

Third-Party Providers of Proposition Player Services and Gambling Businesses Regulations Workshop

CATEGORY	ISSUE	SECTIONS(S)
I. TPPPS CONTRACTS	<ul style="list-style-type: none"> • Move standard, non-alterable requirements from contract to general regulation section. 	12200.7(b): various paragraphs
	<ul style="list-style-type: none"> • Provide provision to allow the Bureau to ensure that the provisions of the contract are being met. 	N/A
	<ul style="list-style-type: none"> • Examine contract criteria that require collection fees charged by the house for participation in a controlled game to be the same as those charged to other participants. 	12200.7(b)(12)
	<ul style="list-style-type: none"> • Examine the tipping by TPPPS personnel. <ul style="list-style-type: none"> ○ Ensuring that any tipping arrangements are included in the contracts. <ul style="list-style-type: none"> ▪ What tipping methods should be allowed? Percentage, flat per “down,” or scaled per “down.” ○ That when tipping is “at discretion” any TPPPS discretion policy is also included. ○ Determining which gambling establishment employees should and should not be eligible to receive tips. <ul style="list-style-type: none"> ▪ Dealers ▪ Supervisors ▪ Non-gambling employees such as food service staff ○ Should tax reporting of tips be required as part of regulations? 	12200.7(b)(20)

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CATEGORY	ISSUE	SECTIONS(S)
I. TPPPS CONTRACTS (CONTINUED)	<ul style="list-style-type: none"> • Examine service categories and payments for services. <ul style="list-style-type: none"> ○ Should contract amounts be required to be justified by service categories or just a single payment line item? <ul style="list-style-type: none"> ▪ If categories, what categories are appropriate? ▪ If categories, how should the appropriateness of their value be determined? ○ Requirements and standards for remote cages (sometimes called podiums)? 	<p style="text-align: right;">12200.7(b)(21)</p> <p style="text-align: right;">N/A</p>
	<ul style="list-style-type: none"> ○ Examine the method by which the number of tables in the contract is determined. 	12200.7(b)(4)
	<ul style="list-style-type: none"> • Disclosure of any other direct or indirect connections between TPPPS and its owners and the gambling establishment and its owners. 	12200.7(b)(22)
	<ul style="list-style-type: none"> • Clarify the Commission’s ability to terminate a contract. 	12200.7(f)
	<ul style="list-style-type: none"> • Examine various steps in the contract review and approval process <ul style="list-style-type: none"> ○ Re-examine which contract amendments require prior Bureau approval versus those that only require notification. 	<p>12200.9</p> <p>12200.10A</p> <p>12200.10B</p> <p>12200.10C</p> <p>12200.11</p>
II. ACCOUNTING AND FINANCIAL REPORTING REQUIREMENTS	<ul style="list-style-type: none"> • Discuss applying most of the cardroom accounting and financial reporting standards to TPPPS companies. 	<p>12400</p> <p>12401</p> <p>12402</p> <p>12403</p> <p>12405</p> <p>12406</p>

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II. ACCOUNTING AND FINANCIAL REPORTING REQUIREMENTS (CONTINUED)	<ul style="list-style-type: none"> • Consider adopting TPPPS Accounting Minimum Internal Control Standards (MICS) <ul style="list-style-type: none"> ○ Countdown procedures – total noted each time responsibility for a bank changes. ○ Dual signatures – TPPPS employee and non-TPPPS employee signing a verification of the total each time a bank changes hands. ○ Chip control – Require a chip tray for the TPPPS player bank at the tables visible to a surveillance camera. ○ TPPPS cage/podium controls – running journal of main TPPPS bank reconciled daily; surveillance camera placement for cage/podium. 	N/A
	<ul style="list-style-type: none"> • Consider some definition clean-up. <ul style="list-style-type: none"> ○ Add Group IV for those making less than \$500,000 to match financial statement requirements in Section 12403. ○ Add definitions for TPPPS inclusion in the accounting regulations. ○ Add to definition of “player bank” that this includes TPPPS accounts. ○ Suggestions to add, delete, or clarify current definitions. 	12400(b)
	<ul style="list-style-type: none"> • Discuss monthly submissions of game type and number of games. <ul style="list-style-type: none"> ○ By drop for cardrooms, by gross gambling wins for TPPPS. 	N/A
	<ul style="list-style-type: none"> • Review documentation currently required for relevancy and necessity. <ul style="list-style-type: none"> ○ Maintain but do not submit chart of accounts unless requested. 	12401 12402
	<ul style="list-style-type: none"> • Take note of any other suggestions to clean-up or otherwise clarify the Accounting the Financial Reporting regulations. 	12400-12410