

CALIFORNIA GAMBLING CONTROL COMMISSION
SPECIFIC LANGUAGE OF PROPOSED REGULATIONS
THIRD PARTY PROVIDERS PROPOSITION PLAYER SERVICES
CGCC-GCA-2014-05-R

TITLE 4. BUSINESS REGULATIONS.
DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.
CHAPTER 2.1. THIRD PARTY PROVIDERS OF PROPOSITION PLAYER SERVICES: CONTRACTS;
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~~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 ~~B~~badge” means a badge provided to a proposition player, a supervisor, or another employee pursuant to Section 12200.6, which authorizes an individual registrant or licensee to be simultaneously employed by more than one primary owner.

(2) “Affiliate,” “Affiliate of,” or “person affiliated with,” means a person who, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified person. Affiliates include, but are not necessarily limited to, the following:

(A) The spouse or registered domestic partner of the specified person.

(B) The father, mother, or sibling, of either the specified person or the specified person’s spouse or registered domestic partner; or, the child, or grandchild of the specified person; or, the spouse or registered domestic partner of any child or sibling of the specified person; and:

1. Lives in the same home as the specified person; or,

2. Is a director, officer, general partner, or managing member of any business where the specified person has an ownership interest.

(C) A trust or other estate if the specified person, or the specified person’s spouse or

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1 registered domestic partner has a substantial beneficial interest, or serves as trustee or in a similar
2 fiduciary capacity.

3 (D) A business entity if the specified person and the specified person’s spouse or registered
4 domestic partner have a combined ownership interest of at least 10 percent.

5 (3)(2) “Applicant” means ~~an applicant~~ person applying for registration or licensing under this
6 chapter, including in the case of an owner that is a corporation, partnership, or any other business
7 entity, all persons whose registrations or licenses are required to be endorsed upon the primary
8 owner’s registration or license certificate.

9 (4)(3) “Authorized player” means an individual who is associated with a particular primary
10 owner and whose ~~badge~~ registration or license authorizes play in a controlled game on behalf of
11 the primary owner; and includes ~~ing~~ the primary owner, all other owners, all supervisors, and all
12 proposition players. ~~Only authorized players may perform the functions of a supervisor or~~
13 ~~player.~~

14 (5)(4) “Badge” means a form of identification issued by the Commission identifying a
15 registrant or licensee.

16 ~~(5) [RESERVED]~~

17 ~~(6) [RESERVED]~~

18 ~~(7) [RESERVED]~~

19 ~~(8) [RESERVED]~~

20 ~~(9) [RESERVED]~~

21 (6) “Derivative party,” shall mean:

22 (A) The primary owner and all endorsed owners of a TPPPS; and,

23 (B) The owner-licensee and all endorsed owners of a gambling enterprise.

24 (7)(10) “Funding source” means any person, other than individual registrants under
25 subsection (d) of Section 12201 or individual licensees, that provides financing, including but
26 not limited to loans, advances, any other form of credit, chips, or any other representation or
27 thing of value, to an owner-registrant or owner-licensee, ~~other than individual registrants under~~
28 ~~Subsection (d) of Section 12201 or individual licensees.~~ “Funding source” does not include any
29 federally or state chartered lending institution or any of the following entities that in the
30 aggregate owns at least ~~one hundred million dollars~~ (~~\$100,000,000~~) of securities of issuers that

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1 are not affiliated with the entity:

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

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

8 (C) Any investment company registered under the federal Investment Company Act of 1940
9 (15 U.S.C. sec. 80a-1 et seq.).

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

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

15 (F) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934
16 (15 U.S.C. sec. 78a et seq.).

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

19 ~~(11)[RESERVED]~~

20 (8)~~(12)~~ “License” means a license issued by the Commission pursuant to Article 3 of this
21 chapter.

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

- 24 1. Primary owner,
- 25 2. Owner,
- 26 3. Supervisor, and
- 27 4. Player.

28 (B) All “other employees” (as defined in this section) of the primary owner who are present
29 in the gambling establishment during the provision of proposition player services under the
30 primary owner’s proposition player contract shall be licensed as “other employee” and shall be

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1 required to submit an application and be approved or denied based upon the same criteria that
2 apply to a player.

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

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

8 ~~(9)(13)~~ (9) "Licensee" means a person having a valid license.

9 ~~(10)(14)~~ (10) "Organization chart" means a chart that identifies the names and titles of all owners,
10 ~~as defined in Section 12200,~~ supervisors, and any persons having significant influence over the
11 operation of the entity or provision of proposition player services; the percentage of ownership,
12 if any, held by each identified individual or entity; the reporting relationship for each identified
13 individual or entity; and the job title and number of persons in each of the job titles that report to
14 each individual or entity identified on the organization chart.

15 ~~(11)(15)~~ (11) "Other employee" means an individual employed by a primary owner who is not
16 authorized to provide proposition player services. "Other employee" does not include any
17 owner, any supervisor, or any officer or director of a primary owner that is a corporation. An
18 individual registered or licensed as an "other employee" may not function as a player unless and
19 until that individual applies for and obtains registration or licensure as a player.

20 ~~(12)(16)~~ (12) "Owner" includes all of the following:

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

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

26 (C) Any funding source.

27 ~~(13)(17)~~ (13) "Playing Bbook" means a record documenting each session of play by a ~~third-party~~
28 proposition player.

29 ~~(14)(18)~~ (14) "Primary Owner" means ~~the owner specified in subparagraph (A) of paragraph~~
30 ~~(16) of this subsection.~~ a sole proprietor, corporation, partnership, or other business entity that

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1 provides or proposes to provide third-party proposition player services in a gambling
2 establishment.

3 ~~(15)(19)~~ “Proposition player” or “player” means an individual other than an owner or a
4 supervisor who provides third-party proposition player services in a controlled game.

5 ~~(16)(20)~~ “Proposition player contract” or “contract” means a written contract, the terms of
6 which have been reviewed and approved by the Bureau, between ~~the holder of a state gambling~~
7 ~~license~~ a gambling enterprise and a primary owner ~~acting as an independent contractor~~ for the
8 provision of third-party proposition player services in ~~the~~ a gambling establishment.

9 ~~(17)(21)~~ “Rebate” means a complete or partial return by an authorized ~~proposition~~ player of
10 chips or money to a patron who has lost the chips or money to the authorized player through play
11 in a controlled game at a gambling establishment.

12 ~~(18)(22)~~ “Registrant” means a person having a valid registration.

13 ~~(19)(23)~~ “Registration” means a registration issued by the Commission pursuant to Article 3
14 ~~of~~ to this chapter.

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

- 17 1. Pprimary owner,
- 18 2. Oowner,
- 19 3. Supervisor, and
- 20 4. Pplayer.

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

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

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1 ~~(20)(24)~~ “Reinstatement ~~B~~ badge” means a badge provided to a proposition player, a
2 supervisor, or an “other employee” ~~pursuant to Section 12200.6~~ which authorizes an individual
3 registrant or licensee who has ceased to be employed by a primary owner to return to work for
4 that primary owner.

5 ~~(21)(25)~~ “Session of play” ~~as used in Section 12200.13 (“Playing Book”)~~ means a continuous
6 work shift of third-party proposition player services provided by an individual proposition
7 player.

8 (22) “Specified person” means any natural person who meets one of the following:

9 (A) Is required to be licensed pursuant to Business and Professions Code section 19852,
10 subdivisions (a) through (i), inclusive, with the exception of any natural person who owns a less
11 than 10 percent ownership interest and would not be required to be licensed for any other reason.

12 (B) Is an owner pursuant to subparagraph (B) of paragraph (12) of subsection (b) of Section
13 12200, with the exception of any natural person who owns a less than 10 percent ownership
14 interest and would not be required to be licensed for any other reason.

15 (C) Is an owner pursuant to subparagraph (B) of paragraph (17) of subsection (b) of Section
16 12220, with the exception of any natural person who owns a less than 10 percent ownership
17 interest and would not be required to be licensed for any other reason.

18 ~~(23)(26)~~ “Supervisor” means an individual who, in addition to any supervisory
19 responsibilities, has authority, on behalf of the primary owner, to provide or direct the
20 distribution of currency, chips, or other wagering instruments to proposition players engaged in
21 the provision of third-party proposition player services in a gambling establishment.

22 ~~(24)(27)~~ “Supplemental information package” means all of the documentation and deposits
23 required by each of the following forms, which are hereby incorporated by reference, to be
24 submitted to the Bureau in response to a summons issued by the Bureau pursuant to Section
25 12205.1:

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

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

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1 investigation.

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

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

7 ~~(25)(28)~~ “Third-party proposition player services” or “proposition player services” means
8 services provided in and to ~~the house~~ a gambling enterprise under any written, oral, or implied
9 agreement with ~~the house~~ the gambling enterprise, which services include play as a participant in
10 any controlled game that has a rotating player-dealer position as permitted by Penal Code section
11 330.11. “Proposition player services” also includes the services of any supervisors, as specified
12 in paragraph ~~(23)(26)~~ of this subsection.

13 ~~(26)(29)~~ “TPPPS” means “third-party provider of proposition player services” which is a
14 business that offers proposition player services. ~~This abbreviation is used in Section 12200.3 and~~
15 ~~in prescribing titles to be used on registrant and licensee badges, for example, “TPP Player~~
16 ~~Registrant.”~~

17 ~~(27)(30)~~ “Transfer ~~B~~ badge” means a badge provided to a proposition player, a supervisor, or
18 an other employee ~~pursuant to Section 12200.6~~ which authorizes an individual registrant or
19 licensee to work for a subsequent primary owner after having ceased to work for an initial
20 primary owner.

21 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
22 19805 and 19984, Business and Professions Code.

23

24 § 12200.7. Proposition Player Contract Criteria.

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

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

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

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

2 (C) The names of any affiliates of the specified persons to the contract.

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

4 (3) The specific name and game number of the Bureau-approved ~~gaming activities~~controlled
5 game(s) for which proposition player services may be provided.

6 (4) The maximum and minimum number of gaming tables available to the TPPPS to provide
7 proposition player ~~provider~~ services.

8 ~~(5) That no more than one owner, supervisor, or player from each provider of proposition~~
9 ~~player service shall simultaneously play at a table. Any provision precluding proposition players~~
10 ~~of any other registrant or licensee under this chapter or Chapter 2.2 of this division from playing~~
11 ~~at a table during the periods of play assigned by the proposition player contract for the contracted~~
12 ~~registrant or licensee.~~

13 (6) Any provision allowing for the assigning of a seat at each table contracted for service.

14 ~~(7)~~(6) The hours of operation that proposition player services will be provided.

15 ~~(8)~~(7) ~~A detailed description of t~~The specific location, applicable security measures, and
16 purpose of any currency, chips, or other wagering instruments that will be stored, maintained, or
17 kept within the gambling establishment by or on behalf of the primary owner in addition to the
18 specific location of any storage facilities, offices, or cabinets that will be utilized by the TPPPS
19 in the gambling establishment.

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

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

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

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

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

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

5 (9)~~(14)~~ Any agreement between the primary owner and the ~~house~~gambling enterprise for
6 owners or supervisors to inspect or receive a copy of surveillance recordings of tables at which
7 proposition player services are provided under the contract during the times the services are
8 provided, as necessary for business purposes.

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

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

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

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

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

30 (10)~~(20) That any tipping arrangements shall be specified in the contract and that percentage~~

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1 ~~tips shall not be given.~~ If tipping shall be allowed by the TPPPS. If there ~~will be~~ no tipping
2 arrangements under any circumstance, a statement to that effect shall be included.

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

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

12 (c) ~~(1) Except as expressly authorized by this subsection, a proposition player contract shall~~
13 ~~not include any provision authorizing payment to or receipt by the house, or a designee thereof,~~
14 ~~of any share of the profits or revenues of a registrant or a licensee. Any payments made by a~~
15 ~~registrant or licensee to the house for a purpose determined by agreement with the house shall be~~
16 ~~specifically authorized by the proposition player contract. All payments between the TPPPS and~~
17 ~~the gambling enterprise shall be specified in the contract. There shall be no payments between~~
18 ~~the TPPPS and the gambling enterprise other than those included in the contract. The contract~~
19 ~~shall identify the total charge for each of the following categories: services, facilities, and~~
20 ~~advertising. In addition, the contract shall include a detailed list, excluding specific costs, of the~~
21 ~~items provided or received in each of these categories.~~

22 ~~(1)(2) All payments shall be of a fixed amount for the term of the contract and any~~
23 ~~modification shall be subject to Bureau review to ensure that the gambling enterprise has no~~
24 ~~interest, whether direct or indirect, in the funds wagered, lost, or won. In no event may a~~
25 ~~proposition player contract provide for any payment to the gambling enterprise based on a~~
26 ~~percentage or fraction of the registrant's or licensee's gross profits or wagers made within the~~
27 ~~gambling establishment or the number of players. ~~All payments shall be fixed and shall only be~~~~
28 ~~made for services and facilities requested by, and provided to, the registrant or licensee, and for a~~
29 ~~reasonable share of the cost of advertising with respect to gaming at the gambling establishment~~
30 ~~in which the registered or licensed owner participates.~~

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1 (2) The contract shall include a detailed list of all items provided for in the contract.

2 (3) Any payments for services or facilities shall not exceed the established value of the
3 services or facilities. No payment shall be included for any services or facilities that are made
4 available to the public at no cost.

5 (4) Any payments or reimbursements for advertising or equipment, including but not limited
6 to surveillance cameras and monitors, cards, shuffling machines, and dice, shall not exceed a
7 proportionate share of the actual cost of the advertising or equipment that is directly related to
8 the benefit received by the TPPPS.

9 ~~(5)(3) No contract provision shall authorize any payments for services or facilities that are~~
10 ~~substantially disproportionate to the value of the services or facilities provided.~~ No contract shall
11 include any charge, direct or indirect, for the value of an exclusive right to conduct proposition
12 play within all or a portion of the gambling establishment.

13 (6) No payment other than the collection fee for play; shall be required for play at any table,
14 including, without limitation, reservation of a seat.

15 (d) The proposition player contract shall not contain any provision that limits contact with, or
16 restricts information that can be provided to, officials or employees of the Commission, ~~or~~the
17 Bureau, the Department of Justice, or any federal, state or local agency whose duties include
18 enforcement or licensing under the law. The proposition player contract shall prohibit ~~an~~the
19 TPPPS owner ~~or~~and the gambling enterprise~~house~~ from retaliating against any registrant or
20 licensee on account of contact with an official or employee of the Commission or Bureau, or any
21 other public official or federal, state or local agency.

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

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

30 (g) A primary owner may contract with more than one gambling enterprise~~establishment~~ at

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1 the same time; a gambling ~~enterprise~~establishment may contract with more than one primary
2 owner at the same time. This subsection is not intended to prohibit a contract in which a
3 gambling ~~enterprise~~establishment and a primary owner agree that one primary owner shall be the
4 exclusive provider of proposition player services to that gambling ~~enterprise~~establishment.

5 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section
6 19984, Business and Professions Code.

8 § 12200.9. Review and Approval of Initial and Renewal Proposition Player Contracts.

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

15 (1) Proposition player contracts approved or renewed by the Bureau shall comply with the
16 following requirements:

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

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

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

23 ~~(D) The contract will not undermine public trust that the controlled gambling operations
24 covered by the contract will be conducted honestly, by reason of the existence or perception of
25 any collusive arrangement between any party to the contract and the holder of a state gambling
26 license, or otherwise. The TPPPS has a current valid registration or license.~~

27 (C) The TPPPS has provided justification that the contract does not include payments for
28 services and facilities that exceed the actual values of the services and facilities.

29 (D) The TPPPS has provided documentation that the proposition player contract does not
30 include payments or reimbursements for advertising or equipment that exceed a proportionate
31 share of the actual cost of the advertising or equipment that is directly related to the benefit

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1 received by the TPPPS.

2 (E) The term of the proposition player contract is two years or less.

3 (2) The Bureau shall not approve or renew a proposition player contract if the contract
4 provides for any of the following:

5 (A) The contract will provide for controlled gambling conducted in a manner that is inimical
6 to the public health, safety, or welfare.

7 (B) The contract will create or enhance the dangers of unsuitable, unfair, or illegal practices,
8 methods, or activities in the conduct of controlled gambling or in the carrying on of the business
9 and related financial arrangements.

10 (C) The contract will undermine public trust that the controlled gambling operations covered
11 by the contract will be conducted honestly, by reason of the existence or perception of any
12 collusive arrangement between any party to the contract and the holder of a state gambling
13 license, or otherwise.

14 - - -

15 Option 1: Cross-banking and associated banking are prohibited.

16 (D) The contract includes a derivative party of the TPPPS who already has a contract
17 approved by the Bureau as a derivative party of a gambling enterprise; a derivative party of the
18 gambling enterprise who already has a contract approved as a derivative party of a TPPPS; and
19 either derivative party provides TPPPS services to the other derivative party and the contract
20 includes a reversal of roles.

21 (E) The contract includes a derivative party of the TPPPS; a derivative party of the gambling
22 enterprise; and those derivative parties share ownership in a third entity, which is a gambling
23 enterprise, a TPPPS company, or a gambling business.

24
25 Option 2: Cross-banking is permitted, but associated banking is prohibited.

26 (D) The contract includes a derivative party of the TPPPS, a derivative party of the gambling
27 enterprise, and the derivative parties share ownership in a third entity, which is a gambling
28 enterprise, a TPPPS company, or a gambling business.

29 - - -

30 ~~(2) Prior to December 7, 2003, each primary owner providing proposition player services at a~~

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1 ~~gambling establishment on the date that these regulations originally became effective (November~~
2 ~~6, 2003) shall submit an Application for Contract Approval Provider of Proposition Player~~
3 ~~Services (BGC APP 030 (Rev. 04/13)), which is hereby incorporated by reference.~~

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

5 ~~(1)(A)~~ A completed Application for Contract Approval to Provide Proposition Player
6 Services, ~~(BGC-APP-030 (Rev. 064/1413)), which is hereby incorporated by reference.~~

7 ~~(B) A completed Appointment of Designated Agent for Owners and Proposition Players~~
8 ~~(BGC APP 031 (Rev. 4/13)), which is hereby incorporated by reference.~~

9 ~~(C)(2)~~ An executed copy of the contract that specifically addresses all of the requirements of
10 Section 12200.7.

11 ~~(D)(3)~~ A playing book form that specifically addresses all of the requirements of Section
12 12200.13.

13 ~~(E)(4)~~ A \$1000 nonrefundable application fee.

14 ~~(F)(5)~~ The applicable deposit ~~as~~ required by Title 11, California Code of Regulations,
15 Section 2037. The Bureau may require an additional sum to be deposited to pay the final costs
16 of the review and approval or disapproval of the contract. Any money received as a deposit in
17 excess of the costs incurred in the review and approval or disapproval of the contract will be
18 refunded and an itemized accounting will be provided to the primary owner, or primary owner's
19 designee.

20 (6) The methodology used to determine the value of the services and facilities provided to the
21 TPPPS by the gambling enterprise, and the methodology used to determine the proportionate
22 amount of the actual cost of advertising and equipment directly related to the benefits received
23 by the TPPPS.

24 (7) Copies of any purchase orders or any other documentation required to show the actual
25 cost of the advertising and equipment for which payments are included, and copies of the
26 advertisements.

27 (8) A full disclosure of any financial arrangements, relationships or transactions within 3
28 years prior to the term of the contract for any purpose between the TPPPS, any derivative party
29 or any affiliate of a specified person of the TPPPS, and the gambling enterprise, any derivative
30 party or any affiliate of a specified person of the gambling enterprise covered by the proposition

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1 player contract.

2 (9) Any other information required to support the application, as determined by the Bureau.

3 (c) A complete application for contract renewal shall include all of the requirements of an
4 initial application, provided in paragraph (3), except subparagraph (C), and shall instead include
5 three completed playing book forms for non-consecutive sessions of play. The application shall
6 be submitted to the Bureau no later than 90 days prior to the date that the current contract is
7 scheduled to expire.

8 ~~(4)(d)~~ The Bureau shall notify the applicant, in writing, within ten working days of receiving
9 ~~an~~the application that the application or resubmitted application is complete or incomplete. If an
10 application is incomplete, the Bureau shall request, in writing, any information, fees, or
11 documentation needed to complete the application. Unless extended by the Bureau for further
12 investigation up to 90 days or with the consent of the applicant, review and approval or
13 disapproval of a proposition player contract shall be completed within 90 days of receiving a
14 completed application and notice thereof shall be sent via United States mail to the applicant or
15 the applicant's designee within ten days of the Bureau's decision. Notice of disapproval of the
16 contract ~~or amendments~~ shall specify the cause.

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

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

29 (e) The Bureau shall provide a copy of its notice of approval or disapproval of a proposition
30 player contract to the Commission.

1 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
2 19951 and 19984, Business and Professions Code

3

4 **§ 12200.10A. Expedited Review and Approval of Proposition Player Contracts.**

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

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

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

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

17 (4) No substantive change in the Act or any regulations adopted under the Act affects the
18 terms of the proposed contract.

19 (5) The Bureau shall not approve a proposition player contract unless all of the applicable
20 requirements of subsection (a) of Section 12200.9 have been satisfied.

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

27 (c) The Bureau shall complete the expedited review and approval of a contract within five ~~(5)~~
28 business days of receiving all of the following:

29 ~~(1) A completed Application for Contract Approval to Provide Proposition Player Services;~~
30 ~~(BGC APP-030 (Rev. 04/17)), referenced in Section 12200.9.~~

31 ~~(2) A completed Appointment of Designated Agent for Owners and Proposition Players~~

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1 ~~(BGC-APP-031 (Rev. 4/13)), referenced in Section 12200.9.~~

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

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

5 ~~(5) A \$1000 nonrefundable application fee.~~ A completed application in accordance with
6 subsection (b) of Section 12200.9; and,

7 ~~(2)(6) An expedited processing fee of \$150 and a sum of money that, in the judgment of the~~
8 ~~Chief of the Bureau, will be adequate to pay the anticipated processing costs in accordance with~~
9 ~~Business and Professions Code section 19867.~~

10 (d) The Bureau shall provide a copy of its notice of approval or disapproval of a proposition
11 player contract to the Commission.

12 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
13 19951 and 19984, Business and Professions Code.

15 § 12200.110B. Review and Approval of Amendments to Proposition Player Contracts.

16 (a) Any amendment to the contract terms, except those provided for in subsection (b), require
17 review and approval prior the changes becoming effective. Requests to review and approve an
18 amendment to a proposition player contract shall be submitted with an ~~application for approval~~
19 ~~(see Application for Contract Approval to Provide Proposition Player Services, BGC-APP-030,~~
20 ~~referenced in subsection (b) of~~ Section 12200.9~~(a)(3)(A))~~ along with an executed copy of the
21 amended contract, a ~~five hundred dollar (\$500)~~ nonrefundable application fee, and a deposit as
22 required by Title 11, California Code of Regulations, Section 2037. The Bureau may require an
23 additional sum to be deposited to pay the final costs of the review and approval or disapproval of
24 the amendment. Any money received as a deposit in excess of the costs incurred in the review
25 and approval or disapproval of the amendment shall be refunded and an itemized accounting
26 shall be provided to the primary owner or the primary owner's designee. The Bureau shall not
27 approve an amendment to a proposition player contract unless all of the requirements of
28 subsection (a) of Section 12200.9 can still be met by the contract. The Bureau shall provide a
29 copy of its notice of approval or disapproval of an amended proposition player contract to the
30 Commission

31 (b) No amendment ~~changing any of the contract terms referred to in Section 12200.7, other~~

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1 ~~than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term~~
2 ~~of a proposition player contract without the prior written approval of the Bureau. If any~~
3 ~~amendment is made to a proposition player contract term specified in paragraphs (3), (4), and (6)~~
4 ~~of subsection (b) of Section 12200.7, shall be made unless the amended contract continues to~~
5 ~~satisfy all of the applicable requirements of subsection (a) of Section 12200.9. Amendments to~~
6 ~~the following contract terms do not require prior approval by the Bureau, but~~ both parties to the
7 contract shall notify the ~~Commission and~~ Bureau in writing of the amendment within ten ~~(10)~~
8 days of the execution thereof by the parties to the contract.;

9 (1) The contract terms referred to in paragraphs (3) through (8), inclusive, of subsection (b)
10 of Section 12200.7.

11 (2) The payment amount provided in paragraph (4) of subsection (c) of Section 12200.7.
12 Any change to this contract term, when noticed to the Bureau, must include copies of any
13 purchase orders or other documentation of the actual costs.

14 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
15 19951 and 19984, Business and Professions Code.

17 ~~§ 12200.10C. Submission of Contract or Amendment to Commission.~~

18 ~~(a) As soon as is practicable after determining that any application for approval of a~~
19 ~~proposition player contract or amendment is complete and that the contract or amendment~~
20 ~~appears to qualify for approval, but in no event more than 75 days from receipt of the application~~
21 ~~package, the Bureau shall submit the contract or amendment to the Executive Director for review~~
22 ~~and comment. The Executive Director shall provide the Bureau with comments, if any, within~~
23 ~~15 days of receipt of the contract or amendment. This paragraph does not apply to expedited~~
24 ~~approval under Section 12200.10A.~~

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

27 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section
28 19984, Business and Professions Code.

30 ~~§ 12200.11. Extension of Proposition Player Contracts.~~

31 ~~(a) An application for approval of a contract to continue proposition player services shall~~

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1 include all of the following:

2 (1) ~~A completed Application for Contract Approval to Provide Proposition Player Services~~
3 ~~(BGC APP 030 (Rev. 04/13)), referenced in Section 12200.9.~~

4 (2) ~~A \$1000 application fee.~~

5 (3) ~~An executed copy of the contract.~~

6 (4) ~~A completed playing book form for three non-consecutive sessions of play that occurred~~
7 ~~during the ten (10) days preceding the submission of the application for contract extension.~~

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

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

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

21 ~~Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections~~
22 ~~19951 and 19984, Business and Professions Code.~~

23

24 § 12200.21. Compliance.

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

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1 (b)(1) Only an authorized player may possess, direct, or otherwise control currency, chips, or
2 other wagering instruments used for play in the performance of a proposition player contract.

3 (2) A primary owner and an owner may also perform the functions of a supervisor or
4 proposition player, and the holder of a supervisor's registration, or license may also perform the
5 functions of a proposition player.

6 (3) A registrant or licensee may not provide proposition player services in a gambling
7 establishment for which the registrant or licensee also holds a state gambling license, key
8 employee license, or work permit.

9 (4) No more than one owner, supervisor, or proposition player from any specific TPPPS shall
10 simultaneously play at any one table.

11 (c) The TPPPS shall pay the same collection rate as any other participant for the same level
12 of participation as provided in the Bureau-approved collection rate being utilized during the play
13 of the game.

14 (d) Any legal dispute between the primary owner and the gambling enterprise, including any
15 exclusion of a registered or licensed owner, supervisor, proposition player, or other employee
16 covered by the contract with the gambling enterprise shall be reported to the Bureau, in writing,
17 by the primary owner and the gambling enterprise within ten days.

18 (e) The primary owner and the gambling enterprise shall report to the Bureau, in writing, the
19 identity of any registrant or licensee whose activities are covered by the proposition player
20 contract and who is arrested in the gambling establishment by a peace officer, who is removed
21 from the gambling establishment by a peace officer or a gambling enterprise employee, or who is
22 involved in a patron dispute regarding his or her activities in the gambling establishment that is
23 the subject of a report to a peace officer and that results in removal of one or more individuals.
24 This report must be submitted within ten days of the arrest or removal.

25 (f) Any cheating reported to the gambling enterprise or any gambling enterprise employee by
26 a registrant or licensee shall be reported to the Bureau, in writing, by the primary owner and the
27 gambling enterprise within five days of the incident.

28 (g)(1) If a contract allows for tipping, but does not specify any fixed arrangement, any policy
29 related to tipping by proposition players must be included as an addendum to the contract.

30 (2) No tipping arrangement or policy shall include any percentage calculation.

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1 (3) The policy must identify the job classifications of the gambling enterprise employees
2 receiving tips.

3 (4) No tipping arrangement or policy may include the tipping of any gambling enterprise
4 employee during a shift in which that employee exercises any supervisory responsibility or any
5 authority to make discretionary decisions that affect the results of any game that is included in
6 the contract pursuant to paragraph (3) of subsection (b) of Section 12200.7.

7 (5) Tipping includes any monetary assets including, but not limited to, gambling chips, cash,
8 and cash equivalents.

9 (h) Neither the primary owner nor its employees shall purchase, lease, or control equipment
10 such as surveillance cameras and monitors, cards, shuffling machines, and dice for the purposes
11 of any controlled game conducted at a gambling establishment.

12 (i) The gambling enterprise is responsible to ensure that proposition player services are
13 provided only in compliance with laws and regulations pertaining to controlled gambling.

14 (j) Any financial arrangements, relationships or transactions entered into during the term of
15 the contract for any purpose between the TPPPS, any derivative party or any affiliate of a
16 specified person of the TPPPS, and the gambling enterprise, any derivative party or any affiliate
17 of a specified person of the gambling enterprise covered by the proposition player contract shall
18 be reported to the Bureau within ten days of the execution thereof by the parties to the financial
19 arrangement, relationship or transaction.

20 (k) Neither the TPPPS company nor the gambling enterprise, nor any owner or employee of
21 either, shall offer or grant any rebate to any person.

22 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section
23 19984, Business and Professions Code.

24 25 26 **CHAPTER 10. DISCIPLINE, HEARINGS, AND DECISIONS.**

27 **§ 12560. Disciplinary Guidelines for Third-Party Providers of Proposition Player Services** 28 **Licensees or Registrants.**

29 (a) If the Commission finds that an owner of a third-party provider of proposition player
30 services, as that term is used in California Code of Regulations, Title 4, Section 12200, is out of
31 compliance with any mandatory duty specified in or imposed by the Act or any Commission or

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1 Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall
2 be one day of suspension of proposition player services from either specified gambling
3 establishments or all gambling establishments, as the circumstances and factors in mitigation or
4 aggravation apply and which may be stayed on terms and conditions and any monetary penalty
5 as described in Section 12554(d)(7) of this chapter.

6 (b) A license or registration granted by the Commission for an owner of a third-party
7 provider of proposition player services, as that term is used in California Code of Regulations,
8 Title 4, Section 12200, shall be subject to a minimum discipline of suspension of five days from
9 either specified gambling establishments or all gambling establishments, as the circumstances
10 and factors in mitigation or aggravation apply, and a maximum discipline of revocation, which
11 may be stayed on terms and conditions and any monetary penalty as described in Section 12554
12 (d)(7) of this chapter, if the Commission finds that:

13 (1) The owner has violated or is out of compliance with any conditions, limitations, orders, or
14 directives imposed by the Commission, either as part of an initial grant of license or registration,
15 renewal of such, or pursuant to disciplinary action,

16 (2) The owner has been found, by any administrative tribunal or court, to have violated or be
17 in violation of any law involving or relating to gambling,

18 (3) The owner has intentionally misrepresented a material fact on an application or
19 supplemental application for licensure or registration,

20 (4) The owner has engaged in any dishonest, fraudulent, or deceptive activities in connection
21 with controlled gambling or the provision of proposition player services,

22 (5) The owner has violated any law or ordinance with respect to campaign finance disclosure
23 or contribution limitations, pursuant to Business and Professions Code, section 19982,

24 (6) The owner has violated California Code of Regulations, Title 4, regarding annual fees for
25 third party providers of proposition player services,

26 (7) The owner has provided proposition player services in violation of California Code of
27 Regulations, Title 4, Section 12200.721, subsection (b)(~~9~~)(2) or (b)(~~11~~)(4),

28 (8) The owner has failed to fully disclose financial arrangements in violation of California
29 Code of Regulations, Title 4, Section 12200.79, subsection ~~(b)(15)(a)(3)(H)~~,

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1 (9) The primary owner has failed to report cheating, in violation of California Code of
2 Regulations, Title 4, Section 12200.721, subsection ~~(b)(f)(18)~~,

3 (10) The owner has purchased, leased, or controlled equipment in violation of California
4 Code of Regulations, Title 4, Section 12200.721, subsection ~~(b)(h)(21)~~,

5 (11) The owner has failed to have the proposition player contract approved, in violation of
6 California Code of Regulations, Title 4, Section ~~12200.7, subsection (b)(22), or Section~~ 12200.9,

7 (12) The owner has authorized or provided payment to or receipt by the gambling
8 establishment, in violation of California Code of Regulations, Title 4, Section 12200.7,
9 subsection (c),

10 (13) The owner has been cheating, or has induced or instructed another to cheat, pursuant to
11 Penal Code, sections 337t, 337u, 337v, 337w, or 337y,

12 (14) The owner has committed extortion (as that term is defined in Chapter 7 of Title 13 of
13 Part 1 of the Penal Code, commencing with section 518),

14 (15) The owner has committed loan-sharking (as that term is used in Civil Code section
15 1916-3, subdivision (b)),

16 (16) The owner has conducted or negotiated illegal sales of controlled substances (as that
17 term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and
18 Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section
19 4022),

20 (17) The owner has committed bribery (as that term is used in Penal Code section 67 or
21 67.5),

22 (18) The owner has committed money laundering (as that term is used in Chapter 10 of Title
23 7 of Part 1 of the Penal Code, commencing with section 186.9),

24 (19) The owner has offered or granted rebates to patrons ~~without full disclosure~~, in violation
25 of California Code of Regulations, Title 4, Section ~~12200.7, subsection (c)(19)~~ 12200.21,
26 subsection (k),

27 (20) The owner has violated the provisions regarding playing books listed in California Code
28 of Regulations, Title 4, Section 12200.13,

29 (21) The owner has committed any of the acts listed in California Code of Regulations, Title
30 4, Section 12200.18, subsections (a), (b), (d), (e), (f), (i), (j), (l), (m), or (n), or

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1 (22) The owner is providing services as a gambling business without first obtaining a
2 gambling business registration or license, in violation of California Code of Regulations, Title 4,
3 Section 12220 et seq.

4 (c) A supervisor, player, or other employee, as those terms are used in California Code of
5 Regulations, Title 4, Section 12200, shall be subject to a minimum monetary penalty of \$100
6 and/or a suspension of three days and a maximum penalty of revocation if the Commission finds
7 that:

8 (1) The supervisor, player, or other employee has violated or is out of compliance with
9 conditions, limitations, or orders or directives imposed by the Commission, either as part of an
10 initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

11 (2) The supervisor, player, or other employee has engaged in any dishonest, fraudulent, or
12 deceptive activities in connection with controlled gambling or the provision of proposition player
13 services,

14 (3) The supervisor, player, or other employee has committed any act punishable as a crime,
15 not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and
16 qualifications of the licensee or registrant, or which occurred in a gambling establishment or the
17 associated adjacent property, or

18 (4) The supervisor, player, or other employee has engaged in any conduct on the premises of
19 the gambling establishment or in connection with controlled gambling or the provision of
20 proposition player services which is inimical to the health, welfare, or safety of the general
21 public.

22 (5) The supervisor, player, or other employee has either failed to wear a badge, worn a badge
23 which was covered, worn a false or altered badge or a badge issued for a different gambling
24 establishment, worn another person's badge, or worn an expired badge,

25 (6) The supervisor, player, or other employee has engaged in fighting or has intentionally
26 provoked a patron or employee at a gambling establishment,

27 (7) The supervisor, player, or other employee has maliciously or willfully destroyed or
28 damaged the property of the gambling establishment, employee, or patron,

29 (8) The supervisor, player, or other employee has accepted tips, gratuities, complimentaries,
30 or gifts from gambling establishment staff or patrons,

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1 (9) The supervisor, player, or other employee has committed any of the acts listed in
2 California Code of Regulations, Title 4, Section 12220.18, subsection (a), or

3 (10) The supervisor, player, or other employee has failed to comply with California Code of
4 Regulations, Title 4, Section 12200.21.

5 (d) A supervisor, player, or other employee, as those terms are used in California Code of
6 Regulations, Title 4, Section 12200, shall be subject to a minimum monetary penalty of \$300
7 and/or a suspension of five days and a maximum penalty of revocation if the Commission finds
8 that:

9 (1) The supervisor, player, or other employee has intentionally misrepresented a material fact
10 on an application, request to convert, or supplemental application for licensure, registration, or
11 approval,

12 (2) The supervisor, player, or other employee has been cheating, pursuant to Penal Code,
13 section 337x,

14 (3) The supervisor, player, or other employee has committed extortion (as that term is
15 defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

16 (4) The supervisor, player, or other employee has committed loan-sharking (as that term is
17 used in Civil Code section 1916-3, subdivision (b)),

18 (5) The supervisor, player, or other employee has conducted or negotiated illegal sales of
19 controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of
20 Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business
21 and Professions Code, section 4022),

22 (6) The supervisor, player, or other employee has committed bribery (as that term is used in
23 Penal Code section 67 or 67.5),

24 (7) The supervisor, player, or other employee has committed money laundering (as that term
25 is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

26 (8) The supervisor, player, or other employee has offered or granted rebates to patrons
27 ~~without full disclosure~~, in violation of California Code of Regulations, Title 4, Section ~~12200.7~~,
28 ~~subsection (19)~~ 12200.21, subsection (k),

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1 (9) The supervisor, player, or other employee has committed any of the acts listed in
2 California Code of Regulations, Title 4, Section 12200.18, subsections (b), (c), (d), (f), (g), (h),
3 (i), (j), or (k).

4 (e) A license or registration granted by the Commission for an owner of a third-party
5 provider of proposition player services, or for a supervisor, player, or other employee, as those
6 terms are used in California Code of Regulations, Title 4, Section 12200, shall be subject to
7 revocation if the Commission finds that:

8 (1) The owner, supervisor, player, or other employee has been convicted of a felony or a
9 crime of moral turpitude that would disqualify the holder from licensure, or

10 (2) The owner, supervisor, player, or other employee no longer meets any criterion for
11 eligibility, pursuant to California Code of Regulations, Title 4, Sections 12204 or 12218.11.

12 Note: Authority cited: Sections 19825, 19840, 19841, 19930 and 19984, Business and Professions Code.

13 Reference: Sections 19824 and 19930, Business and Professions Code.

14 ///

(Amend Form BGC-APP-030 (Rev 12/2011) and Repeal Form BGC-APP-031 (Rev 4/13))



DEPARTMENT OF JUSTICE
BUREAU OF GAMBLING CONTROL

INSTRUCTIONS TO PRIMARY OWNER

APPLICATION FOR CONTRACT APPROVAL TO
PROVIDE PROPOSITION PLAYER SERVICES

The following forms and documentation must be submitted to the Bureau of Gambling Control (Bureau), as applicable, in conjunction with the submission of an application for approval of a contract for proposition player services. Any corrections, changes or other alterations must be initialed and dated by the applicant.

Pursuant to Business and Professions Code section 19868, subd. (a), the supplemental information package will not be deemed complete until all required forms, documentation, and fees have been received by the Bureau.

Forms/Documentation	Submitted (if applicable)
Completed Application for Contract Approval (Includes Instructions) (BGC-APP. 030 [Rev. 1])	
Completed Appointment of Designated Agent For Owners and Proposition Players (BGC-APP. 031 [Rev. 11-07])	
Executed Copy of the Contract and/or Amendment	
Non-refundable \$1,000 Application Fee	
Deposit of \$750 for Contract Review and Processing of New Contracts	
Non-refundable \$500 Amendment Application Fee	
Deposit of \$525 for Contract Review and Processing of Amendments to Contracts	
Processing Fee of \$150 for Expedited Review of New Contracts	
Deposit of \$750 for Expedited Review of a Contract	
Deposit of \$750 for review and processing of Applications for Extension of Services (Renewal)	

The primary owner is responsible for all costs incurred by the Bureau while conducting the review. At the conclusion of the review, the primary owner/designee will receive an itemized accounting of all costs. Deposits received in excess of the actual costs incurred will be refunded to the applicant. A notice of contract approval will not be issued until all fees have been received.

Make Checks Payable To: **Bureau of Gambling Control**

For Regular Mail Delivery:

Bureau of Gambling Control
Attn: Prop Player Unit
P.O. Box 138024
Sacramento, CA 95816-8024

For Commercial/Personal Delivery:

Bureau of Gambling Control
Attn: Prop Player Unit
4949 Broadway
Sacramento, CA 95820

Application for Contract Approval to Provide Proposition Player Services



California Department of Justice
Bureau of Gambling Control
Attn: Prop Player Unit
P.O. Box 168024
Sacramento, CA 95816-8024
(916) 227-3584 / (916) 227-2308 facsimile

COMMERCIAL/EXPRESS DELIVERIES
Bureau of Gambling Control
Attn: Prop Player Unit
949 Broadway
Sacramento, CA 95820

APPLICATION FOR CONTRACT APPROVAL TO PROVIDE PROPOSITION PLAYER SERVICES

Instructions: Type or print legibly in ink an answer to every question. If a question does not apply to you, indicate with "N/A." If the space available is insufficient, use a separate sheet and precede each answer with the applicable section and question number. Do not misstate or omit any material fact(s) as each statement made herein is subject to verification. Any corrections, changes, or other alterations must be initialed and dated by the Primary Owner/Designee.

Attach additional sheet(s), if necessary.

1. INDICATE THE TYPE OF CONTRACT APPROVAL REQUEST (check one)

NEW AMENDMENT EXTENSION OF SERVICES (RENEWAL) EXPEDITE

2. BUSINESS ENTITY OR INDIVIDUAL NAME (*Primary Owner*)

3. TELEPHONE NUMBER
()

4. MAILING ADDRESS (*street, city, state, zip code*)

5. FAX NUMBER
()

6. E-MAIL ADDRESS

7. WEBSITE ADDRESS

8. FULL NAME OF GAMBLING ESTABLISHMENT NAMED AS A PARTY TO THE CONTRACT

9. ADDRESS OF GAMBLING ESTABLISHMENT (physical location - street, city, state, zip code)

10. IDENTIFY THE LEGAL BUSINESS STRUCTURE OF THE PRIMARY OWNER (check all that apply)

Sole Proprietorship Limited Partnership Limited Liability Partnership
 Corporation General Partnership Parent
 Publicly Traded Corporation Limited Liability Company Subsidiary Other

11. LIST THE NAME AND ADDRESS (physical location - street, city, state, zip code) OF ANY OTHER GAMBLING ESTABLISHMENTS TO WHICH THIS PRIMARY OWNER PROVIDES PROPOSITION PLAYERS.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

PRINTED NAME OF PRIMARY OWNER/DESIGNEE	SIGNATURE OF PRIMARY OWNER/DESIGNEE	DATE
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Appointment of Designated Agent for Owners and Proposition Players

BC-APP-031 (Rev. 11/07)



DEPARTMENT OF JUSTICE
BUREAU OF GAMBLING CONTROL
(916) 263-3408 / (916) 263-5572 facsimile

APPOINTMENT OF DESIGNATED AGENT FOR OWNERS AND PROPOSITION PLAYERS

An applicant may designate a person(s) to serve as his/her agent(s). The designation shall specify any limit of authority of the agent(s). The Bureau of Gambling Control retains the right to exercise its discretion to disapprove, in whole or in part, such designation(s). The Chief has the authority to require a designated agent to be appointed, if it is determined that such a need exists. (Business and Professions Code sections 19826, and 19827; Title 11, CCR section 2030(a) and (b).)

(Type or Print clearly in ink.)

1. Name of Owner/Proposition Player: _____
2. Type of Entity (e.g., Sole Proprietor, General/Limited Partnership, Corporation, Individual, etc.): _____
3. _____ N
Name of Primary Owner: _____
4. Primary Owner's Mailing Address: _____
5. Primary Owner's Telephone Number: (_____) _____
6. Name of Designated Agent: _____
7. Relationship to Primary Owner/Applicant: () Owner Licensee () Attorney () Employee
() Other Specify _____
8. Designated Agent's Mailing Address: _____
9. Designated Agent's Office Address: _____
(Physical Location During Normal Business Hours)
10. Telephone Number: (_____) _____
11. Limit of Authority of Designated Agent: _____

The undersigned hereby appoints the above named person as the designated agent for all purposes in dealing with the Bureau except as noted in item 11.

This authorization will remain in effect until such time as the Bureau receives written notification of withdrawal of an appointment and/or a subsequent approved Appointment of Designated Agent form.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Applicant/Licensee Printed Name* _____ Title _____

Applicant/Licensee Signature* _____ Date _____

* An Appointment of Designated Agent form must be signed by each of the following persons:

- A) If applicant/licensee is a sole proprietor, by the owner.
- B) If applicant/licensee is a general partnership, by all partners.
- C) If applicant/licensee is a limited partnership, by the general partner.
- D) If applicant/licensee is a corporation, LLC, or joint venture, by the highest ranking officer.

Application for Contract/Amendment Approval

BUREAU USE ONLY
BGC ID# _____



BUREAU OF GAMBLING CONTROL
P.O. Box 168024
Sacramento, CA 95816-8024
(916) 227-3584; Fax (916) 227-2308

COMMERCIAL/EXPRESS DELIVERIES ONLY

BUREAU OF GAMBLING CONTROL ATTN: THIRD-PARTY PROVIDER UNIT
4949 Broadway
Sacramento, CA 95820

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE YOU COMPLETE THIS FORM

This form is used by third-party providers of proposition player services to request prior approval of a contract from the Bureau of Gambling Control (Bureau) to provide services at a gambling establishment; amend certain terms of an existing contract (Cal. Code Regs., tit. 4, § 12200.11); or to renew a Bureau approved contract. All responses must be truthful and complete.

All information must be typed or printed legibly in blue or black ink. Any questions that do not apply should be indicated with "N/A" (Not Applicable). If the space available is insufficient, attach a separate sheet of paper and precede each answer with the applicable item number. Any corrections, changes, or other alterations to the contract/amendment must be initialed and dated by an owner of the third-party provider and an owner of the gambling enterprise. A contract cannot be approved until all fees and deposits are received by the Bureau. Additional deposits may be required. An itemized accounting of costs will be provided once the contract review is complete and any unused portion of the deposit will be refunded. **Make check payable to the Bureau of Gambling Control.**

1. INDICATE THE TYPE OF CONTRACT APPROVAL REQUEST (check one and submit the additional required items)

<p>NEW (INITIAL)</p> <input type="checkbox"/> Executed Contract Copy of Playing Book Form Review Deposit* \$1,000 Application Fee Methodology of Costs Financial Disclosure	<p>EXPEDITED NEW (INITIAL)</p> <input type="checkbox"/> Executed Contract Copy of Playing Book Form All monies due under "New (Initial)" \$150 Expedite Fee Methodology of Costs Financial Disclosure	<p>AMENDMENT</p> <input type="checkbox"/> Executed Amendment Review Deposit* \$500 Application Fee	<p>RENEWAL</p> <input type="checkbox"/> Executed Contract Three non-consecutive playing book forms completed within the 10 days preceding this application. Review Deposit* \$1,000 Application Fee Methodology of Costs Financial Disclosure
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*Deposit amount identified in the California Code of Regulations (Cal. Code Regs., tit. 11, § 2037).

2. PRIMARY OWNER INFORMATION FOR THIRD-PARTY PROVIDER

FULL NAME OF PRIMARY OWNER (BUSINESS ENTITY OR SOLE PROPRIETOR)			TELEPHONE NUMBER	
MAILING ADDRESS (NUMBER/STREET/SUITE)		CITY	STATE	ZIP CODE
FAX NUMBER	EMAIL ADDRESS		WEBSITE ADDRESS	

3. CONTRACT INFORMATION

A) IF REQUESTING AN EXPEDITED REVIEW (CAL. CODE REGS., TIT. 4, § 12200.10), PROVIDE THE FOLLOWING INFORMATION AND ATTACH A COPY OF THE TERMINATION NOTICE FOR THE THIRD-PARTY PROVIDER NOTED BELOW.

NAME OF PROVIDER WHOSE CONTRACT WAS TERMINATED WITHIN 60 DAYS PRECEDING THIS APPLICATION	DATE SERVICES CEASE(D) AT GAMBLING ESTABLISHMENT (MM/DD/YYYY)
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B) IF REQUESTING APPROVAL OF AN AMENDED CONTRACT, PROVIDE THE EFFECTIVE DATE OF THE AMENDMENT AND EXPLAIN THE PURPOSE FOR EACH CHANGE BELOW.

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Application for Contract/Amendment Approval

BGC-APP 030 (Rev. 06/2014)

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C) FOR EACH INITIAL CONTRACT OR INCREASE IN MONIES PAID UNDER THE CONTRACT, IDENTIFY THE SOURCE OF FUNDS FOR START-UP AND ONGOING COSTS AND PROVIDE SUPPORTING DOCUMENTATION (IF CHECKING OR SAVINGS, IDENTIFY SOURCE (BUSINESS REVENUE, WAGES, ETC.))

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D) PROVIDE THE LOCATION WHERE THE COMPLETED PLAYING BOOK FORMS WILL BE STORED.

ADDRESS (NUMBER/STREET/SUITE)	CITY	STATE	ZIP CODE
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4. GAMBLING ENTERPRISE/ESTABLISHMENT INFORMATION

FULL NAME OF GAMBLING ENTERPRISE (PARTY TO THE CONTRACT)	FULL NAME OF GAMBLING ESTABLISHMENT		
PHYSICAL LOCATION (NUMBER/STREET/SUITE) OF GAMBLING ESTABLISHMENT	CITY	STATE	ZIP CODE

5. ARRANGEMENTS, RELATIONSHIPS AND TRANSACTIONS

IDENTIFY ALL ARRANGEMENTS, RELATIONSHIPS AND/OR TRANSACTIONS, FOR ANY PURPOSE, WITH ANY AFFILIATE PARTY OF THE GAMBLING ENTERPRISE OR HOUSE.

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6. DESIGNATED AGENT INFORMATION FOR THIRD-PARTY PROVIDER

LAST NAME	FIRST NAME	RESTRICTIONS, IF ANY	
RELATIONSHIP TO APPLICANT <input type="checkbox"/> OWNER <input type="checkbox"/> ATTORNEY <input type="checkbox"/> EMPLOYEE <input type="checkbox"/> OTHER _____		BUSINESS NAME, IF APPLICABLE	
MAILING ADDRESS (NUMBER/STREET/SUITE)	CITY	STATE	ZIP CODE
TELEPHONE NUMBER	FAX NUMBER	EMAIL ADDRESS	

7. SIGNATURE OF THIRD-PARTY PROVIDER

PRINTED NAME	SIGNATURE*	CAPACITY	DATE (MM/DD/YYYY)
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- *This form must be signed by the appropriate person identified below:
- If applicant/licensee is a corporation, LLC, or joint venture, by an authorized officer.
 - If applicant/licensee is a general partnership, by an authorized partner.
 - If applicant/licensee is a limited partnership, by an authorized partner.
 - If applicant/licensee is a sole proprietor, by the owner.