

CALIFORNIA GAMBLING CONTROL COMMISSION
MODIFIED TEXT OF PROPOSED REGULATIONS
INTERIM GAMBLING LICENSES
CGCC-GCA-2011-01-R

TITLE 4. BUSINESS REGULATIONS.

DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

CHAPTER 6. GAMBLING LICENSES AND APPROVALS FOR GAMBLING ESTABLISHMENTS AND OWNERS; PORTABLE KEY EMPLOYEE LICENSES.

ARTICLE 2. GAMBLING LICENSES.

§ 12349. Interim Licenses for Continued Operation Following Qualifying Events; Criteria; Processing Times; Conditions.

(a) For the purposes of this section, the following definitions apply:

(1) "Applicant" means a new owner of a gambling enterprise or individual in control of an ownership interest, who makes application to the Commission for an interim gambling license pursuant to subsection (c).

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(3) "New owner" means ~~a person~~ an individual who is a ~~receiver~~, trustee (other than a trustee in bankruptcy), beneficiary, ~~executor, administrator, conservator~~, successor in interest, or security interest holder, ~~as specified in Business and Professions Code Section 19841, subdivision (s), that~~ who becomes the an owner of, or obtains an ownership interest in, a gambling enterprise as a result of a qualifying event.

(4) "Qualifying event" means an event, such as those specified in Business and Professions Code section 19841, subdivision (s), that results in a change in the ownership or in the control of the ownership interest of a gambling enterprise and prevents the gambling enterprise from conducting gambling operations because the new owner or individual in control does not hold a valid gambling license for that gambling enterprise, as required by Business and Professions Code sections 19850, 19851, 19852 or 19855. ~~This~~ A qualifying event does not include any planned or negotiated transaction where a current licensee retains the capacity and authority to continue gambling operations until approval of the transaction and issuance of any new gambling

1 license by the Commission (e.g., a sale, the transfer of shares, incorporation, etc.).

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3 (b) Subject to the provisions of the Act, this division and Title 11 of the California Code of
4 Regulations, a gambling enterprise may continue gambling operations following a qualifying
5 event only if an owner or a licensed person affiliated with the gambling enterprise has control of
6 the gambling operations, the Commission is notified of the qualifying event within 10 calendar
7 days of that event, and the new owner, ~~or individual in control of the ownership interest,~~ submits
8 a request for an interim gambling license to the Commission as provided in subsection (c).
9 Gambling operations shall be immediately terminated if the Commission denies an applicant's
10 request for an interim gambling license, or approves an applicant's request to withdraw that
11 application, and no other person ~~holds a valid~~ has applied for or been granted an interim or
12 regular gambling license for that gambling enterprise.

13 (c)(1) In order to be considered for an interim gambling license, a new owner, or individual
14 in control of the ownership interest, must submit all of the following within 30 calendar days of a
15 qualifying event:

16 * * * *

17 (2) The time period for submission specified in paragraph (1) may be extended, at the
18 discretion of the Commission or the Executive Director, if the new owner, or individual in
19 control of the ownership interest, is able to provide satisfactory evidence of any facts or
20 circumstances that interfere with timely submission, including but not limited to, a lack of actual
21 knowledge of the occurrence of the qualifying event, and that all appropriate and reasonable
22 actions have been taken to overcome those impediments.

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24 (d) A request for an interim gambling license shall be ancillary to and concurrent with an
25 application for a regular gambling license. The application for a regular gambling license shall
26 be processed in accordance with Section 12342. The request for an interim gambling license
27 shall be processed as follows:

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