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CALIFORNIA GAMBLING CONTROL COMMISSION
SPECIFIC LANGUAGE OF PROPOSED REGULATIONS
THIRD PARTY PROVIDERS PROPOSITION PLAYER SERVICES
CGCC-GCA-2014-0#-R

TITLE 4. BUSINESS REGULATIONS.
DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

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) “Affiliate,” “Affiliate of,” or “person affiliated with,” means a specific person, means a person who, directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, that a specified person. ~~“Affiliate” includes, but is not limited to, the following persons:~~

(1) For this definition, “specified person” shall mean any natural person who meets one of the following: ~~A director, officer, general partner, managing member, or controlling person of the specific person;~~

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

(B) Is an owner pursuant to subparagraph (B) of paragraph (16) of subsection (b) of Section 12200, with the exception of any natural person who owns a less than 10 percent ownership interest and would not be required to be licensed for any other reason.

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1 (C) Is an owner pursuant to subparagraph (B) of paragraph (17) of subsection (b) of Section
2 12220, with the exception of any natural person who owns a less than 10 percent ownership
3 interest and would not be required to be licensed for any other reason.

4 (2) A natural person shall be considered, directly or indirectly through one or more
5 intermediaries, in control or controlled by, or under common control if one of the following
6 conditions is met:

7 (A) An individual is a ~~A spouse or registered domestic partner of a director, officer, general~~
8 ~~partner, managing member, or controlling person~~ of the specified person;

9 ~~(A)~~ (B) An individual is the father, mother, or sibling, of either the specified person or the
10 specified person's spouse or registered domestic partner; or, the child, or grandchild of the
11 specified person; or, the spouse or registered domestic partner of any child or sibling of the
12 specified person; and ~~member of the immediate family of a director, officer, general partner,~~
13 ~~managing member, or controlling person of the specified person, who:~~

14 1. Has the same home as the ~~at~~ specified person; or,

15 2. Is a director, officer, general partner, or managing member of any business where ~~affiliate~~
16 ~~controlled by the person specified or in which~~ the specified person has an ownership interest.

17 ~~(B) The immediate family means any of the following (whether related by full or half blood~~
18 ~~or by adoption):~~

19 ~~1. The specific person's spouse, registered domestic partner, father, mother, children,~~
20 ~~brothers, sisters, and grandchildren;~~

21 ~~2. The father, mother, brothers, and sisters of the specific person's spouse or registered~~
22 ~~domestic partner; and,~~

23 ~~3. The spouse or registered domestic partner of a child, brother, or sister of the person.~~

24 ~~(A)~~ (3) Any trust or other estate shall be considered, directly or indirectly through one or more
25 intermediaries, in control or controlled by, or under common control if ~~in which a director,~~
26 ~~officer, or controlling person of~~ either the specified person, or the specified person's spouse or
27 registered domestic partner ~~of a director, officer, or controlling person of the specific person,~~ has
28 a substantial beneficial interest, or ~~as to which the person or his or her spouse~~ serves as trustee or
29 in a similar fiduciary capacity.

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1 (ab) "BCII" means the Bureau of Criminal Identification and Information in the California
2 Department of Justice.

3 (bc) "Bureau" means the Bureau of Gambling Control in the California Department of
4 Justice. For the filing of any information, reports or forms, Bureau refers to the Sacramento
5 office of the Bureau of Gambling Control.

6 (ed) "California Games" means controlled games that feature a rotating player-dealer
7 position, as described in Penal Code section 330.11.

8 (de) "Commission" means the California Gambling Control Commission.

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

15 (fg) "Deadly weapon" means any weapon, the possession or concealed carrying of which is
16 prohibited by Penal Code section 12020.

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

21 (hi) "Gambling Control Act" or "Act" means Chapter 5 (commencing with Section 19800) of
22 Division 8 of the Business and Professions Code.

23 (ij) "Registrant" means a person having a valid registration issued by the Commission.

24 (jk) "Surrender" means to voluntarily give up all legal rights and interests in a license,
25 permit, registration, or approval.

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

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**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 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~~person applying 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~~natural person who is associated with a particular primary owner and whose ~~badge~~registration or license authorizes play in a controlled game on behalf of the primary owner; and ~~includes~~ing the primary owner, all other owners, all supervisors, and all proposition 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]~~

~~(5)~~(4) “Funding source” means any person, other than individual registrants under ~~subsection (d) of Section 12201 or individual licensees~~, that provides financing, including but

Comment [A1]: Moved and combined with 12200.21(c)

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

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

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

13 (C) Any investment company registered under the federal Investment Company Act of 1940
14 (15 U.S.C. sec. 80a-1 et seq.).

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

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

20 (F) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934
21 (15 U.S.C. sec. 78a et seq.).

22 (G) Any entity, all of the equity owners of which individually meet the criteria of this
23 paragraph ~~(510)~~.

24 ~~(11) [RESERVED]~~

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

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

29 1. Primary owner,

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

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

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

Comment [A2]: Moved to 12200.21(b)(2)

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

Comment [A3]: Duplicative of 12200.21(b)

14 ~~(7+3)~~ “Licensee” means a person having a valid license.

15 ~~(8+4)~~ “Organization chart” means a chart that identifies the names and titles of all owners, ~~as
16 defined in Section 12200, supervisors,~~ and any persons having significant influence over the
17 operation of the entity or provision of proposition player services; the percentage of ownership,
18 if any, held by each identified individual or entity; the reporting relationship for each identified
19 individual or entity; and the job title and number of persons in each of the job titles that report to
20 each individual or entity identified on the organization chart.

21 ~~(9+5)~~ “Other employee” means an individual employed by a primary owner who is not
22 authorized to provide proposition player services. “Other employee” does not include any
23 owner, any supervisor, or any officer or director of a primary owner that is a corporation. An
24 individual registered or licensed as an “other employee” may not function as a player unless and
25 until that individual applies for and obtains registration or licensure as a player.

26 ~~(10+6)~~ “Owner” includes all of the following:

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

Comment [A4]: Definition switched with Primary Owner, 12200(b)(12)

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

3 (C) Any funding source.

4 ~~(1147)~~ “Playing ~~B~~ook” means a record documenting each session of play by a TPPPS~~third-~~
5 ~~party proposition player.~~

6 ~~(1218)~~ “Primary ~~O~~wner” means ~~the owner specified in subparagraph (A) of paragraph~~
7 ~~(1016) of this subsection~~ a sole proprietor, corporation, partnership, or other business entity that
8 provides or proposes to provide third-party proposition player services in a gambling
9 establishment.

Comment [A5]: Definition switched with Primary Owner, 12200(b)(10)

10 ~~(1319)~~ “Proposition player” or “player” means an individual other than an owner or a
11 supervisor who provides third-party proposition player services in a controlled game.

12 ~~(1420)~~ “Proposition player contract” or “contract” means a written contract, the terms of
13 which have been reviewed and approved by the Bureau, between ~~the holder of a state gambling~~
14 ~~license~~ a gambling enterprise and a primary owner ~~acting as an independent contractor~~ for the
15 provision of third-party proposition player services in ~~the~~ a gambling establishment.

16 ~~(1521)~~ “Rebate” means a partial or total return by ~~an~~ person serving as the player-
17 ~~dealer~~~~authorized proposition player~~ of chips or money to another participant ~~patron~~ who has lost
18 the chips or money to the person serving as the player-dealer ~~authorized player~~ through play in a
19 controlled game at a gambling establishment as provided in the Bureau approved game rules.

Comment [A6]: Moved from 12200.7(b)(19)

This change will turn the focus away from the contract, which is an arrangement between the TPPPS and GE and moves it to the game rules which includes guidelines about how players deal with each other. The Rebate process would still require review and approval by the Bureau, just under a different process.

20 ~~(1622)~~ “Registrant” means a person having a valid registration.

21 ~~(1723)~~ “Registration” means a registration issued by the Commission pursuant to Article 3
22 of~~to~~ this chapter.

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

25 (1) Pprimary owner,

26 (2) Owner,

27 (3) Supervisor, and

28 (4) Player.

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

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

11 (1824) "Reinstatement ~~B~~ badge" means a badge provided to a proposition player, a
12 supervisor, or an "other employee" ~~pursuant to Section 12200.6~~ which authorizes an individual
13 registrant or licensee who has ceased to be employed by a primary owner to return to work for
14 that primary owner.

15 (1925) "Session of play" ~~as used in Section 12200.13 ("Playing Book")~~ means a continuous
16 work shift of third-party proposition player services provided by an individual proposition
17 player.

18 (2026) "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 (2127) "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

Comment [A7]: Moved or duplicative of
12200.21(b)

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1 Level III Supplemental Information-Business, ~~(BGC-APP-034B (Rev. 11/07))~~, for a level III
2 investigation.

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

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

8 ~~(2228)~~ “Third-party proposition player services” or “proposition player services” means
9 services provided in and to ~~the house~~ a gambling enterprise establishment under any written, oral,
10 or implied agreement with ~~the house~~ the gambling enterprise, which services include play as a
11 participant in any controlled game that has a rotating player-dealer position as permitted by Penal
12 Code section 330.11. “Proposition player services” also includes the services of any supervisors,
13 as specified in paragraph ~~(206)~~ of this subsection.

14 ~~(2329)~~ “TPPPS” means “third-party provider of proposition player services” which is a
15 business that offers proposition player services. ~~This abbreviation is used in Section 12200.3 and~~
16 ~~in prescribing titles to be used on registrant and licensee badges, for example, “TPP Player~~
17 ~~Registrant.”~~

18 ~~(2430)~~ “Transfer ~~B~~ badge” means a badge provided pursuant Section 12200.6 which
19 authorizes an individual registrant or licensee to work for a subsequent primary owner after
20 having ceased to work for an initial 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~~ any
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~~

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1 separately set forth, at the beginning of the contract, all of the following in the following order:

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

3 (B) The names of the derivative parties to the contract, which shall be:

4 1. All owners of the TPPPS; and,

5 2. The owner-licensee and all endorsed owners of the gambling enterprise.

6 (C) The names of any affiliates to the contract, which shall be:

7 1. Any affiliates of the TPPPS or of a derivative party as identified pursuant to clause 1. of

8 subparagraph (B); and,

9 2. Any affiliates of the gambling enterprise or of a derivative party as identified pursuant to

10 clause 2. of subparagraph (B).

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

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

14 (4) The maximum and minimum number of gaming tables available to the TPPPS to provide
15 proposition player ~~provider~~ services, and an estimate of the actual number of gaming tables to
16 which the TPPPS generally will provide proposition player services.

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

19 ~~(5)~~~~(6)~~ The hours of operation that proposition player services will be provided.

20 ~~(6)~~~~(7) A detailed description of t~~The specific location, applicable security measures, and
21 purpose of any currency, chips, or other wagering instruments that will be stored, maintained, or
22 kept within the gambling establishment by or on behalf of the primary owner in addition to the
23 specific location of any storage facilities, offices, cabinets, etc. that will be utilized by the TPPPS
24 in the gambling establishment.

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

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

29 ~~(10) That the primary owner shall provide the gambling establishment with a copy of its~~

Comment [A8]: Moved to 12200.21(c)(2)

Comment [A9]: Repealed

The removal of this paragraph doesn't change the requirements that the TPPPS follow the laws and regulations in the State of California.

Comment [A10]: Moved to 12200.21(c)

Comment [A11]: Repealed

There is no need for the TPPPS to provide the GE with a copy of their license or for the GE to maintain it. As the Bureau approves all contracts, they will be able to ensure proper registration/licensure prior to approving the contract.

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1 registration or license certificate, and that the gambling establishment shall maintain the
2 certificate on file, together with a copy of the proposition player contract applying to that
3 establishment.

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

Comment [A12]: Moved to 12200.21(c)(1)

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

Comment [A13]: Moved to 12200.21(d)

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

Comment [A14]: Repealed

There is no need for the contract to include the playing book form. The provisions for approving playing books is covered in another regulation section.

11 (7)(14) Any agreement between the primary owner and the house gambling enterprise for
12 owners or supervisors to inspect or receive a copy of surveillance recordings of tables at which
13 proposition player services are provided under the contract during the times the services are
14 provided, as necessary for business purposes.

15 (8)(15) A full disclosure of any financial arrangements, relationships or transactions entered
16 into during, or prior to, the term of the contract for any purpose between the TPPPS and any
17 derivative or affiliated party and the gambling enterprise and any derivative or affiliated party ~~the~~
18 ~~house and any registrant or licensee~~ covered by the proposition player contract. If there is no
19 other financial consideration to be included ~~that passes under the contract~~, a statement to that
20 effect shall be included.

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

Comment [A15]: Moved to 12200.21(e)

25 ~~(17) That the primary owner and the house shall report in writing within ten (10) days to both~~
26 ~~the Commission and the Bureau the identity of any registrant whose activities are covered by the~~
27 ~~proposition player contract and who is arrested in the gambling establishment by a peace officer,~~
28 ~~who is removed from the gambling establishment by a peace officer or the house, or who is~~

Comment [A16]: Moved to 12200.21(f)

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1 involved in a patron dispute regarding his or her activities in the gambling establishment that is
2 the subject of a report to a peace officer and that results in removal of one or more individuals.

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

Comment [A17]: Moved to 12200.21(g)

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

Comment [A18]: Moved to 12200(b)(14) and 12200.21(a)

10 ~~(9)(20) That~~ any tipping arrangements shall be specified in the contract and that percentage
11 ~~tips shall not be given.~~ If there will be no tipping arrangements under any circumstance, a
12 statement to that effect shall be included.

Comment [A19]: Moved to 12200.21(h)(2)

13 ~~(10)(21) The terms for reimbursement of the gambling enterprise by~~ That the primary owner
14 ~~may reimburse the house in specified amounts~~ for equipment, such as surveillance cameras and
15 monitors, ~~or~~ cards, shuffling machines, and dice. ~~Neither the primary owner nor its employees~~
16 ~~shall purchase, lease, or control such equipment.~~ If there is no arrangement to reimburse the
17 ~~house~~ gambling enterprise for equipment, a statement to that effect shall be included.

Comment [A20]: Moved to 12200.21(i)

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

Comment [A21]: Repealed.

This is a duplicative statement. Section 12200.7(b)(8) includes the requirement of agreements and financial arrangements and Section 12200.11(a)(2) includes the requirements for approval of any changes to the contract.

23 (c)-(1) Except as expressly authorized by this subsection, a proposition player contract shall
24 not include any provision authorizing payment to or receipt by the ~~house~~ gambling enterprise, or
25 a designee thereof, of any share of the profits or revenues of a registrant or a licensee. Any
26 payments made by a registrant or licensee to the ~~house~~ gambling enterprise for a purpose
27 determined by agreement with the ~~house~~ gambling enterprise shall be specifically authorized by
28 the proposition player contract. All payments shall be specified in the contract. The contract
29 shall separately identify the total charge for each of the following categories: services, facilities,

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1 and advertising. In addition, the contract shall include a detailed list, ~~excluding specific costs,~~ of
2 the items provided or received in each of these categories. No contract shall authorize any
3 payments for services, facilities, or advertising that exceed the actual value of such services,
4 facilities, or advertising.

5

6 - - -

7

8 **Option 1(a): Disallow payment**

- 9 • This option would prohibit the contract from including any payment from the TPPPS
10 company to the gambling enterprise for any reason and restrict the contract to only an
11 exchange of services between the gambling enterprise and the TPPPS company. The
12 prohibition may not remain as subsection (c) but may be moved to another subsection
13 or even another section within the regulations. In addition, this option would require
14 additional revisions to other sections of the regulation, including; contract criteria, the
15 contract approval processes and disciplinary actions.

16

17 **Option 1(b): Fixed Amount Option**

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

27

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Option 1(c): Limited Amount Option.

(2) All payments shall be of a fixed amount for the term of the contract and any modification shall be subject to Bureau review to ensure that the gambling enterprise has no interest, whether direct or indirect, in the funds wagered, lost, or won. In no event may a proposition player contract provide for any payment to the gambling enterprise based on a percentage or fraction of the registrant's or licensee's gross profits or wagers made within the gambling enterprise or the number of players. In addition, any payment shall be limited by the following: ~~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.~~

(A) The payment of all third party contracts with this gambling enterprise shall not exceed 15 percent of the gambling enterprise's yearly operating expenses.

(B) No payment may be authorized, pursuant to paragraph (1), for any of the following:

1. Any overhead costs of the gambling enterprise;

2. Any cost not directly and solely attributable to the services provided by the gambling enterprise to the TPPPS company;

3. The salaries of any gambling enterprise employees;

4. Any equipment, licenses or royalties required for the offering or operating any controlled game;

5. Any service provided by the gambling enterprise to any patron at no additional cost;

6. Any cost associated with compliance with any section in Article 3 of Chapter 7; or,

7. Any service provided to any patron at a standard cost. These additional services can be separately purchased by the TPPPS company at the cost publically offered.

~~(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.~~ (A) The contract may contain a provision precluding proposition players of any other registrant or licensee under

Comment [A22]: Moved from 12200.21(a)

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1 this chapter or Chapter 2.2 of this division from playing at a table during the periods of play
2 assigned by the proposition player contract for the contracted registrant or licensee. However,
3 ~~No~~ contract shall include any charge, direct or indirect, for the value of an exclusive right to
4 conduct proposition play within all or a portion of the gambling establishment.

5 (B) The contract may contain a provision allowing for the assigning of a seat at each table
6 contracted for service. However, No payment other than the collection fee for play; shall be
7 required for play at any table, including, without limitation, reservation of a seat.

Comment [A23]: Moved from 12200.21(a)

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

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

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

Comment [A24]: This item will be considered later in the process.

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

28 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section
29 19984, Business and Professions Code.

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§ 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 not ~~dis~~approve a proposition player contract unless all ~~only if all~~ the following requirements have ~~not~~ 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.

(E) The TPPPS has a current valid registration or license.

(2) ~~Prior to December 7, 2003, e~~Each primary owner seeking to provide ~~ing~~ 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 to Provider of Proposition Player Services, ~~(BGC-APP-030 (Rev. 02/14/13))~~, 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. 04/13)).~~

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

Comment [A25]: Repealed

This requirement has been removed as the required information has been added to form BGC-APP-030.

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1 ~~(BGC APP 031 (Rev. 4/13)), which is hereby incorporated by reference.~~

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

4 ~~(D)~~(C) A playing book form that specifically addresses all of the requirements of Section
5 12200.13.

6 ~~(E)~~(D) A \$1000 nonrefundable application fee.

7 ~~(E)~~(E) The deposit as required by Title 11, California Code of Regulations, Section 2037.

8 The Bureau may require an additional sum to be deposited to pay the final costs of the review
9 and approval or disapproval of the contract. Any money received as a deposit in excess of the
10 costs incurred in the review and approval or disapproval of the contract will be refunded and an
11 itemized accounting will be provided to the primary owner, or primary owner's designee.

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

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

25 ~~(e) The term of any proposition player contract shall not exceed two years and shall not be~~
26 ~~extended or renewed without the prior approval of the Bureau. No amendment changing any of~~
27 ~~the contract terms referred to in Section 12200.7, other than paragraphs (3), (4), and (6) of~~
28 ~~subsection (b) thereof, may become effective during the term of a proposition player contract~~
29 ~~without the prior written approval of the Bureau. If an amendment is made to a proposition~~

Comment [A26]: Repealed

There need not be a requirement to maintain a copy of the contract at the gambling establishment as the Bureau already has copies of all documents.

Comment [A27]: Repealed

This subsection deals with approval of amendments, which is redundant to Section 12200.11

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1 ~~player contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12200.7,~~
2 ~~both parties to the contract shall notify the Commission and Bureau in writing of the amendment~~
3 ~~within ten days of the execution thereof by the parties to the contract.~~

4
5 - - -

7 **Option 2(a): Cross-banking and associated banking are prohibited**

8 (c) The Bureau shall not approve a contract if it allows for either cross-banking or associated
9 banking to occur.

10 (1) For purposes of this subsection, a contract allows for cross-banking where:

11 (A) The proposed contract includes a derivative party of the TPPPS who already has a
12 contract approved by the Bureau as a derivative party of a gambling enterprise;

13 (B) The proposed contract includes a derivative party of the gambling enterprise who already
14 has a contract approved as a derivative party of a TPPPS; and,

15 (C) A derivative party of either subparagraph (A) or (B) provides TPPPS services to the other
16 and the proposed contract includes a reversal of roles.

17 (2) For purposes of this subsection, a contract allows for associated banking where:

18 (A) The proposed contract includes a derivative party of the TPPPS;

19 (B) The proposed contract includes a derivative party of the gambling enterprise; and,

20 (C) The derivative parties share ownership in a third entity, which is a gambling enterprise, a
21 TPPPS company, or a gambling business.

23 **Option 2(b): Cross-banking is allowed but associated banking is not allowed**

24 (c) The Bureau shall not approve a contract if it allows for associated banking to occur. For
25 purposes of this subsection, a contract allows for associated banking where:

26 (1) The proposed contract includes a derivative party of the TPPPS;

27 (2) The proposed contract includes a derivative party of the gambling enterprise; and,

28 (3) The derivative parties share ownership in a third entity, which is a gambling enterprise, a
29 TPPPS company, or a gambling business.

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1
2 ---

3
4 (d) The Bureau shall provide a copy of its notice of approval or disapproval of a proposition
5 player contract to the Commission.

Comment [A28]: Moved from 12200.10C(b)

6 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
7 19951 and 19984, Business and Professions Code

8 9 § 12200.10A. Expedited Review and Approval of Proposition Player Contracts.

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

Comment [A29]: Once Cross/Associated Banking has been decided this may need to be revised to ensure that an expedited review does not circumvent any restriction.

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

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

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

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

24 (5) The TPPPS has a current valid registration or license.

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

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1 provided by subsection (a) of Section 12200.9~~(a)~~.

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

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

6 ~~(2) A completed Appointment of Designated Agent for Owners and Proposition Players~~
7 ~~(BGC APP 031 (Rev. 4/13))~~, referenced in Section 12200.9.

8 ~~(2)~~~~(3)~~ An executed copy of the contract that specifically addresses all the requirements of
9 Section 12200.7.

10 ~~(3)~~~~(4)~~ A playing book form that specifically addresses all the requirements of Section
11 12200.13.

12 ~~(4)~~~~(5)~~ A \$1000 nonrefundable application fee.

13 ~~(5)~~~~(6)~~ An expedited processing fee of \$150 and a sum of money that, in the judgment of the
14 Chief of the Bureau, will be adequate to pay the anticipated processing costs in accordance with
15 Business and Professions Code section 19867.

16 ~~(d) A copy of~~ The Bureau shall provide a copy of its notice of approval or disapproval of a
17 proposition player contract ~~shall be sent to the Commission.~~

18 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
19 19951 and 19984, Business and Professions Code.

20

21 § 12200.110B. Review and Approval of Amendments to and Renewal of Proposition Player 22 Contracts.

23 (a)~~(1)~~ Requests to review and approve an amendment to a proposition player contract shall be
24 submitted with an ~~application for approval~~ (see Application for Contract Approval to Provide
25 Proposition Player Services, BGC-APP-030, referenced in paragraph (2) of subsection (a) of
26 Section 12200.9~~(a)(3)(A))~~ along with an executed copy of the contract, a ~~five hundred dollar~~
27 ~~(\$500)~~ nonrefundable application fee, and a deposit as required by Title 11, California Code of
28 Regulations, Section 2037. The Bureau may require an additional sum to be deposited to pay the
29 final costs of the review and approval or disapproval of the amendment. Any money received as

Comment [A30]: Repealed

This requirement has been removed as the required information has been added to form BGC-APP-030.

Comment [A31]: Moved from 12200.10C(b)

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1 a deposit in excess of the costs incurred in the review and approval or disapproval of the
2 amendment shall be refunded and an itemized accounting shall be provided to the primary owner
3 or the primary owner's designee.

4 ~~(b)~~(2) No amendment changing any of the contract terms referred to in Section 12200.7,
5 other than paragraphs (3), (4), (5), and (6) of subsection (b) thereof, may become effective
6 during the term of a proposition player contract without the prior written approval of the Bureau.
7 If any amendment is made to a proposition player contract term specified in paragraphs (3), (4),
8 (5), or (6) of subsection (b) of Section 12200.7, both parties to the contract shall notify the
9 Commission and Bureau in writing of the amendment within ten ~~(10)~~ days of the execution
10 thereof by the parties to the contract.

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

13

14 ~~§ 12200.10C. Submission of Contract or Amendment to Commission.~~

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

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

24 ~~Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section~~
25 ~~19984, Business and Professions Code.~~

26

27 ~~§ 12200.11. Extension of Proposition Player Contracts.~~

28 ~~(a)~~(b)(1) An application for approval of a renewal of a proposition player contract ~~to continue~~
29 ~~proposition player services~~ shall include all of the following:

Comment [A32]: Repealed

Comments by the Executive Director are not a necessary part of the process and so, in order to streamline the contract approval process it has been removed.

Comment [A33]: Moved to 12200.9(d), 12200.10(d) and 12200.11(d)

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- 1 ~~(+)~~(A) A completed Application for Contract Approval to Provide Proposition Player
2 Services, (BGC-APP-030 ~~(Rev. 04/13)~~), referenced in Section 12200.9.
- 3 ~~(+)~~(B) A \$1000 application fee.
- 4 ~~(+)~~(C) An executed copy of the contract.
- 5 ~~(+)~~(D) Three completed playing book forms for non-consecutive sessions of play
6 ~~completed playing book form for three non-consecutive sessions of play that occurred during the~~
7 ~~ten (10) days preceding the submission of the application for contract extension.~~
- 8 ~~(+)~~(E) A deposit in ~~such an~~ amount ~~as that~~, in the judgment of the Chief of the Bureau, will be
9 sufficient to pay the anticipated processing costs. The Bureau may require an additional sum to
10 be deposited to pay the final costs of the review and approval or disapproval of the contract.
11 Any 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 ~~(+)~~(2)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 amendment or extension renewal is complete and that the contract~~
18 ~~amendment or extension renewal appears to qualify for approval, but in no event more than 75~~
19 ~~days from receipt of the application, the Bureau shall submit the contract amendment or~~
20 ~~extension renewal to the Commission for review and comment. The Commission shall provide~~
21 ~~the Bureau with comments, if any, within 15 days of receipt of the contract extension~~
22 ~~amendment or renewal.~~
- 23 ~~(d) A copy of~~ The Bureau's shall provide a copy of its notice of approval or disapproval of a
24 proposition player contract amendment or renewal shall be sent to the Commission.
- 25 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
26 19951 and 19984, Business and Professions Code.
- 27

Comment [A34]: Moved from 12200.10C(b)

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1 § 12200.21. Compliance.

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

Comment [A35]: Moved from 12200.7(b)(19)

Comment [A36]: Moved to 12200.7(c)(3)

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

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

Comment [A37]: Moved from 12200.7(b)(12) & (17)

14 (c) Proposition player services and supervisory functions may be provided only by authorized
15 owners, supervisors or proposition players with a current registration or licenses issued under
16 this chapter.

Comment [A38]: Moved from 12200.7(b)(9)

17 (1) A registrant or licensee may not provide proposition player services in a gambling
18 establishment for which the registrant or licensee also holds a state gambling license, key
19 employee license, or work permit.

Comment [A39]: Moved from 12200.7(b)(11)

20 (2) No more than one owner, supervisor, or proposition player from any TPPPS shall
21 simultaneously play at any one table.

Comment [A40]: Moved from 12200.7(b)(5)

22 (d) The collection fees charged to the proposition player service by the gambling
23 enterprise~~house~~ for participation in any controlled game shall be the same for the same level of
24 wager~~participation~~ as those charged to other participants during the play of the game. The
25 TPPPS company shall pay on every wager in which it participates, including bonus bets.

Comment [A41]: Moved from 12200.7(b)(12)

26 (e) Any legal dispute between the primary owner and the gambling enterprise, including any
27 exclusion of a registered or licensed owner, proposition player, or supervisor covered by the
28 contract with the gambling enterprise shall be reported to the Bureau, in writing, by the primary
29 owner and the gambling enterprise within ten days.

Comment [A42]: Moved from 12200.7(b)(16)

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1 (f) The primary owner and the gambling enterprise shall report to the Bureau, in writing, the
2 identity of any registrant or licensee whose activities are covered by the proposition player
3 contract and who is arrested in the gambling establishment by a peace officer, who is removed
4 from the gambling establishment by a peace officer or the house, or who is involved in a patron
5 dispute regarding his or her activities in the gambling establishment that is the subject of a report
6 to a peace officer and that results in removal of one or more individuals. This report must be
7 submitted within ten days of the arrest or removal.

Comment [A43]: Moved from 12200.7(b)(17)

8 (g) Any cheating reported to the house by a registrant or licensee shall be reported to the
9 Bureau, in writing, by the primary owner and the gambling enterprise within five days of the
10 incident.

Comment [A44]: Moved from 12200.7(b)(18)

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

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

Comment [A45]: Moved from 12200.7(20)

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

16 (4) No tipping arrangement or policy may include the tipping of any ~~employee of a~~ gambling
17 enterprise employee that has any supervisory responsibility or any authority to make
18 discretionary decisions that affect the results of any game that is included in the contract
19 pursuant to paragraph (3) of subsection (b) of Section 12200.7.

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

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

Comment [A46]: Moved from 12200.7(21)

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

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

29 ///

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(Amend Form BGC-APP-030 (Rev 0X/14) 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 178024
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)			
<input type="checkbox"/> NEW	<input type="checkbox"/> AMENDMENT	<input type="checkbox"/> EXTENSION OF SERVICES (RENEWAL)	<input type="checkbox"/> EXPEDITE
2. BUSINESS ENTITY OR INDIVIDUAL NAME (<i>Primary Owner</i>)		3. TELEPHONE NUMBER ()	
4. MAILING ADDRESS (<i>street, city, state, zip code</i>)			
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 (<i>physical location - street, city, state, zip code</i>)			
10. IDENTIFY THE LEGAL BUSINESS STRUCTURE OF THE PRIMARY OWNER (check all that apply)			
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Limited Liability Partnership	
<input type="checkbox"/> Corporation	<input type="checkbox"/> General Partnership	<input type="checkbox"/> Parent	
<input type="checkbox"/> Publicly Traded Corporation	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Subsidiary <input type="checkbox"/> Other	
11. LIST THE NAME AND ADDRESS (<i>physical location - street, city, state, zip code</i>) 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	

**Appointment of Designated Agent
for Owners and Proposition Players**

BU-GAPP-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. _____
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, § 12200.9, subd. (c)); 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)			
<input type="checkbox"/> NEW (INITIAL) <input type="checkbox"/> Executed Contract <input type="checkbox"/> Copy of Playing Book Form <input type="checkbox"/> Review Deposit* <input type="checkbox"/> \$1,000 Application Fee	<input type="checkbox"/> EXPEDITED NEW (INITIAL) <input type="checkbox"/> Executed Contract <input type="checkbox"/> Copy of Playing Book Form <input type="checkbox"/> All monies due under "New (Initial)" <input type="checkbox"/> \$150 Expedite Fee	<input type="checkbox"/> AMENDMENT <input type="checkbox"/> Executed Amendment <input type="checkbox"/> Review Deposit* <input type="checkbox"/> \$500 Application Fee	<input type="checkbox"/> RENEWAL <input type="checkbox"/> Executed Contract <input type="checkbox"/> Three non-consecutive playing book forms completed within the 10 days preceding this application. <input type="checkbox"/> Review Deposit* <input type="checkbox"/> \$1,000 Application Fee
*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)	
B) IF REQUESTING APPROVAL OF AN AMENDED CONTRACT, PROVIDE THE EFFECTIVE DATE OF THE AMENDMENT AND EXPLAIN THE PURPOSE FOR EACH CHANGE BELOW.			
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.))			

Application for Contract/Amendment Approval

BGC-APP 030 (Rev. XX 2014)

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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
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.			
6. DESIGNATED AGENT INFORMATION FOR THIRD-PARTY PROVIDER			
LAST NAME	FIRST NAME	RESTRICTIONS, IF ANY	
RELATIONSHIP TO APPLICANT OWNER ATTORNEY EMPLOYEE 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)

*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.