INFORMATION		
Name of Business		
Principal Place of Business Address		
Mailing Address (if different than business address)		
Telephone Number ()	Fax Number ()	Website Address (if any)
Name of Contact Person		Title
Telephone Number ()	Fax Number ()	E-mail Address (if any)
SECTION 1b – MANUFACTURER LICENSE INFORMATION		
If additional space is needed, please attach a listing of the requested information on a separate sheet of paper.		
Has the business been licensed with any gaming agency including any other State, City, County, Federal, Country, or Tribal agency? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, please list the gaming agency and the license, certificate, registration, etc. information below.		
Gaming Agency Name	License Number	Expiration Date

SECTION 2 – CARD-MINDING DEVICE INFORMATION

Complete the information below for each card-minding device model and its designated software version you are certifying as meeting the requirements indicated in PC 326.5(p)(1) and (2). Any material change in the software used in a previously approved card-minding device requires a modification approval. If you are requesting interim approval of more than four devices, please make an additional copy of this page and attach to the application.

Model Name	Model Number	
Software (Firmware) Version	Software (Firmware) Build Date	
Answer the following questions regarding the card-minding device model and its designated software version listed above.		
1. Is the model a hand-held, portable device?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Has this model and software version been previously tested and certified by an independent laboratory? If yes, attach copies of certification documents.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Is this device model and its designated software version capable of automatic daubing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>Complete only if you answered "Yes" to question 3.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Can the automatic daubing function be disabled?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Answer the following questions regarding the card-minding device model and its designated software version listed above.		
1. Is the model a hand-held, portable device?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Has this model and software version been previously tested and certified by an independent laboratory? If yes, attach copies of certification documents.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Is this device model and its designated software version capable of automatic daubing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>Complete only if you answered "Yes" to question 3.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Can the automatic daubing function be disabled?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Answer the following questions regarding the card-minding device model and its designated software version listed above.		
1. Is the model a hand-held, portable device?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Has this model and software version been previously tested and certified by an independent laboratory? If yes, attach copies of certification documents.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Is this device model and its designated software version capable of automatic daubing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>Complete only if you answered "Yes" to question 3.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Can the automatic daubing function be disabled?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Answer the following questions regarding the card-minding device model and its designated software version listed above.		
1. Is the model a hand-held, portable device?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Has this model and software version been previously tested and certified by an independent laboratory? If yes, attach copies of certification documents.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Is this device model and its designated software version capable of automatic daubing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<i>Complete only if you answered "Yes" to question 3.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Can the automatic daubing function be disabled?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

SECTION 3 – CERTIFICATION / SIGNATURE

An authorized representative of the manufacturer must sign on behalf of the business.

I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know that the contents thereof, the information contained herein and in any attachments, is true, accurate, and complete. I also certify that any card-minding device and its designated software version indicated on this form meets the requirements of PC 326.5(p) and understand that the interim approval is subject to the following conditions:

- (1) An interim approval shall be valid for one year from the date it is granted by the Commission or until regulations specifying additional criteria for card-minding devices become effective, whichever is later.*
- (2) An interim approval does not obligate the Commission to grant a regular approval and does not create a vested right in the holder to either an extension of the interim approval or to the granting of a subsequent regular approval.*
- (3) An interim approval does not in any way change the legal requirement that the applicant bears the burden of establishing that a specific device complies with all of the provisions of paragraphs (1) and (2) of subdivision (p) of section 326.5 of the Penal Code.*
- (4) Issuance of an interim approval concerning a specific card-minding device has no bearing on the question of whether the manufacturer of the device, or any affiliated person, will qualify for issuance of any Commission permit, registration, or license. Any interim approval will be cancelled in the event that the manufacturer of the device is subsequently determined to be ineligible for licensure.*
- (5) If, during the term of an interim approval, it is determined that any particular card-minding device is not qualified for approval, the Executive Director shall prepare an order to show cause why that device's interim approval should not be cancelled. The manufacturer of the device shall be given at least 30 days to respond in writing. After receipt of the manufacturer's response, the matter shall be set for consideration at a noticed Commission meeting. The manufacturer may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing.*
- (6) Any card-minding device and its designated software version that possess an automatic daubing capability shall have that capability disabled.*

Name of Individual Completing this Application (typed or printed)	Title
Signature	Date

Appendix B



State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

**APPLICATION FOR INTERIM LICENSE
FOR BINGO EQUIPMENT MANUFACTURERS AND DISTRIBUTORS
CGCC-610 (New 03/09)**

Pursuant to Penal Code sections 326.3(p)(1) and 326.5(p)(3)(B), the California Gambling Control Commission (Commission) shall require the licensure and registration of any person that directly or indirectly manufactures, distributes, supplies, vends, leases, or otherwise provides card-minding devices or other remote caller bingo supplies, equipment, or services designed for use in the playing of bingo games by any nonprofit organization that conducts bingo games.

Instructions:

Type or print legibly, in ink, all information requested on this application. If a question does not apply, write "N/A" (Not Applicable). Incomplete applications will be returned. You must provide truthful information in all your responses. All answers to questions in this application will be subject to verification. Any misrepresentation or failure to disclose information may constitute sufficient cause for denial or revocation of your license.

If applying as an individual applicant, fingerprints will need to be submitted for an automated criminal history check. If residing within the state of California, follow the steps below:

- 1) Locate and call a Live Scan provider. Determine if an appointment is required. Take the Request for Live Scan Service, BCII 8016 (Rev 03/07) form to a Live Scan provider.
- 2) The provider will process the fingerprints via Live Scan. Note: Applicants are not required to pay the processing fee associated with the processing and transmitting of fingerprints as these fees will be billed directly to the requesting agency.
- 3) After the fingerprints have been taken, attach a copy of the Request for Live Scan Service form to this application.

If residing outside of California, two FBI fingerprint cards must be obtained from the Commission and taken to any law enforcement agency for fingerprinting.

Send the completed application package with required fees (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

SECTION 1 – INTERIM LICENSE TYPE	
Please check the appropriate boxes below indicating whether you are applying for an <i>initial or renewal interim license</i> and the <i>type of interim license</i> you are applying for.	
Name of Business	Name of Applicant (Individual or Entity)
<input type="checkbox"/> Initial Interim License: \$500.00 (non-refundable fee, per application)	
<input type="checkbox"/> Renewal Interim License: \$500.00 (non-refundable fee, per application)	
Indicate the interim license type you are applying for: (Check all that apply)	
<input type="checkbox"/> Manufacturer	<input type="checkbox"/> Supplier:
<input type="checkbox"/> Distributor	<input type="checkbox"/> Bingo Supplies
	<input type="checkbox"/> Bingo Services

SECTION 2 – TYPE OF OWNER APPLICATION

Check one box indicating the type of owner application. Submit the application with the required fee and forms/information listed below with your *initial* or *renewal* application.

☐ **Business Entity (Owner licensee):** As indicated in section 3b.

✓ Complete all sections except section 5.

✓ Attach the following to the application:

- Current Organization Chart
- Listing of any gaming licenses
- Copy of organizing documents (i.e., Articles of Incorporation, Articles of Organization, Partnership Agreement, etc.)

Note: Sole Proprietors must complete all sections of the application and attach the Request for Live Scan Service, BCII 8016 (Rev. 03/07) or two FBI Fingerprint Cards (non-California residents) – *Initial Application Only*

☐ **Individual Owner Applicant:** As indicated in section 5a.

✓ Complete sections 5, 6, and 7 only.

✓ Attach a completed Request for Live Scan Service, BCII 8016 (Rev 03/07) or two FBI Fingerprint Cards (non-California residents) – *Initial Application Only*

☐ **Entity Owner Applicant:** As indicated in section 3b.

✓ Complete sections 3, 6, and 7 only.

✓ Attach the following to the application:

- Current Organization Chart
- Copy of organizing documents (i.e. Articles of Incorporation, Articles of Organization, Partnership Agreement, etc.)

SECTION 3a – BUSINESS ENTITY INFORMATION

If the business has more than one location, attach a list of all California business locations where it manufactures or distributes bingo equipment.

Name of Business

Principal Place of Business Address

Mailing Address (if different than business address)

Telephone Number

()

Fax Number

()

Website address (if any)

Federal Employer Identification Number (if any)

Social Security Number (if no FEIN)

What fiscal year does the business use?

☐ Calendar year (January – December)

☐ Other: From: _____ To: _____

SECTION 3b – ENTITY STRUCTURE

Attach a current organization chart for the entity indicating names and job titles.

Check the appropriate box below.

☐ Sole Proprietor

☐ General Partnership

☐ Limited Partnership

☐ Joint Venture

☐ Limited Liability Company

☐ Corporation:

☐ Publicly Traded

☐ Private:

☐ Sub-Chapter S

☐ Sub-Chapter C

☐ Trust:

☐ Revocable

☐ Irrevocable

☐ Other: _____

SECTION 3b – ENTITY STRUCTURE (Continued)

Provide the following information regarding the business. Include all shareholders with a greater than 10% in ownership. For members of a Limited Liability Company, list membership interest in the ownership column. For partners, indicate whether general or limited partner after their name. For officers, directors, and principal management employees that have no ownership, enter 0% in the ownership column. If additional space is needed, use a separate sheet of paper.

Entity/Individual's Name	Title	Ownership/Membership Interest Percentage	Compensation Arrangement (salary, hourly, incentives, bonuses, etc.)
		%	
		%	
		%	
		%	

SECTION 3c – GENERAL INFORMATION: BUSINESS ENTITY

If you answer "yes" to any of the questions below, provide an explanation on a separate sheet of paper.

- | | |
|--|--|
| <p>1. Has the business been licensed with any tribal, county, city, state, federal or international gaming agency?
If yes, attach a listing of the gaming agency name, issue date, and expiration date.</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>2. Has the business applied for a permit, license, finding of suitability, certificate, registration, or authorization related to bingo in any jurisdiction that was withdrawn or denied?
If yes, attach a listing of the agency name and an explanation.</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

SECTION 4 – BINGO EQUIPMENT & SUPPLIES

Mark each box that describes the category of the business relating to card-minding devices and remote caller bingo equipment and supplies. If additional space is needed, attach a separate sheet of paper.

Equipment & Supplies	Manufactures	Distributes	Leases
<input type="checkbox"/> Card-minding devices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Point of sale system for card-minding devices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Network & telecommunications used to communicate from the calling station to the card-minding devices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Audio equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Video equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Calling station & related equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Main flashboard & related equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Balls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Verifier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Game pacer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Other equipment: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Bingo paper or cards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Daubers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Other supplies: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 5a – INDIVIDUAL APPLICANT INFORMATION

Please indicate your association with the business: (Check all that apply)

- | | | | |
|--|--------------------------------------|--|--|
| <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> Officer | <input type="checkbox"/> Board of Directors Member | <input type="checkbox"/> Trustor |
| <input type="checkbox"/> General Partner | <input type="checkbox"/> Director | <input type="checkbox"/> LLC Member | <input type="checkbox"/> Trustee |
| <input type="checkbox"/> Limited Partner | <input type="checkbox"/> Shareholder | <input type="checkbox"/> General Manager | <input type="checkbox"/> Current Beneficiary |
| <input type="checkbox"/> Other: _____ | | | |

Last Name	First Name	Middle Initial
Other names you have used or been known by (aliases, maiden name, nicknames, other name changes, legal or otherwise)		
*Address of Record – Number/Street		Apt. / Unit Number
City	County	State Zip Code Country
Residence Address, if different than above		E-mail Address:
Contact Numbers		
Home: ()	Work: ()	Cell: ()
Birthdate (mm/dd/yyyy)	Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	**Social Security Number

SECTION 5b – GENERAL INFORMATION: INDIVIDUAL APPLICANT

If you answer "yes" to any of the questions below, provide an explanation on a separate sheet of paper. If this is an application for renewal, you are only required to provide information not previously disclosed.

<p>1. Have you ever been convicted of any crime (misdemeanor or felony), including convictions which you pled "no contest" or "nolo contendere?"</p> <p style="margin-left: 40px;">If yes, provide the following information for each conviction:</p> <p style="margin-left: 60px;">a) Date of conviction</p> <p style="margin-left: 60px;">b) Crime convicted of</p> <p style="margin-left: 60px;">c) Court location (city and state)</p> <p style="margin-left: 60px;">d) Penalty received</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>2. Have you been issued a gaming license, certificate, permit, registration, finding of suitability, etc. by any tribal, county, city, state, federal, or international agency?</p> <p style="margin-left: 40px;">If yes, attach a listing of the gaming agency name, issue date, and expiration date.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>3. Have you applied for a license, certificate, permit, registration, finding of suitability, authorization, etc. related to bingo in any jurisdiction that was withdrawn or denied?</p> <p style="margin-left: 40px;">If yes, attach a listing of the agency name and an explanation.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

SECTION 6 – AUTHORIZED REPRESENTATIVE INFORMATION		
Business entity applicants must assign an authorized representative to represent the business and other matters regarding licensure. Individual applicants may designate another individual or themselves.		
Last Name	First Name	Middle Initial
Relationship to Applicant (Entity or Individual): <input type="checkbox"/> Owner <input type="checkbox"/> Attorney <input type="checkbox"/> Employee <input type="checkbox"/> Self <input type="checkbox"/> Other: _____		
Business Name (if applicable)		
Mailing Address		
E-mail Address		
Telephone Number ()	Cell Phone Number ()	Fax Number ()
SECTION 7 – CERTIFICATION / SIGNATURE		
If applying as a business entity, the highest ranking officer must sign on behalf of the entity. An applicant applying as an individual must sign on his or her behalf. If applying as a trust, the trustee must sign on behalf of the trust.		
<p><i>I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know its contents, the information contained herein and in any attachments, is true, accurate, and complete. I also understand that approval of an interim license is subject to the following conditions:</i></p> <ol style="list-style-type: none"> <i>(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.</i> <i>(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.</i> <i>(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.</i> <i>(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines the applicant does not qualify for a regular license.</i> <i>(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12494, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing.</i> 		
Signature		Date
<p>* You must provide your residence address to the Commission. Unless a separate mailing address is provided, the Commission will mail all correspondence to your residence address. Your residence address will not be displayed on the Commission's website and will not be provided to the public as a result of a request pursuant to the Public Records Act (Government Code section 6250 et seq.) or Business and Professions Code section 19821(b).</p> <p>**Disclosure of your U.S. social security number is mandatory. Business and Professions Code section 30 and Public Law 94-455 (42 USC section 405(c)(2)(C)) authorize collection of your social security number. Your social security number will be used exclusively for tax enforcement purposes, for purposes of compliance with any judgment or order for family support in accordance with Family Code section 17520 or for verification of licensure. If you fail to disclose your social security number, your application will not be processed and you will be reported to the Franchise Tax Board, which may assess a \$100 penalty against you.</p>		

Appendix C



State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

STATEMENT OF ELIGIBILITY TO CONDUCT REMOTE CALLER BINGO CGCC-618 (New 03/09)

Pursuant to California Code of Regulations, Title 4, section 12504 and California Penal Code (PC) section 326.3(b)(1), remote caller bingo games may only be conducted by organizations that meet specific criteria. The California Gambling Control Commission (Commission) regulates remote caller bingo and recognizes organizations that are eligible to conduct remote caller bingo games.

Instructions:

Type or print legibly, in ink, all information requested on this statement. If a question does not apply, write "N/A" (Not Applicable). Incomplete statements will be returned. You must provide truthful information in all your responses. All answers to questions on this statement and on all supplemental documentation will be subject to verification.

Send the completed statement package with required fees (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

SECTION 1 – STATEMENT OF ELIGIBILITY TYPE			
<input type="checkbox"/> Initial Statement: \$50.00 (non-refundable fee) Submit the following documents with your completed statement: <ul style="list-style-type: none"> ✓ Founding documents (i.e. Articles of Incorporation, bylaws, constitution, articles of association, trust instrument or will and decree of final distribution, or statement describing your operations and charitable purpose.) ✓ Copy of Certificate of Determination of Exemption from the Franchise Tax Board. ✓ Organization chart or a listing of the names and titles of trustees, directors, and officers 			
<input type="checkbox"/> Annual Statement: \$25.00 (non-refundable fee) 1) Have there been any changes to the organization's eligibility since last filing a statement? <input type="checkbox"/> Yes: Complete all sections and attach any amended documents, if applicable. <input type="checkbox"/> No: Complete section 1, 2, and 5 only			
SECTION 2 – ORGANIZATION INFORMATION			
Name of Authorized Organization			
Street Address of Principal Office		City	State Zip
Mailing Address (if different than street address)		City	State Zip
Telephone Number ()	Fax Number ()	Business Hours	
Provide at least one of the following:			
Federal Tax Identification Number: _____		Corporate Number: _____	
Charitable Trust Number: _____		Organization Number: _____	
What fiscal year does the organization use?			
<input type="checkbox"/> Calendar year (January – December)		<input type="checkbox"/> Other: From: _____ To: _____	

SECTION 3 – ORGANIZATION ELIGIBILITY

1. Mark the box to indicate how the organization is eligible to conduct remote caller bingo.

<input type="checkbox"/> Mobilehome park association	<input type="checkbox"/> Senior citizens organization			
<input type="checkbox"/> Charitable organizations affiliated with a school district				
<input type="checkbox"/> Exempted from the payment of the following bank and taxes by the following Revenue and Taxation Code:				
<input type="checkbox"/> 23701a	<input type="checkbox"/> 23701b	<input type="checkbox"/> 23701d	<input type="checkbox"/> 23701e	<input type="checkbox"/> 23701f
<input type="checkbox"/> 23701g	<input type="checkbox"/> 23701k	<input type="checkbox"/> 23701l	<input type="checkbox"/> 23701w	

2. Provide the date the organization was incorporated or was established: _____

Note: The organization must be in existence for at least three years to be eligible to conduct remote caller bingo.

3. Provide the local agency that licenses or authorizes the organization to conduct bingo as specified in section 326.5(l) of the Penal Code. If additional space is needed, attach a separate sheet of paper.

Agency Name: _____

License Number: _____ Expiration Date: _____

4. Provide the charitable purpose for which the remote caller bingo game receipts will be used.

5. What is the primary purpose for which the organization is organized?

SECTION 4 – AUTHORIZED REPRESENTATIVE INFORMATION

The organization must assign an authorized representative to represent the organization on matters related to the conduct of remote caller bingo games.

Last Name	First Name	Middle Initial
Relationship to Organization: <input type="checkbox"/> Attorney <input type="checkbox"/> Member <input type="checkbox"/> Employee <input type="checkbox"/> Other: _____		
Business Name, if applicable		E-mail Address (if any)
Mailing Address	City	State Zip
Telephone Number ()	Cell Phone Number (if any) ()	Fax Number ()

SECTION 5 – CERTIFICATION/SIGNATURE

The highest ranking officer of the organization must sign on behalf of the organization.

I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know its contents, the information contained herein and in any attachments, is true, accurate, and complete.

Signature

Title

Date



State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

APPLICATION FOR INTERIM LICENSE FOR REMOTE CALLER BINGO CGCC-620 (New 03/09)

Pursuant to California Code of Regulations, Title 4, section 12498 and California Penal Code (PC) section 326.3(p)(1), the California Gambling Control Commission (Commission) shall regulate remote caller bingo. This includes the licensing of any person who conducts remote caller bingo, including, but not limited to, persons having fiduciary responsibility, site managers, and bingo callers.

Instructions:

Type or print legibly, in ink, all information requested on this application. If a question does not apply, write "N/A" (Not Applicable). Incomplete applications will be returned. You must provide truthful information in all your responses. All answers to questions in this application and on all supplemental documentation will be subject to verification. Any misrepresentation or failure to disclose information may constitute sufficient cause for denial or revocation of your remote caller bingo interim license.

Applicants must submit fingerprints via Live Scan by following the steps below listed below.

- 1) Locate and call a Live Scan provider. Determine if an appointment is required and the preferred method of payment (e.g., cash, cashier's check, etc.). Applicants must pay the cost associated with the processing and transmitting of his/her fingerprints directly to the agency providing the service. Fees vary by provider.
- 2) Take the Request for Live Scan Service, BCII 8016 (Rev 03/07) form to a Live Scan provider. The provider will process the fingerprints via Live Scan.
- 3) After the fingerprints have been taken, attach a copy of the Request for Live Scan Service form to this application.

Send the completed application package with required fees (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

SECTION 1 – REMOTE CALLER BINGO INTERIM LICENSE	
Name of Applicant	Name of Authorized Organization
<input type="checkbox"/> Initial Interim License: \$50.00 (non-refundable fee, per application) <u>Attach:</u> Completed Request for Live Scan Service, BCII 8016 (Rev 03/07)	
<input type="checkbox"/> Renewal Interim License: \$50.00 (non-refundable fee, per application)	
SECTION 2 – REMOTE CALLER BINGO INTERIM LICENSE TYPE	
<input type="checkbox"/> Fiduciary: Is an individual who is designated in writing by an authorized organization to manage the finances of the organization's remote caller bingo operation for the benefit of the organization rather than the benefit of the designated individual, exercising the highest level of good faith, loyalty, and diligence.	
<input type="checkbox"/> Caller: Is an individual who is a member of an authorized organization present at a live remote caller bingo game site who announces the numbers or symbols from randomly drawn plastic balls.	
<input type="checkbox"/> Site Manager: Is an individual who is a member of an authorized organization who is present at any remote caller bingo game and is responsible for the game conduct, staff, and patrons at the site.	

SECTION 3a – APPLICANT INFORMATION

Indicate your association with the authorized organization. (Check all that apply)

- | | | | |
|--|--|---|---------------------------------------|
| <input type="checkbox"/> Officer
<input type="checkbox"/> Executive Director
<input type="checkbox"/> President
<input type="checkbox"/> Vice-President | <input type="checkbox"/> Treasurer
<input type="checkbox"/> Director
<input type="checkbox"/> General Manager
<input type="checkbox"/> Member | <input type="checkbox"/> Volunteer
<input type="checkbox"/> Employee
<input type="checkbox"/> Trustor
<input type="checkbox"/> Trustee | <input type="checkbox"/> Other: _____ |
|--|--|---|---------------------------------------|

Description of your duties relating to the conduct of remote caller bingo operations:

Last Name	First Name	Middle Initial
-----------	------------	----------------

Other names you have used or been known by (aliases, maiden name, nicknames, other name changes, legal or otherwise)

*Residence Address – Number/Street	Apt. / Unit Number
------------------------------------	--------------------

City	County	State	Zip Code
------	--------	-------	----------

*Mailing Address, if different than above

Contact Numbers

Home: () Work: () Cell: ()

E-mail Address (if any)

Birthdate (mm/dd/yyyy)	Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	**Social Security Number
------------------------	---	--------------------------

SECTION 3b – GENERAL APPLICANT INFORMATION

If you answer "yes" to any of the questions, provide an explanation on a separate sheet of paper.

If this is an application for renewal, you are only required to provide information not previously disclosed.

- | | |
|--|---|
| <p>1. Have you been issued a gaming license, certificate, permit, etc. by any tribal, county, city, state, federal, or international agency?</p> <p style="text-align: right;">□ Yes □ No</p> <p>If yes, attach a listing of the gaming agency name, issue date and expiration date.</p> <hr style="border-top: 1px dotted black;"/> <p>2. Have you ever been convicted of any crime (misdemeanor or felony), including convictions which you pled "no contest" or "nolo contendere?"</p> <p style="text-align: right;">□ Yes □ No</p> <p>If yes, provide the following information for each conviction:</p> <ul style="list-style-type: none"> a. Date of conviction b. Crime convicted of c. Court location (city and state) d. Penalty received | <p style="text-align: right;">□ Yes □ No</p> <p style="text-align: right;">□ Yes □ No</p> |
|--|---|

SECTION 4 – AUTHORIZED REPRESENTATIVE INFORMATION		
Complete this section <i>only</i> if you choose to designate someone to represent you concerning your application or other matters regarding licensure.		
Last Name	First Name	Middle Initial
Relationship to Applicant:		
<input type="checkbox"/> Attorney <input type="checkbox"/> Employee <input type="checkbox"/> Other: _____		
Business Name, if applicable		E-mail Address (if any)
Mailing Address		
Telephone Number ()	Cell Phone Number (if any) ()	Fax Number ()
SECTION 5 – CERTIFICATION / SIGNATURE		
<p><i>I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know its contents, the information contained herein and in any attachments, is true, accurate, and complete. I also understand that approval of an interim license is subject to the following conditions:</i></p> <ol style="list-style-type: none"> (1) <i>An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.</i> (2) <i>Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.</i> (3) <i>An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.</i> (4) <i>Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for a regular license.</i> (5) <i>If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12499, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing.</i> 		
Signature		Date
<p><small>* You must provide your residence address to the Commission. Unless a separate mailing address is provided, the Commission will mail all correspondence to your residence address. Your residence address will not be displayed on the Commission's website and will not be provided to the public as a result of a request pursuant to the Public Records Act (Government Code section 6250 et seq.) or Business and Professions Code section 19821(b).</small></p> <p><small>**Disclosure of your U.S. social security number is mandatory. Business and Professions Code section 30 and Public Law 94-455 (42 USC section 405(c)(2)(C)) authorize collection of your social security number. Your social security number will be used exclusively for tax enforcement purposes, for purposes of compliance with any judgment or order for family support in accordance with Family Code section 17520 or for verification of licensure. If you fail to disclose your social security number, your application will not be processed and you will be reported to the Franchise Tax Board, which may assess a \$100 penalty against you.</small></p>		



State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

**APPLICATION FOR INTERIM WORK PERMIT FOR REMOTE CALLER BINGO
CGCC-622 (New 03/09)**

Pursuant to California Code of Regulations, Title 4, section 12501 and California Penal Code (PC) section 326.3(q) any person employed by an authorized organization who conducts remote caller bingo and is responsible for administrative, managerial, technical, financial, and/or security shall apply for, obtain, and maintain a valid interim work permit issued by the California Gambling Control Commission.

Instructions:

Type or print legibly, in ink, all information requested on this application. If a question does not apply, write "N/A" (Not Applicable). Incomplete applications will be returned. You must provide truthful information in all your responses. All answers to questions in this application and on all supplemental documentation will be subject to verification. Any misrepresentation or failure to disclose information may constitute sufficient cause for denial or revocation of your remote caller bingo interim work permit.

Send the completed application package with required fees (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

SECTION 1 – REMOTE CALLER BINGO INTERIM WORK PERMIT	
Name of Applicant	Name of Authorized Organization
<input type="checkbox"/> Initial Interim Work Permit: \$50.00 (non-refundable fee, per application) <u>Fingerprints must be submitted via Live Scan as follows:</u> <ol style="list-style-type: none">1) Locate and call a Live Scan provider. Determine if an appointment is required and the preferred method of payment (e.g., cash, cashier's check, etc.). Applicants must pay the cost associated with the processing and transmitting of his/her fingerprints directly to the agency providing the service. Fees vary by provider.2) Take the Request for Live Scan Service, BCII 8016 (Rev. 03/07) form to a Live Scan provider. The provider will process the fingerprints via Live Scan.3) After the fingerprints have been taken, attach a copy of the Request for Live Scan Service form to this application.	
<input type="checkbox"/> Renewal Interim Work Permit: \$50.00 (non-refundable fee, per application)	

SECTION 2 –EMPLOYMENT DUTIES			
<i>Indicate your association with the authorized organization. (Check <u>all</u> that apply)</i>			
<input type="checkbox"/> Employee <input type="checkbox"/> Member <input type="checkbox"/> Other: _____			
<i>Indicate category of employment duties. (Check all that apply)</i>			
<input type="checkbox"/> Administrative <input type="checkbox"/> Managerial <input type="checkbox"/> Technical <input type="checkbox"/> Financial <input type="checkbox"/> Security			
<i>Provide a brief description of your duties relating to the conduct of remote caller bingo operations:</i>			
SECTION 3a – APPLICANT INFORMATION			
Last Name		First Name	
		Middle Initial	
Other names you have used or been known by (aliases, maiden name, nicknames, other name changes, legal or otherwise)			
*Residence Address – Number/Street			
Apt. / Unit Number			
City		County	
		State	
		Zip Code	
*Mailing Address, if different than above			
Contact Numbers			
Home: ()		Work: ()	
		Cell: ()	
E-mail Address (if any)			
Birthdate (mm/dd/yyyy)		Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	
**Social Security Number			
SECTION 3b – GENERAL APPLICANT INFORMATION			
If you answer "yes" to any of the questions, provide an explanation on a separate sheet of paper. If this is an application for renewal, you are only required to provide information not previously disclosed.			
1. Have you been issued a gaming license, certificate, permit, etc. by any tribal, county, city, state, federal, or international agency? If yes, attach a listing of the gaming agency name, issue date and expiration date			<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Have you ever been convicted of any crime (misdemeanor or felony), including convictions which you pled "no contest" or "nolo contendere"? If yes, provide the following information for each conviction: a. Date of conviction b. Crime convicted of c. Court location (city and state) d. Penalty received			<input type="checkbox"/> Yes <input type="checkbox"/> No

SECTION 4 – AUTHORIZED REPRESENTATIVE INFORMATION

Complete this section only if you choose to designate someone to represent you concerning your application or other matters regarding licensure.

Last Name	First Name	Middle Initial
Relationship to Applicant: <input type="checkbox"/> Attorney <input type="checkbox"/> Employee <input type="checkbox"/> Other: _____		
Business Name, if applicable		E-mail Address (if any)
Mailing Address		
Telephone Number ()	Cell Phone Number (if any) ()	Fax Number ()

SECTION 5 – CERTIFICATION / SIGNATURE

I certify under penalty of perjury under the laws of the State of California that I have personally completed this form and know its contents, the information contained herein and in any attachments, is true, accurate, and complete. I also understand that approval of an interim work permit is subject to the following conditions:

- (1) An interim work permit shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular work permit have not been adopted.*
- (2) Upon adoption of regulations specifying the criteria for a regular work permit, the Commission will notify the holder of the interim work permit of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim work permit will not be eligible for renewal.*
- (3) An interim work permit does not obligate the Commission to issue a regular work permit nor does it create a vested right in the holder to either a renewal of the interim work permit or the granting of a subsequent regular work permit.*
- (4) Issuance of an interim work permit has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim work permit will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for a regular work permit.*
- (5) If, during the term of an interim work permit, it is determined that the holder is disqualified pursuant to Section 12502, the Executive Director shall prepare an order to show cause why that work permit should not be cancelled. The holder of the interim work permit shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing.*

Signature	Date
-----------	------

* You must provide your residence address to the Commission. Unless a separate mailing address is provided, the Commission will mail all correspondence to your residence address. Your residence address will not be displayed on the Commission's website and will not be provided to the public as a result of a request pursuant to the Public Records Act (Government Code section 6250 et seq.) or Business and Professions Code section 19821(b).

**Disclosure of your U.S. social security number is mandatory. Business and Professions Code section 30 and Public Law 94-455 (42 USC section 405(c)(2)(C)) authorize collection of your social security number. Your social security number will be used exclusively for tax enforcement purposes, for purposes of compliance with any judgment or order for family support in accordance with Family Code section 17520 or for verification of licensure. If you fail to disclose your social security number, your application will not be processed and you will be reported to the Franchise Tax Board, which may assess a \$100 penalty against you.

CHAPTER 9. [RESERVED]

CHAPTER 10. DISCIPLINE, HEARINGS, AND DECISIONS.

12550. Purpose and Scope.

(a) The purpose of this chapter is to set forth disciplinary procedures and guidelines applicable to the holder of any license, registration, permit, finding of suitability, or approval issued by the Commission. This chapter does not apply to any denial proceedings under the Act.

(b) The disciplinary guidelines in this chapter are designed to promote fairness and flexibility in dealing with a wide range of disciplinary scenarios. Variation in penalties based on circumstances and factors in aggravation or mitigation are part of this disciplinary scheme to promote compliance with applicable laws and regulations.

(c) Nothing in this chapter is intended to limit the authority of the Commission to issue orders of summary suspension pursuant to Business and Professions Code section 19913, or to limit the authority of the Bureau to issue emergency orders pursuant to Business and Professions Code section 19931.

(d) Nothing in this chapter shall be construed to prevent the Commission from:

(1) Ordering an investigation by Commission staff on a matter brought before the Commission;

(2) Instituting a civil action in any superior court to restrain a violation of the Act, pursuant to Business and Professions Code section 19824, subdivision (g);

(3) Referring a matter to the Attorney General or any district attorney or city attorney for civil, criminal or administrative action; or

(4) Requesting the Bureau to conduct an investigation pursuant to information gathered independently by the Commission or supplied to it by a third party.

(e) Nothing in this chapter precludes any person from notifying the Commission or the Bureau regarding any violations of law or reasons why the holder of any license, registration, permit, finding of suitability, or approval should be disciplined.

(f) Nothing in this chapter precludes the Bureau, in its discretion, from issuing warning notices, notices to cure, advisory letters regarding violations or possible violations of law, or from withdrawing such upon further investigation.

Note: Authority cited: Sections 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19823, 19912, 19913, 19914, 19920, 19922, 19930, 19931, and 19984, Business and Professions Code.

12552. Settlements.

(a) At any time, the Commission and respondent may enter into a settlement of the accusation as provided in this section.

(b) Any settlement of an accusation shall include a plan for immediate abatement of the violation, a plan for immediate compliance with all statutory and regulatory requirements, an agreement to any penalty imposed, and shall be a full and final settlement of the violation

including a complete waiver of all judicial or other review unless otherwise agreed to by the Commission.

(c) Any settlement of an accusation shall be submitted by the Bureau for approval by the Commission at a noticed Commission meeting. The Commission shall have final approval authority concerning any such settlement. If the Commission rejects a settlement or agreement, and no amended agreement or settlement is reached before two additional regularly noticed Commission meetings have concluded, or sixty days have elapsed, whichever is later, the Bureau shall proceed with the formal hearing process under this chapter.

Note: Authority cited: Sections 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19824, 19826, 19920, and 19930, Business and Professions Code.

12554. Formal Hearing Process.

(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. Discipline shall be in accordance with the guidelines of this chapter, summarized for convenience only in CGCC-12554 (New 09/06), Summary Chart of Disciplinary Guidelines, attached as Appendix A to this chapter.

(b) In the event that the Bureau cannot present the accusation, the Commission may request outside counsel or representation by another state agency or may adequately segregate one or more Commission staff members from the Commissioners and Commission legal unit to present the accusation.

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

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

- (1) Revoke the license, registration, permit, finding of suitability, or approval;
- (2) Suspend the license, registration, or permit;
- (3) Order the licensing authority of a city, county, or city and county to revoke a work permit, pursuant to Business and Professions Code section 19914, subdivision (a);

(4) Impose any condition, limitation, order, or directive (including but not limited to a directive to divest an interest in a business entity pursuant to Business and Professions Code, section 19879);

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

(6) Stay, in whole or in part, the imposition of a revocation or suspension against the holder of a license, registration, work permit, finding of suitability, or approval; or

(7) Order the holder to pay a monetary penalty in lieu of all or a portion of a suspension. Within the guidelines of Business and Professions Code sections 19930, subdivision (c), and 19943, subdivision (b):

(A) If the respondent is an owner licensee of a gambling establishment, the monetary penalty shall be equivalent of fifty percent of the average daily gross gaming revenue, but not less than \$300, for the number of days for which the suspension is stayed.

(B) [RESERVED]

(C) If the respondent is an owner of a third-party provider of proposition player services and the violation did not involve a fraudulent, expired, borrowed, or stolen badge, and did not involve a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of \$500 plus the total of \$100 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

(D) If the respondent is an owner of a third-party provider of proposition player services and the violation involved a fraudulent, expired, borrowed, or stolen badge, or involved a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of \$500 plus the total of \$300 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

(E) If the respondent is an owner of a gambling business, the monetary penalty shall be \$1500 per day for the number of days for which the suspension is stayed.

(F) If the respondent is a key employee of a gambling establishment or a supervisor of a gambling business or third-party provider of proposition player services, the monetary penalty shall be \$100 per day for the number of days for which the suspension is stayed.

(G) If the respondent is a holder of a work permit, a player or other employee of a gambling business or third-party provider of proposition player services, or a person not otherwise described above, the monetary penalty shall be \$50 per day for the number of days for which the suspension is stayed.

(e) If a person's state gambling license for a gambling establishment is revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the gambling establishment, provided that after the date on which the

revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or which arise out of, are attributable to, or are derived from controlled gambling.

(f) If an owner of a third-party provider of proposition player services or gambling business has his or her owner's license or registration revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the third-party provider of proposition player services or gambling business, provided that after the date on which the revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or which arise out of, are attributable to, or are derived from the provision of proposition player services.

(g) For decisions concerning a gambling establishment, findings shall be made regarding the number of tables in operation at the establishment and the annual gross gaming revenue of the establishment.

(h) For decisions concerning an owner of a third-party provider of proposition player services, findings shall be made regarding the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged.

(i) Any order to pay the costs of investigation or prosecution of the case shall be fixed pursuant to Business and Professions Code section 19930, subdivision (d).

(j) For multiple violations, or for suspensions imposed by other jurisdictions based on the same violations, the decision shall state whether any Commission-imposed suspensions shall run consecutively or concurrently.

(k) Where a violation arises from a practice that is repeated many times an hour or day in the conduct of controlled games, each instance of the practice shall not be charged as a separate violation; however, the frequency and duration of the practice shall be treated as aggravating or mitigating factors.

Note: Authority cited: Sections 19824, 19825, 19840, 19841, and 19930, Business and Professions Code.

Reference: Sections 19879, 19930, and 19984, Business and Professions Code; Section 11045, Government Code; and Section 10335, Public Contract Code.

12556. Factors in Mitigation or Aggravation of Penalty.

Factors in mitigation may reduce a minimum penalty of suspension listed in this chapter, either in number of days suspended and/or in the proposal to stay a suspension for a period of probation and the payment of any monetary penalty. Factors in aggravation may increase a penalty or be taken into consideration in determining whether or not to allow a suspension to be stayed upon payment of a monetary penalty. If presented by complainant or respondent, the Commission shall consider the following factors in mitigation or aggravation of the penalty imposed:

(a) Violation of any previously imposed or agreed upon condition, restriction or directive.

- (b) Whether or not the conduct was knowing, willful, reckless, or inadvertent.
- (c) The extent to which respondent cooperated with the Bureau or Commission during the investigation of the violation.
- (d) The extent to which respondent was honest with the Bureau or Commission during the investigation of the violation.
- (e) The extent to which respondent is willing to reimburse or otherwise make whole any person who has suffered a loss due to the violation.
- (f) Whether respondent has initiated remedial measures to prevent similar violations.
- (g) The extent to which respondent realized an economic gain from the violation.
- (h) Disciplinary history of respondent, repeated offenses of the same or similar nature, or evidence that the unlawful act was part of a pattern or practice, including the frequency or duration of any pattern or practice which violates applicable law.
- (i) Any other aggravating factors, including any factors which the Commission determines to bear on the health, safety, or welfare of the public.
- (j) The extent to which there was actual or potential harm to the public or to any patron.
- (k) The extent to which an owner licensee or key employee of a gambling establishment, owner or supervisor of a third-party provider of proposition player services, or owner or supervisor of a gambling business exercised due diligence in management or supervision.
- (l) If the violation was caused by an employee of a third-party provider of proposition player services or gambling business, the extent to which the owner licensee, licensee, or registrant knew or should have known of the employee's improper conduct; the level of authority of the employee involved and the extent to which the employee acted within the scope of his or her authority in committing the violation.
- (m) If the violation was caused by a third-party provider of proposition player services or gambling business, the extent to which the owner licensee or gambling establishment knew or should have known of the improper conduct.
- (n) If the violation was caused by an independent contractor of a gambling business, the extent to which the gambling business owner licensee, licensee, or registrant knew or should have known of the independent contractor's improper conduct; the level of authority of the independent contractor involved and the extent to which the independent contractor acted within the scope of his or her authority in committing the violation.
- (o) If the violation was caused or committed by a third party, the extent to which the owner licensee, licensee, or registrant knew or should have known of the third party's improper conduct.
- (p) Any relevant evidence offered by respondent in mitigation of the violation.

Note: Authority cited: Sections 19825, 19840, and 19930, Business and Professions Code. Reference: Sections 19825, 19920, 19930, and 19984, Business and Professions Code.

12558. Disciplinary Guidelines for Holders of Work Permits.

Pursuant to Business and Professions Code, section 19914, the holder of a work permit shall be subject to a minimum penalty of a three-day suspension, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, up to a maximum penalty of revocation by the Commission if the Commission finds that the holder:

- (a) Engaged in or committed a prohibited act specified in Business and Professions Code 19914, subdivision (a).
- (b) Does not currently meet any criterion for eligibility or qualification.
- (c) Violated or is in violation of any condition, limitation or directive previously imposed on the work permit.
- (d) Violated or is in violation of any Commission or Bureau regulations, including those regulations regarding work permits in the California Code of Regulations, Title 4, Division 18, Chapter 2 (commencing with Section 12100).

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19824, 19878 19912, 19914, 19920, and 19930, Business and Professions Code.

12560. Disciplinary Guidelines for Third-party providers of proposition player services licensees or registrants.

(a) If the Commission finds that an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, Title 4, Section 12200, is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall be one day of suspension of proposition player services from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply and which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter.

(b) A license or registration granted by the Commission for an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, Title 4, Section 12200, shall be subject to a minimum discipline of suspension of five days from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply, and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554 (d)(7) of this chapter, if the Commission finds that:

- (1) The owner has violated or is out of compliance with any conditions, limitations, orders, or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,
- (2) The owner has been found, by any administrative tribunal or court, to have violated or be in violation of any law involving or relating to gambling,
- (3) The owner has intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(4) The owner has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services,

(5) The owner has violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,

(6) The owner has violated California Code of Regulations, Title 4, regarding annual fees for third party providers of proposition player services,

(7) The owner has provided proposition player services in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(9) or (b)(11),

(8) The owner has failed to fully disclose financial arrangements in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(15),

(9) The primary owner has failed to report cheating, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(18),

(10) The owner has purchased, leased, or controlled equipment in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(21),

(11) The owner has failed to have the proposition player contract approved, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(22), or Section 12200.9,

(12) The owner has authorized or provided payment to or receipt by the gambling establishment, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (c),

(13) The owner has been cheating, or has induced or instructed another to cheat, pursuant to Penal Code, sections 337t, 337u, 337v, 337w, or 337y,

(14) The owner has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(15) The owner has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(16) The owner has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(17) The owner has committed bribery (as that term is used in Penal Code section 67 or 67.5),

(18) The owner has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(19) The owner has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (c)(19),

(20) The owner has violated the provisions regarding playing books listed in California Code of Regulations, Title 4, Section 12200.13,

(21) The owner has committed any of the acts listed in California Code of Regulations, Title 4, Section 12200.18, subsections (a), (b), (d), (e), (f), (i), (j), (l), (m), or (n), or

(22) The owner is providing services as a gambling business without first obtaining a gambling business registration or license, in violation of California Code of Regulations, Title 4, Section 12220 et seq.

(c) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12200, shall be subject to a minimum monetary penalty of \$100 and/or a suspension of three days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) The supervisor, player, or other employee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services,

(3) The supervisor, player, or other employee has committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property, or

(4) The supervisor, player, or other employee has engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling or the provision of proposition player services which is inimical to the health, welfare, or safety of the general public.

(5) The supervisor, player, or other employee has either failed to wear a badge, worn a badge which was covered, worn a false or altered badge or a badge issued for a different gambling establishment, worn another person's badge, or worn an expired badge,

(6) The supervisor, player, or other employee has engaged in fighting or has intentionally provoked a patron or employee at a gambling establishment,

(7) The supervisor, player, or other employee has maliciously or willfully destroyed or damaged the property of the gambling establishment, employee, or patron,

(8) The supervisor, player, or other employee has accepted tips, gratuities, complimentaries, or gifts from gambling establishment staff or patrons,

(9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsection (a), or

(10) The supervisor, player, or other employee has failed to comply with California Code of Regulations, Title 4, Section 12200.21.

(d) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12200, shall be subject to a minimum monetary penalty of \$300 and/or a suspension of five days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has intentionally misrepresented a material fact on an application, request to convert, or supplemental application for licensure, registration, or approval,

(2) The supervisor, player, or other employee has been cheating, pursuant to Penal Code, section 337x,

(3) The supervisor, player, or other employee has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(4) The supervisor, player, or other employee has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(5) The supervisor, player, or other employee has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(6) The supervisor, player, or other employee has committed bribery (as that term is used in Penal Code section 67 or 67.5),

(7) The supervisor, player, or other employee has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(8) The supervisor, player, or other employee has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (19), or

(9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12200.18, subsections (b), (c), (d), (f), (g), (h), (i), (j), or (k).

(e) A license or registration granted by the Commission for an owner of a third-party provider of proposition player services, or for a supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12200, shall be subject to revocation if the Commission finds that:

(1) The owner, supervisor, player, or other employee has been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure, or

(2) The owner, supervisor, player, or other employee no longer meets any criterion for eligibility, pursuant to California Code of Regulations, Title 4, Sections 12204 or 12218.11.

Note: Authority cited: Sections 19825, 19840, 19841, 19930, and 19984, Business and Professions Code.
Reference: Sections 19824 and 19930, Business and Professions Code.

12562. Disciplinary Guidelines for Gambling Business Licensees or Registrants.

(a) If the Commission finds that an owner of a gambling business, as that term is used in California Code of Regulations, Title 4, Section 12220, is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall be one day of suspension of gambling business services from either specified gambling establishments or all gambling

establishments, as the circumstances and factors in mitigation or aggravation apply and which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter.

(b) A license or registration granted by the Commission for an owner of a gambling business, as that term is used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum monetary penalty of \$2500 and/or a discipline of suspension of five days from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply, and a maximum discipline of revocation by the Commission if the Commission finds that:

(1) The owner has violated or is out of compliance with any conditions, limitations, orders, or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) The owner has been found, by any administrative tribunal or court, to have violated or be in violation of any law involving or relating to gambling,

(3) The owner has intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(4) The owner has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling or the provision of proposition player services as a gambling business,

(5) The owner has violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,

(6) The owner has violated California Code of Regulations, Title 4, regarding annual fees for gambling businesses,

(7) The owner has been cheating, or has induced or instructed another to cheat, pursuant to Penal Code, sections 337t, 337u, 337v, 337w, or 337y,

(8) The owner has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(9) The owner has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(10) The owner has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with Section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(11) The owner has committed bribery (as that term is used in Penal Code section 67 or 67.5),

(12) The owner has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(13) The owner is providing services as a gambling business without first obtaining a gambling business registration or license, in violation of California Code of Regulations, Title 4, Section 12220 et seq., or

(14) The owner has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsections (a), (b), (d), (e), (f), (l), or (m).

(c) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum monetary penalty of \$100 and/or a suspension of three days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) The supervisor, player, or other employee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling,

(3) The supervisor, player, or other employee has committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property,

(4) The supervisor, player, or other employee has engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling which is inimical to the health, welfare, or safety of the general public.

(5) The supervisor, player, or other employee has either failed to wear a badge, worn a badge which was covered, worn a false or altered badge or a badge issued for a different gambling establishment, worn another person's badge, or worn an expired badge,

(6) The supervisor, player, or other employee has engaged in fighting or has intentionally provoked a patron or employee at a gambling establishment,

(7) The supervisor, player, or other employee has maliciously or willfully destroyed or damaged the property of the gambling establishment, employee, or patron,

(8) The supervisor, player, or other employee has accepted tips, gratuities, complimentaries, or gifts from gambling establishment staff or patrons,

(9) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsection (a), or

(10) The supervisor, player, or other employee has failed to comply with California Code of Regulations, Title 4, Section 12220.21.

(d) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum penalty of a monetary penalty of \$300 and/or a suspension of five days and a maximum penalty of revocation if the Commission finds that:

(1) The supervisor, player, or other employee has intentionally misrepresented a material fact on an application, request to convert, or supplemental application for licensure, registration, or approval,

(2) The supervisor, player, or other employee has been cheating, pursuant to Penal Code, section 337x,

(3) The supervisor, player, or other employee has committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(4) The supervisor, player, or other employee has committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(5) The supervisor, player, or other employee has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(6) The supervisor, player, or other employee has committed bribery (as that term is used in Penal Code section 67 or 67.5),

(7) The supervisor, player, or other employee has committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(8) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18 subsections (c), (d), (f), (g), (h), (i), (j), or (k).

(e) A license or registration granted by the Commission for an owner of a gambling business, or for a supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to revocation if the Commission finds that:

(1) The owner, supervisor, player, or other employee has been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure, or

(2) The owner, supervisor, player, or other employee no longer meets any criterion for eligibility, pursuant to California Code of Regulations, Title 4, Sections 12224 or 12220.11.

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19853(a)(3) and 19930, Business and Professions Code.

12564. Disciplinary Guidelines for Manufacturers or Distributors.

A registration granted by the Commission for a manufacturer or distributor of gambling equipment shall be subject to suspension or revocation by the Commission if the Commission finds that the registrant has violated California Code of Regulations, Title 4, Section 12303, subsection (b).

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Section 19930, Business and Professions Code.

12566. Disciplinary Guidelines for Gambling Establishments.

(a) If the Commission finds that a gambling establishment is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, or any local ordinance which directly affects the public health, safety, or welfare, which is not otherwise listed in these disciplinary guidelines, pursuant to Business and Professions Code section 19922, the penalty shall be one day of suspension, stayed upon the payment of a penalty,

within the guidelines of Business and Professions Code, sections 19930, subdivision (c), and 19943, subdivision (b), as follows:

(1) If the establishment has five tables or less and has an annual gross gaming revenue up to and including \$10,000, the penalty shall be between \$50 and \$100, based upon the factors in mitigation and aggravation.

(2) If the establishment has ten tables or less or has an annual gross gaming revenue over \$10,000, up to and including \$200,000, the penalty shall be between \$100 and \$2000, based upon the factors in mitigation and aggravation.

(3) If the establishment has annual gross gaming revenue over \$200,000, the penalty shall be between \$250 and \$5,000, based upon the factors in mitigation and aggravation.

(b) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for one day of normal business operation and a maximum discipline of suspension for 30 days of normal business operation, which may be stayed on terms and conditions and upon a monetary penalty of twenty-five percent of the average daily gross gaming revenue, not more than \$10,000, but not less than \$300, if the Commission finds that the establishment has violated any of the following but has not been disciplined by the Commission for such a violation previously:

(1) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was a monetary fine or citation,

(2) Failed to maintain adequate financing for chips in use or for player banks,

(3) [RESERVED]

(4) [RESERVED]

(5) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license or registration),

(6) Violated Business and Professions Code, section 19912 (failure to have valid work permit),

(7) [RESERVED]

(8) Violated Business and Professions Code, section 19924 (failure to maintain security controls),

(9) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,

(10) Provided false or incomplete financial data, in violation of California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting,

(11) Refused to allow Bureau or Commission inspection of records or information required to be maintained pursuant to California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting,

(12) Violated California Code of Regulations, Title 11, Section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises),

(13) Violated California Code of Regulations, Title 11, Section 2052 (failure to furnish information), or

(14) Violated California Code of Regulations, Title 11, Section 2070 (unsuitable gaming activities).

(c) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for five days of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the establishment has:

(1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was the suspension or revocation of a license or privilege,

(3) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(4) Failed to maintain adequate financing for chips in use or for player banks, and has been disciplined by the Commission for such a violation previously,

(5) Failed to report the operation of unregistered gambling businesses when the owners or management of the establishment knew or should have known that these gambling businesses were operating in the establishment, and has been disciplined by the Commission for such a violation previously,

(6) Concealed or persistently did not disclose ownership, interest, or key employee status, pursuant to Business and Professions Code, sections 19850, 19851, 19853, 19854, 19855, 19883, or 19901,

(7) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license or registration), and has been disciplined by the Commission for such a violation previously,

(8) Violated Business and Professions Code, section 19912 (failure to have valid work permit), and has been disciplined by the Commission for such a violation previously,

(9) Violated Business and Professions Code, section 19921 (failure to exclude persons under 21 from access to gambling areas), and has been disciplined by the Commission for such a violation previously, or violated Business and Professions Code, section 19941 (failure to prohibit persons under 21 from gambling, loitering, being employed in gambling areas, or using fraudulent identification to gamble, loiter, or be employed), unless the licensee provides the defense described in Business and Professions Code, section 19941, subdivision (c), or unless the licensee shows that the licensee has reasonably relied on picture identification which appears to be government issued, including determining that the identification looks real, there are no

obvious alterations, the photograph and description reasonably match the person, and the person reasonably looks age 21 or over.

(10) Violated Business and Professions Code, section 19924 (failure to maintain security controls), and has been disciplined by the Commission for such a violation previously,

(11) Violated Business and Professions Code, section 19942 (willful failure to report or pay license fee),

(12) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982, and has been disciplined by the Commission for such a violation previously,

(13) Provided false or intentionally incomplete financial data, in violation of California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

(14) Refused to allow Bureau or Commission inspection of records or information required to be maintained pursuant to California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

(15) Violated California Code of Regulations, Title 11, Section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises), and has been disciplined by the Commission for such a violation previously,

(16) Violated California Code of Regulations, Title 11, Section 2052 (failure to furnish information), and has been disciplined by the Commission for such a violation previously, or

(17) Violated California Code of Regulations, Title 11, Section 2070 (unsuitable gaming activities), and has been disciplined by the Commission for such a violation previously.

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19823, 19824, 19850, 19851, 19853, 19854, 19855, 19875, 19878, 19883, 19901, 19912, 19920, 19921, 19922, 19923, 19924, 19930, 19941, 19942, and 19982, Business and Professions Code; and *Department of Alcoholic Beverage Control v. Alcoholic Beverage Control Appeals Board* (2004), 118 Cal. App. 4th 1429, 1444-1445.

12568. Disciplinary Guidelines for Holders of Licenses, Findings of Suitability, or Approvals.

(a) A license for an individual or any finding of suitability or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to a minimum discipline of suspension for one day of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the holder has:

(1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was a monetary fine or citation,

(3) Been convicted in any jurisdiction of any offense involving or relating to gambling, where the penalty imposed was a monetary fine,

(4) Engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling,

(5) Committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property, or

(6) Engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling that is inimical to the health, welfare, or safety of the general public.

(b) A license, finding of suitability, or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to a minimum discipline of suspension for five days of normal scheduled work and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the holder has:

(1) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(2) Intentionally provided untruthful responses during an investigation by the Bureau, pursuant to Business and Professions Code, section 19827,

(3) Willfully interfered with the performance of Commission or Bureau duties, pursuant to Business and Professions Code, section 19944,

(4) Committed an act prohibited by Chapter 9 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, including but not limited to operation of a banked or percentage game (Penal Code, section 330), possession or sale of a slot machine (Penal Code, section 330b) or agreement for slot machine payout (Penal Code, section 330.1), bookmaking (Penal Code, section 337), and cheating (Penal Code, section 337x),

(5) Committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(6) Committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(7) Conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(8) As an owner licensee, not taken reasonable steps to prevent the crimes listed in subsections (b), paragraphs (5) through and including (7), from occurring at the gambling establishment, when the owner licensee knew or should have known that these crimes were being committed,

(9) Committed bribery (as that term is used in Penal Code section 67 or 67.5),

(10) Committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(11) Been convicted of a crime involving fiscal dishonesty, including but not limited to tax evasion (26 U.S.C. § 7201),

(12) Been convicted in any jurisdiction of any offense involving or relating to gambling, where the penalty imposed was more than a monetary fine, or

(13) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was the suspension or revocation of a license or privilege.

(c) A state gambling license, finding of suitability, or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to revocation by the Commission on any of the following grounds:

(1) If the Commission finds the holder to have been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure,

(2) If the Commission finds the holder to have engaged in or committed a prohibited act specified in Business and Professions Code section 19863 (no more than one gambling establishment at racetrack),

(3) If the Commission finds the holder no longer meets any criterion for eligibility, qualification, suitability or continued operation, including those set forth in Business and Professions code sections 19857, 19858, or 19880, as applicable, or

(4) If the Commission finds the holder currently meets any of the criteria for mandatory denial of an application set forth in Business and Professions Code sections 19859 or 19860.

Note: Authority cited: Sections 19825, 19840, 19841, and 19930, Business and Professions Code. Reference: Sections 19823, 19824, 19827, 19857, 19858, 19859, 19860, 19863, 19878, 19880, 19922, 19923, 19924, 19930, 19942, and 19944, Business and Professions Code.

12572. Precedential Decisions.

Pursuant to Government Code section 11425.60, the Commission, at a noticed Commission meeting, may:

(a) Designate all or part of any of the following as a precedential decision:

(1) An adopted final decision, or

(2) An adopted stipulated decision pursuant to a settlement agreement.

(b) Reverse in whole or in part the prior designation of a decision as a precedential decision.

Note: Authority cited: Section 19840, Business and Professions Code. Reference: Section 19930, Business and Professions Code; and Section 11425.60, Government Code.



State of California
California Gambling Control Commission
CGCC – 12554 (New 09-08)

Summary Chart of Disciplinary Guidelines

This is a summary – please refer to the regulatory text for a full explanation. In case of any conflicts, the regulatory text will prevail. Minimum and Maximum penalties may be affected by factors in mitigation or aggravation, pursuant to regulation 12556. If not otherwise listed, penalties may be stayed on the imposition of terms, conditions, or fines at the Commission's discretion, pursuant to regulation 12554, subsection (d).

Legend:

GGR = Average Daily Gross Gaming Revenue
TPPPPS = Third-Party Providers of Proposition Player Services

TYPE OF OFFENSE	TYPE OF LICENSE	MINIMUM PENALTY	MAXIMUM PENALTY	REGULATION REFERENCE (4 CCR)
Adequate Financing				
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(2), stay 12566(b); 12566(c)(4)
Badge Violations				
	TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(5)
	Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(5)
Bribery				
	TPPPPS - Owner	5 days	Revocation	12560(b)(17)
	TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(6)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(11)
	Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(6)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(9)
Campaign Finance violation				
	TPPPPS – Owner	5 days	Revocation	12560(b)(5)
	Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(5)
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(9), stay 12566(b); 12566(c)(12)

Cheating			
TPPPPS – Owner	5 days	Revocation	12560(b)(9), (13)
TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(2)
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(7)
Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(2)
Conviction – law related to gambling			
Gambling License, Finding of Suitability, Approval (not work permit)	1 day or 5 days	Revocation	12568(a)(2), (3); 12568(b)(12), (13)
Conviction - Moral Turpitude Crimes			
TPPPPS – Owner or Employee	Revocation	Revocation	12560(e)(1)
Gambling Business - Owner	Revocation	Revocation	12562(e)(1)
Gambling Business - Employee	Revocation	Revocation	12562(e)(1)
Dishonest controlled gaming activities			
TPPPPS - Owner	5 days	Revocation	12560(b)(4)
TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(2)
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(4)
Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(2)
Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	12568(a)(4)
Extortion			
TPPPPS - Owner	5 days	Revocation	12560(b)(14)
TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(3)
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(8)
Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(3)
Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(5)
Failure to Pay Fees			
TPPPPS – Owner (Annual Fees)	5 days	Revocation	12560(b)(6)
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(6)
Gambling Establishment	5 days	Revocation	12566(c)(11)
Fighting			
TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(6)
Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(6)

Loan-sharking				
TPPPPS - Owner	5 days	Revocation	12560(b)(15)	
TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(4)	
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(9)	
Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(4)	
Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(6)	
Misrepresenting material fact on application				
TPPPPS - Owner	5 days	Revocation	12560(b)(3)	
TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(1)	
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(3)	
Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(1)	
Gambling Establishment	5 days	Revocation	12566(c)(3)	
Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(1)	
Money Laundering				
TPPPPS - Owner	5 days	Revocation	12560(b)(18)	
TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(7)	
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(12)	
Gambling Business - Employee	5 days	Revocation		
Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(10)	
Narcotics				
TPPPPS - Owner	5 days	Revocation	12560(b)(16)	
TPPPPS - Employee	\$300 and/or 5 days	Revocation	12560(d)(5)	
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(10)	
Gambling Business - Employee	\$300 and/or 5 days	Revocation	12562(d)(5)	
Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(7)	

Non-Qualification			
Work Permittee	3 days	Revocation	12558(b)
TPPPPS - Owner	Revocation	Revocation	12560(c)(1),(2)
TPPPPS - Employee	Revocation	Revocation	12560(c)(1),(2)
Gambling Business - Owner	Revocation	Revocation	12562(c)(1),(2)
Gambling Business - Employee	Revocation	Revocation	12562(c)(1),(2)
Gambling License, Finding of Suitability, Approval (not work permit)	Revocation	Revocation	12568(c)(1), (3), (4)
Property Damage			
TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(7)
Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(7)
Tips			
TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(8)
Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(8)
Unauthorized Practice			
TPPPPS – Owner (12200)	5 Days	Revocation	12560(b)(22)
Gambling Business– Owner (12220)	\$2500 and/or 5 days	Revocation	12562(b)(13)
Gambling Establishment	5 days	Revocation	12566(c)(5)
Unsuitable Gaming Activities			
Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or 25% GGR; or Revocation	12566(b)(14), stay 12566(b); 12566(c)(17)
Violation of Gambling Control Act			
Work Permittee - 19914	3 days	Revocation	12558(a)
Gambling Establishment – 19850, 19851, 19853, 19854, 19855, 19883, 19901 (ownership/key)	5 days	Revocation	12566(c)(6)
Gambling Establishment – 19878	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or 25% GGR; or Revocation	12566(b)(5), stay 12566(b); 12566(c)(7)
Gambling Establishment – 19912 (work permit)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or 25% GGR; or Revocation	12566(b)(6), stay 12566(b); 12566(c)(8)

Gambling Establishment – 19921 (failure to exclude)	5 days	Revocation	12566(c)(9)
Gambling Establishment – 19924 (security controls)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(8), stay 12566(b); 12566(c)(10)
Gambling Establishment – 19941 (under 21)	5 days	Revocation	12566(c)(9)
Gambling License, Finding of Suitability, Approval (not work permit) – 19817 (untruthful)	5 days	Revocation	12568(b)(2)
Gambling License, Finding of Suitability, Approval (not work permit) – 19944 (interference)	5 days	Revocation	12568(b)(3)
Gambling License, Finding of Suitability, Approval (not work permit) – 19863 (racetrack)	Revocation	Revocation	12568(c)(2)
Violation of Chapter 9 and 10 of Penal Code			
Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(4)
Violation of any gambling law			
TPPPPS – Owner	5 days	Revocation	12560(b)(2)
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(2)
Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(1), stay 12566(b); 12566(c)(2)
Gambling License, Finding of Suitability, Approval (not work permit)	1 day; 5 days	Revocation	12568(a)(2), (3); 12568(b)(12), (13)
Violation of law – nexus			
TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(3)
Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(3)
Gambling License, Finding of Suitability, Approval (not work permit) – crime of fiscal dishonesty	1 day; 5 days	Revocation	12568(b)(11)

Violation of Regulations				
Work Permittee	TPPPPS – Owner (12200.7(b)(9), (11), (15), (18), (19), (21), (22), or (c), or 12200.9)	3 days	Revocation	12558(d)
	TPPPPS – Owner (12200.13, or 12200.18 (a), (b), (d), (e), (f), (i), (l), (m), or (n))	5 days	Revocation	12560(b)(7)-(12), (19)
	TPPPPS – Employee (12220.18 and 12200.21)	5 days	Revocation	12560(b)(20), (21)
	TPPPPS – Employee (12200.7, 12200.18(b), (c), (d), (f), (g), (h), (i), (j), or (k))	\$100 and/or 3 days	Revocation	12560(c)(8), (9)
	Gambling Business - Owner (12220.18 a, b, d, e, f, l, m)	\$300 and/or 5 days	Revocation	12560(d)(8), (9)
	Gambling Business - Employee (12220.18 c, d, f, g, h, i, j, k)	\$2500 and/or 5 days	Revocation	12562(b)(14)
	Manufacturers or Distributors (12303(b))	\$100 and/or 3 days	Revocation	12562(c)(9), (10)
	Gambling Establishment (Accounting Regs)	\$300 and/or 5 days	Revocation	12562(d)(8)
	Gambling Establishment – 11 CCR 2050 (Key on premises)	Suspension 1 day/stay @ 25% GGR; or 5 days	Revocation	12564
	Gambling Establishment – 11 CCR 2052 (Failure to furnish information)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(10), (11), stay 12566(b); 12566(c)(13), (14)
	Gambling Establishment – 11 CCR 2070 (unsuitable gaming activities)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(12); stay 12566(b); 12566(c)(15)
			30 days/stay @ 25% GGR; or Revocation	12566(b)(13); stay 12566(b); 12566(c)(16)
			30 days/stay @ 25% GGR; or Revocation	12566(b)(14); stay 12566(b); 12566(c)(17)
			30 days/stay @ 25% GGR; or Revocation	
			30 days/stay @ 25% GGR; or Revocation	

Violation of Act, Regulations or Ordinances, or mandatory duties not listed			
TPPPPS – Owner	1 day, stay	1 day	12560(a)
Gambling Business - Owner	1 day, stay	1 day	12562(a)
Gambling Establishment	1 day, stayed on monetary penalty	1 day	12566(a)
Violation of Conditions			
Work Permittee	3 days	Revocation	12558(c)
TPPPPS – Owner	5 days	Revocation	12560(b)(1)
TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(1)
Gambling Business - Owner	\$2500 and/or 5 days	Revocation	12562(b)(1)
Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(1)
Gambling Establishment	5 days	Revocation	12566(c)(1)
Gambling License, Finding of Suitability, Approval (not work permit)	1 days	Revocation	12568(a)(1)
Conduct inimical			
TPPPPS - Employee	\$100 and/or 3 days	Revocation	12560(c)(4)
Gambling Business - Employee	\$100 and/or 3 days	Revocation	12562(c)(4)
Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	12568(a)(6)
Gambling License – Owner Licensee (not taking reasonable steps to prevent crimes)	5 days	Revocation	12568(b)(8)

CHAPTER 11. CONFLICTS OF INTEREST.

12590. Conflict of Interest Code.

The Political Reform Act (Government Code section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 California Code of Regulations Section 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code, and which may be amended by the FPPC, to conform to amendments in the Political Reform Act, after public notice and hearings. The terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the FPPC, along with the attached Appendix A, in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the California Gambling Control Commission ("Commission").

Designated employees shall file statements of economic interests with the FPPC filing officer in the Commission who will make the statements available for inspection and reproduction. With respect to the Commissioners, and the Executive Director of the Commission, the Commission shall make and retain a copy and forward the original of these statements to the FPPC.

Note: Authority cited: Section 87300, Government Code. Reference: Sections 87300 and 87302, Government Code.

12591. Separation From Commission Employment; Prohibited Activities; Designation of Commission Employees.

(a) Pursuant to Business and Professions Code, section 19981, subdivision (a), designated Commission employees shall not, for a period of 3 years following separation from employment, engage in specified activities for compensation. The designated Commission employees subject to the provisions of subdivision (a) of section 19981 include, without regard for their duties and responsibilities:

- (1) All Deputy Directors.
- (2) The Chief Counsel.
- (3) All Staff Counsels.

(b) In addition to those Commission employees designated in subsection (a), the designated Commission employees subject to the provisions of subdivision (a) of section 19981 include the following if their duties and responsibilities involve activities related to administrative actions, or any action or proceeding related to the issuance, conditioning or revocation of any permit, license, or approval, where that employee makes recommendations or decisions affecting the outcome:

- (1) Senior Management Auditor.
- (2) Staff Management Auditor.
- (3) Staff Services Management Auditor.
- (4) Staff Services Manager II.

- (5) Staff Services Manager I.
- (6) Associate Information System Analyst.
- (7) Associate Management Auditor.
- (8) Associate Governmental Program Analyst.
- (9) Staff Services Analyst.

(10) Any employee whose classification is not listed and whose job description involves activities related to administrative actions, or any action or proceeding related to the issuance, conditioning or revocation of any permit, license, or approval, where that employee makes recommendations or decisions affecting the outcome.

Note: Authority cited: Sections 19840, 19841 and 19981 of the Business and Professions Code. Reference: Section 19981 of the Business and Professions Code.

Appendix A List of Designated Positions and Assigned Disclosure Categories

See following page

Appendix A**CALIFORNIA GAMBLING CONTROL COMMISSION
CONFLICT OF INTEREST CODE**

List of Designated Positions	Assigned Disclosure Categories
COMMISSIONERS	
Commissioners	1
EXECUTIVE ADMINISTRATION	
Executive Director	1
Deputy Executive Director	1
Staff Management Auditor	1
Executive Assistant	2
LEGAL DIVISION	
Chief Counsel	1
Staff Counsel III	1
Staff Counsel	1
Associate Governmental Program Analyst	2, 4
Staff Services Analyst	2, 4
LEGISLATIVE & PUBLIC AFFAIRS OFFICE	
Deputy Director	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
SUPPORT SERVICES	
Deputy Director	1
Staff Services Manager 1	1
Senior Programmer Analyst	2, 3
Systems Software Specialist I	2, 3
Associate Governmental Program Analyst	2, 4
Staff Services Analyst	2, 4
Senior Accounting Officer	2, 4
Associate Budget Analyst	4
Associate Information System Analyst (Specialist)	2, 3
Associate Personnel Analyst	4
LICENSING DIVISION	
Deputy Director	1
Staff Services Manager I	1

Associate Governmental Program Analyst	2
Staff Services Analyst	2
Management Services Technician	2
COMPLIANCE DIVISION	
Deputy Director	1
Senior Management Auditor	1
Staff Management Auditor	2
Associate Management Auditor	2
Staff Services Management Auditor	2
Management Service Technician	2
Associate Information System Analyst (Specialist)	2, 3
CONSULTANTS	
Consultant	

DISCLOSURE CATEGORY 1 – Full disclosure is required. Any officer, employee, or consultant in this category shall disclose all interest in real property in the State of California, as well as investments, business positions, and sources or income, including gifts and travel payments.

DISCLOSURE CATEGORY 2 – Any officer, employee, or consultant in this category shall disclose investments, business positions, and sources of income including gifts and travel payments, from any manufacturer or distributor of gambling equipment; holder of a finding of suitability issued pursuant to a tribal-state compact; Indian tribe; holder of a state gambling license (including a key employee of a gambling establishment); holder of a work permit; applicant for a state gambling license; applicant for a work permit; applicant for licensure as a third-party provider of proposition player services; applicant for registration as a third-party provider of proposition player services; applicant for registration as a manufacturer or distributor of gambling equipment; applicant for a finding of suitability under a tribal-state compact; or applicant for any other license, permit or approval provided for in the Gambling Control Act, any regulation adopted pursuant the Gambling Control Act, or any tribal-state compact. Any person in this category shall also disclose any interest in real property in the State of California.

DISCLOSURE CATEGORY 3 – A designated employee in this category shall report all investments, business positions, and income, including gifts, loans, and travel payments, from sources that provide information technology systems including: hardware, software, equipment, or consulting services, of the type utilized at the Commission.

DISCLOSURE CATEGORY 4 – A designated employee in the category shall report all investments, business positions and income, including gifts, loans and travel payments, from sources that provides or provided within the previous two years services, supplies, equipment, vehicles, machinery, leased facilities, including training or consulting services, of the type utilized by the Commission.

CONSULTANT DISCLOSURE CATEGORY – Consultants shall be placed in disclosure category 1, subject to the following limitation: the Executive Director may determine in writing that a particular consultant although a “designated position”, has been hired to perform a range of duties that is limited in scope and, thus, is not required to fully comply with the disclosure requirements in this Code. Such determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Director’s determination is a public record and shall be retained for public inspection in the same manner and locations as this Conflict of Interest Code.