CALIFORNIA CODE OF REGULATIONS

TITLE 4. BUSINESS REGULATIONS.

DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

CHAPTER 1. GENERAL PROVISIONS.

ARTICLE 1. DEFINITIONS AND GENERAL PROCEDURES.

§ 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) "Administrative Procedure Act Hearing" or "APA Hearing" means an evidentiary hearing which is conducted pursuant to the requirements of Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and section 1000 et seq. of Title 1 of the California Code of Regulations. An APA hearing includes those evidentiary hearings which proceed pursuant to Business and Professions Code sections 19825 and 19930, as well as under Chapter 10 of this division.

(b) "Advisor of the Commission" shall be all employees of the Commission except those designated as an advocate of the Commission.

(c) "Advocate of the Commission" shall be any employee so designated pursuant to subsection (a) of Section 12056.

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

(e) "Bureau" means the Bureau of Gambling Control in the California Department of Justice, acting as "the department" as provided in section 19810 of the Business and Professions Code.

(f) "Bureau report" means a final determination, as defined in Business and Professions Code section 19869 as "final action by the department," by the Chief of the Bureau regarding his or her recommendation to the Commission on any application.

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

(h) "Commission" means the California Gambling Control Commission.

(i) "Conviction" means a plea or verdict of guilty or a plea of *nolo contendere*, irrespective of a subsequent order of expungement under the provisions of Penal Code section 1203.4, 1203.4a, or 1203.45, or a certificate of rehabilitation under

the provisions of Penal Code section 4852.13. A plea of guilty entered pursuant to Penal Code section 1000.1 does not constitute a conviction for purposes of Business and Professions Code section 19859, subdivisions (c) or (d) unless a judgment of guilty is entered pursuant to Penal Code section 1000.3.

(j) "Deadly weapon" means any weapon, the possession or concealed carrying of which is prohibited by Penal Code section 16430.

(k) "Employee of the Commission" means the staff employed by the Commission including the Executive Director and all staff under the direction of the Executive Director.

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

(m) "Gambling Control Act" or "Act" or "GCA" means Chapter 5 (commencing with section 19800) of Division 8 of the Business and Professions Code.

(n) "GCA hearing" means an evidentiary hearing referred to as "the meeting" pursuant to Business and Professions Code sections 19870 and 19871.

(o) "Interim license" means a license issued by the Commission for some interim period which includes an interim renewal license issued pursuant to Section 12035, an interim gambling license issued pursuant to Section 12349, and an interim key employee license issued pursuant to Section 12354.

(p) "Member of the Commission" means an individual appointed to the Commission by the Governor pursuant to Business and Professions Code sections 19811 and 19812, and does not include an employee of the Commission.

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

(r) "Surrender" means to voluntarily give up all legal rights and interests in a license, permit, registration, finding of suitability, or approval.

(s) "Temporary license" means a preliminary license issued by the Commission, prior to action on an initial license application, with appropriate conditions, limitations or restrictions determined on a case-by-case basis.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853(a)(3), 19854, and 19869, Business and Professions Code; and Section 7, Government Code. Reference: Sections 7.5, 19800, 19805, 19811, 19816, and 19951, Business and Professions Code.

Effective July 1, 2015:

§ 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) "Administrative Procedure Act Hearing" or "APA Hearing" means an evidentiary hearing which is conducted pursuant to the requirements of Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and section 1000 et seq. of Title 1 of the California Code of Regulations. An APA hearing includes those evidentiary hearings which proceed pursuant to Business and Professions Code sections 19825 and 19930, as well as under Chapter 10 of this division.

(b) "Advisor of the Commission" shall be all employees of the Commission except those designated as an advocate of the Commission.

(c) "Advocate of the Commission" shall be any employee so designated pursuant to subsection (a) of Section 12056.

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

(e) "Bureau" means the Bureau of Gambling Control in the California Department of Justice, acting as "the department" as provided in section 19810 of the Business and Professions Code.

(f) "Bureau report" means a final determination, as defined in Business and Professions Code section 19869 as "final action by the department," by the Chief of the Bureau regarding his or her recommendation to the Commission on any application.

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

(h) "Commission" means the California Gambling Control Commission.

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

(j) "Deadly weapon" means any weapon, the possession or concealed carrying of which is prohibited by Penal Code section 16430.

(k) "Dealer's bank" means any and all monies a dealer has on deposit with the gambling enterprise or is assigned from the cage bank for chip trays.

(*l*) "Drop" means any and all player collection fees received from patrons or TPPPS companies by a gambling enterprise to play in controlled games, not including tournament fees, jackpot collections, or payments under contracts for third-party proposition player services.

(m) “Employee of the Commission” means the staff employed by the Commission including the Executive Director and all staff under the direction of the Executive Director.

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

(o) “Fiscal year” means the annual period used by a licensee for financial reporting purposes.

(p) “Gambling business” means a person that is registered or licensed in accordance with Chapter 2.2 of this division. “Gambling business” does not include the provision of proposition player services.

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

(r) “GCA hearing” means an evidentiary hearing referred to as “the meeting” pursuant to Business and Professions Code sections 19870 and 19871.

(s) “Interim license” means a license issued by the Commission for some interim period which includes an interim renewal license issued pursuant to Section 12035, an interim gambling license issued pursuant to Section 12349, and an interim key employee license issued pursuant to Section 12354.

(t) “Jackpot” means a gaming activity where the prize is awarded based on specified criteria occurring in the play of a controlled game.

(u) “Licensee” means any person who is licensed or registered, or endorsed on a license or registration, by the Commission pursuant to the Act or any regulation adopted pursuant to the Act.

(v) “Member of the Commission” means an individual appointed to the Commission by the Governor pursuant to Business and Professions Code sections 19811 and 19812, and does not include an employee of the Commission.

(w) “Player's bank” means any and all monies a patron or a TPPPS company has on deposit with the gambling enterprise.

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

(y) “Surrender” means to voluntarily give up all legal rights and interests in a license, permit, registration, finding of suitability, or approval.

(z) “Temporary license” means a preliminary license issued by the Commission, prior to action on an initial license application, with appropriate conditions, limitations or restrictions determined on a case-by-case basis.

(aa) “Third-party providers of proposition player services” or “TPPPS” or “TPPPS company” means a person that is licensed or registered in accordance with Chapter 2.1 of this division.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853(a)(3) and 19854, Business and Professions Code. Reference: Sections 19800, 19805, 19811, 19816, 19853, 19951 and 19984, Business and Professions Code.

Effective July 1, 2015:

§ 12003. General Requirements.

(a) All books, accounts, financial records, and documents required by the Commission or the Bureau shall be in English.

(b) All records required by the Commission or Bureau shall be maintained for a minimum of five years, unless otherwise specified, in a secure location on the premises of the gambling establishment or at the main offices of the TPPPS company or gambling business, as applicable. Records may be maintained at another facility within California when approved in advance by the Bureau. Any change in an approved location shall be reported to the Bureau by written notice mailed or delivered within five business days after establishing or changing a storage location. The location shall be deemed approved if not disapproved by the Bureau within 30 days of receipt of the written notice.

(c) Each licensee shall provide the Bureau with copies of any records required by the Act or this division within the time period specified in the request. If the records are maintained in other than hardcopy form, the licensee shall provide a printed copy pursuant to this section upon request.

(d) Records may be kept, stored, and submitted in a permanent form or media unless otherwise specified.

Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19826, 19827, 19841, 19857, 19866 and 19984, Business and Professions Code.

§ 12004. Notification of Contact Information Change.

A registrant or licensee shall report to the Bureau any change of contact information, whether residence address, address of record or mailing address, phone number or any other contact information, within ten days of that change on a form entitled "Notice of Contact Information Change," CGCC-032 (Rev. 06/12), which is attached in Appendix A to this Chapter. This section does not apply to the physical relocation of a gambling establishment.

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

§ 12006. Service of Notices, Orders and Communications.

(a) When service of any notice or other written communication is specifically required to be made pursuant to this section, service shall be made by certified mail, addressed to the residence address, address of record or mailing address of the applicant, licensee, or designated agent, as last reported to the Commission.

(b) Service shall be effective upon mailing of the notice or communication.

Note: Authority cited: Sections 19811, 19824 and 19840, Business and Professions Code. Reference: Section 19811, 19824 and 19840, Business and Professions Code

§ 12008. Registration and License Application Fees.

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

(a)(1) For an initial Gambling License issued pursuant to Chapter 6, the fee is one thousand dollars ($1000).

(2) For a renewal Gambling License issued pursuant to Chapter 6 when the complete renewal application is submitted in a timely manner, as defined in subsection (a) of Section 12345 of Article 3, the fee is one thousand dollars ($1000) for each application required pursuant to Section 12345. For a renewal Gambling License issued pursuant to Chapter 6 when the complete renewal application is deemed delinquent, as defined in subsection (a) of Section 12345, the fee is two thousand dollars ($2000) for each application required pursuant to Section 12345, which includes a delinquency fee of one thousand dollars ($1000).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note: Authority cited: Sections 19811, 19824, 19840, 19841(a), 19853(a)(3), 19854, 19876(g), 19915, 19951(a) and 19984, Business and Professions Code. Reference: Sections 19915, 19841(r), 19853(a)(3), 19876(g), 19951(a) and 19984(b), Business and Professions Code.

§ 12012. *Ex Parte* Communication.

(a) For purposes of this section, "*ex parte* communication" or "*ex parte*" means a communication upon the merits of an application without notice and opportunity for all parties to participate in the communication.

(b) The limitations on *ex parte* communication imposed by Business and Professions Code section 19872, subdivisions (a) and (b) shall apply when an application is submitted to the Bureau for investigation until the Bureau report is

issued to the Commission and the communication is upon the merits of the application.

(c) The limitations on *ex parte* communication imposed by Business and Professions Code sections 19872, subdivisions (a) and (c) shall apply when the Bureau report is issued to the Commission until a decision is final pursuant to Section 12066 and the communication is upon the merits of the application.

(d) When the *ex parte* provisions of subsections (b) or (c) apply, the following communications shall not be considered *ex parte*:

(1) Communications related to undisputed issues of practice and procedure that are not upon the merits of an application.

(2) Communications made at a public hearing or meeting and which concern a properly noticed matter.

(3) Information or documents provided by the applicant upon the merits of an application pending disposition before the Bureau or Commission to an advisor or member of the Commission which is simultaneously provided to the Bureau or advocate of the Commission, if one has been designated.

(4) Information or documents provided by the Bureau or an advocate of the Commission, upon the merits of an application pending disposition before the Commission to an advisor or member of the Commission which is simultaneously provided to the applicant.

(5) Information or documents provided by any other interested person upon the merits of an application pending disposition before the Bureau or Commission to an advisor or member of the Commission which is simultaneously provided to both the Bureau and an advocate of the Commission, if one has been designated, and the applicant.

(6) Information or documents provided by the Bureau upon the merits of an application pending disposition before the Commission to an advisor or member of the Commission pursuant to Business and Professions Code section 19822, subdivision (b), but that cannot be provided to the applicant pursuant to Business and Professions Code section 19821, subdivision (d), and section 19868 subdivisions (b)(3) and (c)(2), and which is provided as follows:

(A) The Bureau first provides redacted information or documents to both an advisor or member of the Commission and the applicant;

(B) If an advisor or member of the Commission requests an unredacted copy of the information or documents, the Commission shall provide a notice to the applicant, pursuant to Section 12006, allowing at least 14 calendar days for the applicant to object and pursue any appropriate judicial remedies to challenge the request and seek a judicial in camera review of the confidentiality and relevancy of the information;

(C) The Bureau shall provide the unredacted information or documents only to an advisor or member of the Commission and only after the time period

specified to seek judicial review has elapsed, or the appropriate judicial remedies have been exhausted, whichever is later.

(e) The limitations on *ex parte* communication imposed by Government Code sections 11430.10 through 11430.80 shall apply from when:

(1) The Executive Director has elected to hold an evidentiary hearing under subsection (a) of Section 12060 until any decision is final pursuant to Section 12066;

(2) The Commission has elected to hold an evidentiary hearing under paragraph (2) of subsection (a) of Section 12054 until any decision is final pursuant to Section 12066; or,

(3) The Bureau has filed an accusatory pleading under Section 12554 or Business and Professions Code section 19930 until any decision is final pursuant to Government Code section 11519.

(f) If an applicant, the Bureau or other interested person or an advocate of the Commission, if one has been designated, communicates directly or indirectly on an *ex parte* basis with a member of the Commission, including indirectly through submission of information or documentation to an advisor of the Commission, then:

(1) All information, documentation and responses shall immediately be provided to the Bureau, or an advocate of the Commission, if one has been designated, and the applicant.

(2) That communication, if by the applicant, may be used as a basis for denial of the application pursuant to Business and Professions Code sections 19856, 19857 and subdivision (d) of section 19872.

(3) Any meeting or hearing following the provision of this communication may be delayed as necessary to allow for the full participation of all parties.

(g) A member of the Commission who is involved in a communication on an *ex parte* basis with an applicant, the Bureau, other interested persons or an advocate of the Commission, if one has been designated, must publicly disclose the communication, and provide notices to both the applicant and Bureau pursuant to Section 12006. The notice shall contain any information or document(s) conveyed and shall be provided to the applicant and the Bureau as soon as possible so that they may participate in the communication. Any meeting or hearing following the provision of this communication may be delayed as necessary to allow for the full participation of all parties. The member of the Commission may voluntarily withdraw from consideration of an application as long as the withdrawal would not prevent the existence of a quorum qualified to act on the particular application.

(h) An advisor of the Commission may communicate and convey information or documents upon the merits of an application as long as it is simultaneously

conveyed to the applicant, the Bureau, and the advocate of the Commission, if one has been designated, so that they may participate in the communication.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, and 19872, Business and Professions Code; Sections 11400.20, 11410.40, 11415.10, and 11415.20, Government Code. Reference: Sections 19821, 19822, 19825, 19868, 19870, 19871, 19872, and 19930, Business and Professions Code; Sections, 11425.10, 11430.10, 11430.20, 11430.30, 11430.50, and 11430.60, Government Code.

§ 12014. Subpoenas.

(a) The issuance and enforcement of a subpoena or subpoena duces tecum in any adjudicative proceeding held pursuant to the Act for which a notice of hearing has been issued shall be in accordance with Article 11 (commencing with section 11450.05) and Article 12 (commencing with section 11455.10), respectively, of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code. The issuance of a subpoena or subpoena duces tecum may be on the form CGCC-Sub 001 (New 02/13), which is attached in Appendix A to this chapter, or in a manner that otherwise complies with Article 11 of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code. All subpoenas and subpoenas duces tecum shall be served at least 30 days prior to the date specified for commencement of the hearing in the notice of hearing, or the date specified in the subpoena for the appearance of a witness or the production of records.

(b) Any motion made pursuant to subdivision (a) of section 11450.30 of the Government Code shall be filed with the presiding officer no later than 15 days prior to the date specified for appearance or for the production of records. The party bringing the motion shall serve copies of the motion on all parties and persons who are required by law to receive notice of the subpoena. Any response to the motion shall be filed with the presiding officer and served no later than 5 days before the motion is scheduled to be heard. Upon a timely motion of a party or a witness, after notice to the parties and an opportunity to be heard, upon a showing of good cause, the presiding officer may order the quashing of a subpoena or subpoena duces tecum entirely, may modify it, or may direct compliance with it upon other terms and conditions.

(c) The presiding officer may shorten or extend, as applicable, any of the time periods specified in subsections (a) and (b) upon a showing of good cause.

Note: Authority cited: Section 19811, 19823(a), 19824(h), 19840 and 19841, Business and Professions Code; and section 11450.05(b), Government Code. Reference: Sections 19840, 19870 and 19871, Business and Professions Code; sections 1985, 1985.1, 1985.2, 1985.3 and 1985.4, Code of Civil Procedure; sections 1560 and 1561, Evidence Code; and sections 11450.05, 11450.20, 11450.30, 11450.50, and 11455.10, Government Code.

§ 12015. Withdrawal of Applications.

(a) A request by an applicant to withdraw a submitted application may only be made prior to the Bureau report being issued to the Commission. The request shall be made in writing to the Bureau. Upon receipt of the request to withdraw, Bureau staff shall send written confirmation of receipt to the applicant. The Bureau shall stay any investigation of the applicant being conducted under Business and Professions Code section 19868. The Executive Director shall, upon receipt of any information or documentation provided by the Bureau, place the request before the Commission for consideration at a regularly scheduled meeting pursuant to Section 12054.

(b) The Commission may grant or deny a withdrawal request based upon the public interest and the applicable provisions of the Act, including for example, where the applicant has failed to respond to Bureau or Commission inquires, or preliminary information has been provided by the Bureau which would indicate grounds for mandatory denial under Business and Professions Code section 19859. A withdrawal request may be granted with or without prejudice based upon the public interest and the applicable provisions of the Act.

(c) If a request for withdrawal is granted, any unused portion of a background investigation deposit shall be refunded by the Bureau.

(d) If a request for withdrawal is granted with prejudice, the applicant shall not be eligible to apply again for licensure or approval until after the expiration of one year from the date the request for withdrawal is granted.

(e) If the request for withdrawal is denied, the Bureau shall proceed with the investigation of the applicant and provide a recommendation pursuant to Business and Professions Code section 19826.

(f) An applicant who withdraws his, her or its application shall not have a right to an evidentiary hearing pursuant to Section 12056.

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

§ 12017. Abandonment of Applications.

(a)(1) At any time before the Bureau report is issued to the Commission, the Chief of the Bureau may deem an application abandoned based upon the following:

(A) Failure of the applicant to respond to Bureau inquiries; or,

(B) Notice by the applicant or his, her or its designated agent that the application is no longer being pursued because, for example, the applicant is deceased or no longer employed in a capacity that requires Commission consideration.

(2) If an application has been deemed abandoned, a notice of abandonment shall be sent to the applicant or his, her or its designated agent, with a copy to the Commission, stating the reasons for abandonment of the application and that the Bureau will consider the application abandoned unless the applicant contacts the Bureau within 30 calendar days from the date of the notice.

(b)(1) At any time after the Bureau report is issued to the Commission and either recommended approval or made no recommendation, the Executive Director may deem an application abandoned based upon the following:

(A) Information related to abandonment provided to the Commission as a result of the Bureau's background investigation;

(B) Failure of the applicant to respond to Bureau or Commission inquiries; or,

(C) Notice by the applicant or his, her or its designated agent that the application is no longer being pursued.

(2) If an application has been deemed abandoned, a notice of abandonment shall be sent to the applicant, pursuant to Section 12006, with a copy to the Bureau, stating the reasons for abandonment of the application and that the Commission will consider the application abandoned unless the applicant contacts the Commission within 30 calendar days from the date of the notice.

(c) Where the Bureau has issued its Bureau report, the Commission may deem an application abandoned at its discretion, pursuant to Section 12054 after taking into consideration those criteria listed under subparagraphs (A) through (C), inclusive, of paragraph (1) of subsection (b).

(d) Upon abandonment of an application, a refund of any unexpended portion of a background investigation deposit shall be made, if possible.

(e) An applicant who abandons their application shall not have a right to an evidentiary hearing pursuant to Section 12056.

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

§ 12035. Issuance of Interim Renewal Licenses.

(a) The Commission shall issue an interim renewal license to an applicant for renewal of a license when:

(1) The Commission has elected to hold an evidentiary hearing pursuant to paragraph (2) of subsection (a) of Section 12054;

(2) The Executive Director determines, pursuant to subsection (a) of Section 12060, that it is appropriate for the application to be considered at a GCA hearing; or,

(3) An accusation is pending pursuant to Business and Professions Code section 19930 and under Chapter 10 of this division.

(b) The following conditions shall apply to all interim renewal licenses issued under subsection (a):

(1) An interim renewal license shall be issued with the same conditions, limitations, or restrictions, if any, that existed for the previous license, except for any condition that by Commission decision has been determined to be satisfied and no longer applicable. This paragraph does not preclude the Commission from applying additional conditions through a separate GCA hearing or with the consent of the applicant.

(2) An interim renewal license shall be valid for a period of two years from the date the previous license expires, or until a decision is final under Section 12066, whichever is earlier, and is not subject to renewal. The Commission may issue additional interim renewal licenses if the hearing process has not been, or will not be, concluded by the expiration date of the current interim renewal license.

(3) The holder of an interim renewal license shall pay all applicable annual fees associated with that license.

(4) The issue date of the most recently granted interim renewal license shall serve as the issue date for any regular license granted thereafter.

(5) The issuance of an interim renewal license does not limit or impair, and is without prejudice to, any exercise of the discretion vested in the Commission with respect to the license at issue in the hearing process.

(6) The issuance of an interim renewal license is without prejudice to the Bureau's prosecution of an accusation and has no preclusive effect on any ground for discipline that may exist against the licensee, whether or not presented in an accusation.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19893, and 19951, Business and Professions Code. Reference: Sections 19859, 19867, 19869, 19876, 19880, 19881, 19890, 19891, and 19951, Business and Professions Code.

ARTICLE 2. PROCEDURES FOR HEARINGS AND MEETINGS ON APPLICATIONS.

§ 12050. Bureau Recommendation and Information.

(a) When the Bureau report is issued to the Commission with a recommendation to deny, limit, restrict, or condition a license, permit, finding of suitability, renewal, or other approval, as described in Business and Professions Code section 19868, subdivisions (b) and (c):

(1) The Bureau shall provide to the applicant a copy of the following as relevant to the application:

(A) The Bureau report which shall include any Bureau recommendation to the Commission.

(B) A detailed factual and/or legal basis for any recommendation.

(C) Any supplemental documents provided to the Commission.

(D) Any other information or documentation provided to the Commission.

(2) The documents or information provided under paragraph (1) need not include anything inconsistent with paragraph (6) of subsection (d) of Section 12012.

(b) The Commissioners, or Administrative Law Judge sitting on behalf of the Commission at an APA hearing, will determine what, if any, significance the Bureau's or Commission staff's recommendation shall have regarding the merits of the application. The Commissioners and Administrative Law Judge are not bound by the recommendation's rationale or conclusions in any way.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19824, 19826, 19827, 19868, 19869, 19870, 19871, and 19930, Business and Professions Code.

§ 12052. Commission Meetings; General Procedures; Scope; Rescheduling of Meeting.

(a) Nothing in this article is intended to limit the manner in which the Commission reviews an application, or otherwise limit its authority or discretion under the Act.

(b) This article does not apply to accusations brought under Business and Professions Code section 19930, subdivision (b) to revoke, suspend, or discipline a license, registration, permit, finding of suitability, renewal or other approval under the Act or a matter proceeding pursuant to Chapter 10 of this division.

(c) An applicant for any license, permit, finding of suitability, renewal, or other approval shall be given notice of the meeting at which the application is scheduled to be heard. Notice shall be given pursuant to Section 12006.

(1) If the application is scheduled at a non-evidentiary hearing meeting, the notice shall be provided at least 10 calendar days prior to the meeting date and shall inform the applicant of the following:

(A) That the applicant will be afforded the opportunity to:

1. Address the Commission by way of an oral statement, written statement, or both; and,

2. Submit documents in support of the application; however, documents which are not provided to the Commission and Bureau with sufficient time for consideration may result in the documents not being considered or the application being continued, at the Commission's discretion.

(B) That the application may be rescheduled for consideration at an evidentiary hearing pursuant to Section 12058, by Commission action.

(C) Any individual making an oral statement may be required to be placed under oath.

(2) If the application is to be scheduled at an evidentiary hearing, pursuant to subsections (a) or (b) of Section 12060, the notice of hearing shall inform the applicant of the following:

(A) The date, time and location of the evidentiary hearing at which the application is scheduled to be heard;

(B) The date, time and location of the pre-hearing conference, pursuant to paragraph (1) of subsection (f) of Section 12060;

(C) The individual assigned, pursuant to subsection (c) of Section 12060, as the presiding officer and his or her contact information;

(D) That the applicant will be afforded the opportunity to:

1. Address the Commission by way of an oral statement, written statement, or both;

2. Submit documents in support of the application;

3. Call, examine, cross-examine and impeach witnesses; and,

4. Offer rebuttal evidence.

(E) That a Notice of Defense, CGCC-ND-002 (New 01/14), which is attached in Appendix A to this chapter, will be included unless already provided by Commission staff or the Bureau.

(F) That the waiver of an evidentiary hearing, or failure of the applicant to submit a Notice of Defense, or failure by the applicant to appear at the evidentiary hearing, may result in:

1. A default decision being issued by the Commission based upon the Bureau report, any supplemental reports by the Bureau and any other documents or testimony already provided or which may be provided to the Commission, or

2. The hearing being held as originally noticed without applicant participation.

(d) Any application for a license, permit, approval or finding of suitability scheduled for Commission consideration at a noticed public meeting may be rescheduled for a later public meeting by the Executive Director, prior to the meeting, or by the Commission at the meeting, provided that in the case of renewal applications, the Commission must act before the license expires.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19856, 19870, 19871, 19876 and 19930, Business and Professions Code.

§ 12054. Consideration at Regular Commission Meeting.

(a) At a non-evidentiary hearing meeting, the Commission may take, but is not limited to taking, one of the following actions:

(1) Issue a license, temporary license, interim license, registration, permit, finding of suitability, renewal or other approval.

(2) Elect to hold an evidentiary hearing in accordance with Section 12056 and, when for a renewal application, issue an interim renewal license pursuant to

Section 12035. The Commission shall identify those issues for which it requires additional information or consideration related to the applicant's suitability.

(3) Table or continue an item for consideration at a subsequent meeting, for any purpose, including obtaining new or additional information from the applicant, Bureau or Commission staff, provided however in the case of renewals, the Commission must act on the application before the license expires.

(4) Extend a license for up to 180 calendar days as necessary, as provided in Business and Professions Code section 19876, subdivision (c).

(5) Approve or deny a request for withdrawal pursuant to Section 12015.

(6) Make a finding of abandonment pursuant to subsection (c) of Section 12017.

(7) If the Bureau has filed an accusatory pleading with the Commission pursuant to Business and Professions Code section 19930 prior to Commission action on a renewal application, the Commission shall issue an interim renewal license pursuant to Section 12035.

(b) If the Commission approves or denies a request for withdrawal pursuant to paragraph (5) of subsection (a) or makes a finding of abandonment pursuant to paragraph (6) of subsection (a), that decision is final when issued, unless the Commission specifies otherwise. An applicant shall not have a right to an evidentiary hearing pursuant to Section 12056.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19869, 19870, 19871, and 19876, Business and Professions Code.

§ 12056. Evidentiary Hearings.

(a) If the Commission elects to hold an evidentiary hearing, the hearing will be conducted as a GCA hearing under Section 12060, unless the Executive Director or the Commission determines the hearing should be conducted as an APA hearing under Section 12058. The evidence shall be presented by the complainant, which is selected by the Executive Director or the Commission, and may be either the Bureau or advocates of the Commission. If an advocate of the Commission is selected, the determination shall include a list of employees of the Commission who shall be designated as an advocate of the Commission.

(b) Nothing in this section, Section 12058 or Section 12060 confers upon an applicant a right to discovery of the Commission's or Bureau's confidential information or to require production of any document or the disclosure of information which is otherwise prohibited by any provision of the Act, or is privileged from disclosure or otherwise made confidential by any other provision of law. Documentary evidence may be redacted as needed to prevent the disclosure of confidential information. Exculpatory or mitigating information

shall be provided to the applicant, but any confidential information may be redacted by the Bureau.

(c) Under either an APA or a GCA hearing, all parties will bear their own costs. This does not prevent the Bureau from requiring that additional sums be deposited pursuant to Business and Professions Code section 19867 for any necessary supplemental investigations.

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19825, 19868, 19870, 19871, and 19876, Business and Professions Code; Section 11512, Government Code.

§ 12058. APA Hearing.

(a) When the Commission elects to hold an APA hearing the Commission shall determine whether the APA hearing will be held before an Administrative Law Judge sitting on behalf of the Commission or before the Commission itself with an Administrative Law Judge presiding in accordance with Government Code section 11512. Notice of the APA hearing shall be provided to the applicant pursuant to Government Code section 11500 et seq.

(b) The burden of proof is on the applicant to prove his, her, or its qualifications to receive any license or other approval under the Act.

(c) A Statement of Issues shall be prepared and filed according to Government Code section 11504 by the complainant.

(d) At the conclusion of the evidentiary hearing, when the Commission is hearing the matter, the members of the Commission shall take the matter under submission, may discuss the matter in a closed session meeting, may leave the administrative record open in order to receive additional evidence as specified by the Commission, and may schedule future closed session meetings for deliberation.

(e) The evidentiary hearing shall proceed as indicated in the notice, unless and until the Executive Director or Commission approves cancellation or a continuance.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19825, 19868, and 19876, Business and Professions Code; Section 11512 and 11517, Government Code.

§ 12060. GCA Hearings.

(a) If the Executive Director determines it is appropriate, he or she may set an application for consideration at a GCA hearing in advance of a meeting pursuant to Section 12054. The Executive Director shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 90 calendar days in advance of the GCA hearing. The Executive Director's determination will be based on

information contained in the Bureau's report or other appropriate sources including, without limitation, a request from the Bureau or applicant as well as the Commission's operational considerations. The Commission retains the authority to refer the matter to an APA hearing pursuant to subsection (a) of Section 12056 or hear the matter at a Section 12054 meeting if the Commission deems it appropriate.

(b) When the Commission has elected to hold a GCA hearing, the Executive Director shall give notice to the applicant, pursuant to paragraph (2) subsection (c) of Section 12052, to the Office of the Attorney General, and to the Bureau no later than 60 calendar days in advance of the GCA hearing.

(c) The presiding officer shall have no communication with the Commission or Commission staff upon the merits, or upon information or documents related to the application prior to the evidentiary hearing. The Executive Director shall designate a presiding officer which shall be:

(1) A member of the Commission's legal staff; or,

(2) An Administrative Law Judge.

(d) The applicant or the complainant, or the applicant and the complainant, may request a continuance in writing to the Executive Director stating the reason for the continuance and any proposed future hearing dates. The Executive Director or Commission may approve the request.

(e) The complainant shall provide to the applicant, at least 45 calendar days prior to the GCA hearing, and the applicant shall provide to the complainant, at least 30 calendar days prior to the GCA hearing, the following items:

(1) A list of potential witnesses with the general subject of the testimony of each witness;

(2) Copies of all documentary evidence intended to be introduced at the hearing and not previously provided;

(3) Reports or statements of parties and witnesses, if available; and

(4) All other written comments or writings containing relevant evidence.

(f) A presiding officer shall rule on the admissibility of evidence and on any objections raised except for objections raised under subsection (g). A ruling by the presiding officer shall be final.

(1) In advance of the GCA hearing, upon a motion of a party or by order of the presiding officer, the presiding officer may conduct a pre-hearing conference, either in person, via teleconference, or by email exchange, subject to the presiding officer's availability and shall issue a pre-hearing order if appropriate or requested by either party. The pre-hearing conference and order may address the following:

(A) Evidentiary issues;

(B) Witness and exhibit lists;

(C) Alterations in the Bureau recommendation;

(D) Stipulation for undisputed facts including the admission of the Bureau's report; and

(E) Other issues that may be deemed appropriate to promote the orderly and prompt conduct of the hearing.

(2) The GCA hearing need not be conducted according to technical rules of evidence. Any relevant evidence may be considered, and is sufficient in itself to support findings if it is the sort of evidence on which reasonable persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule that might make improper the admission of that evidence over objection in a civil action.

(g) The Commission may, at any time upon a showing of prejudice by the objecting party:

(1) Prohibit the testimony of any witness or the introduction of any documentary evidence that has not been disclosed pursuant to subsection (e); or

(2) Continue any meeting or hearing as necessary to mitigate any prejudice.

(h) The complainant shall present all facts and information in the Bureau report, if any, and the results of the Bureau's background investigation, and the basis for any recommendation, if the Bureau filed one with the Commission according to Business and Professions Code section 19868, to enable the Commission to make an informed decision on whether the applicant has met his, her, or its burden of proof. The complainant may but is not required to recommend or seek any particular outcome during the evidentiary hearing, unless it so chooses.

(i) The burden of proof is on the applicant at all times to prove his, her, or its qualifications to receive any license or other approval under the Act.

(j) The applicant may choose to represent himself, herself, or itself, or may retain an attorney or lay representative.

(k) Except as otherwise provided in subsection (g), the complainant and applicant shall have the right to call and examine witnesses under oath; to introduce relevant exhibits and documentary evidence; to cross-examine opposing witnesses on any relevant matter, even if the matter was not covered in direct examination; to impeach any witness, regardless of which party first called the witness to testify; and to offer rebuttal evidence. If the applicant does not testify on his, her or its own behalf, the applicant may be called and examined, under oath, as if under cross-examination.

(l) Oral evidence shall be taken upon oath or affirmation, which may be administered by the Executive Director, a member of the Commission, or the presiding officer, if an Administrative Law Judge.

(m) At the conclusion of the evidentiary hearing, the members of the Commission shall take the matter under submission, may discuss the matter in a

closed session meeting, and may schedule future closed session meetings for deliberation.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19824.5, 19825, 19868, 19870, 19871, and 19876, Business and Professions Code; Section 11512, Government Code.

§ 12062. Issuance of GCA Hearing Decisions.

(a) Within 30 calendar days of the conclusion of a GCA hearing, the Commission legal staff shall prepare and submit to the Commission a proposed decision.

(b) Within 45 calendar days of the issuance of the proposed decision, the Commission shall issue its decision, which shall comply with Business and Professions Code section 19870, and shall be served pursuant to Section 12006 and, in the case of a gambling license, on any associated or endorsed owner or owner-licensee.

(c) All decisions of the Commission issued pursuant to this section shall specify an effective date and may include further directions as to any stay provisions or orders to divest.

(d) Only members of the Commission who heard the evidence presented in the hearing are eligible to vote on a decision and may vote by mail or by another appropriate method unless such a requirement would prevent the existence of a quorum qualified to act on the particular application. In that event, a member of the Commission who has not heard the evidence may be allowed to vote after a review of the complete record and any additional briefing or hearing the Commission believes necessary.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19823, 19824, 19825, 19870, 19871, 19876, 19883 and 19892, Business and Professions Code.

§ 12064. Requests for Reconsideration.

(a) After the Commission issues a decision following a GCA hearing conducted pursuant to Section 12060, an applicant denied a license, permit, registration, or finding of suitability, or whose license, permit, registration, or finding of suitability has had conditions, restrictions, or limitations imposed upon it, may request reconsideration by the Commission within 30 calendar days of service of the decision, or before the effective date specified in the decision, whichever is later.

(b) A request for reconsideration shall be made in writing to the Commission, copied to the Bureau, and shall state the reasons for the request, which must be based upon either:

(1) Newly discovered evidence or legal authorities that could not reasonably have been presented before the Commission's issuance of the decision or at the hearing on the matter; or,

(2) Other good cause which the Commission may decide, in its sole discretion, merits reconsideration.

(c) The Executive Director shall determine whether a request for reconsideration is complete and if so shall place the request on the Commission's agenda within 60 calendar days of its receipt. The applicant shall be given at least 10 calendar days' advance written notice, pursuant to Section 12006, of the date and time of the Commission meeting at which the request will be heard. The applicant, whether present at that meeting or not, shall be notified in writing of the Commission's decision on the request within 10 calendar days following the meeting pursuant to Section 12006.

(d) The effective date of the decision will be stayed while the request is under review by the Commission.

(e) The granting or denial of reconsideration under this section shall be at the sole discretion of the Commission.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19823, 19824, 19825, 19870, 19871, and 19876, Business and Professions Code; Section 11521 Government Code.

§ 12066. Final Decisions; Judicial Review.

(a) A withdrawal or abandonment decision is final:

(1) 30 calendar days after the date of notice of abandonment pursuant to either paragraph (2) of subsection (a) or paragraph (2) of subsection (b) of Section 12017 if not repealed by the issuing agency.

(2) Upon approval by the Commission pursuant to paragraph (5) of subsection (a) of Section 12054 or the making of a finding of abandonment pursuant to paragraph (6) of subsection (a) of Section 12054.

(b) A Commission decision is final

(1) Upon the effective date specified in the decision or 30 calendar days after service of the decision if no effective date is specified, and if reconsideration under Section 12064 has not been requested; or,

(2) If a request for reconsideration has been granted under Section 12064, immediately upon the Commission's affirmation of its decision or issuance of a reconsidered decision.

(c) A decision of the Commission denying an application or imposing conditions on a license shall be subject to judicial review as provided in Business and Professions Code section 19870, subdivision (e). Neither the right to petition for judicial review nor the time for filing the petition shall be affected by failure to seek reconsideration.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19823, 19824, 19825, 19870, 19871, and 19876, Business and Professions Code; Section 11521 Government Code.

§ 12068. Decisions Requiring Resignation or Divestiture.

When an application is denied or conditions, limitations, or restrictions are imposed under the Act or this chapter and that decision is final under Section 12066, any requirements set forth in the decision shall be complied with, and the following shall apply to the extent not inconsistent with the decision, as applicable:

(a)(1) If the denied applicant is an officer, director, employee, agent, representative, or independent contractor of a corporation licensed, registered, or found suitable by the Commission, the denied applicant shall resign according to the date specified in the Commission's decision and shall so notify the Commission in writing.

(2) If the denied applicant is an officer or director of a corporation that is licensed, registered, or found suitable by the Commission, the corporation shall remove that person from office according to the date specified in the Commission's decision and shall so notify the Commission in writing.

(3) If the denied applicant is an employee, agent, representative, or independent contractor of a corporation licensed, registered, or found suitable by the Commission, the corporation shall terminate its relationship with that person pursuant to the date specified in the decision and shall so notify the Commission in writing.

(4) Any denied applicant subject to paragraphs (1) or (2) of this subsection and the corporation licensed, registered, or found suitable by the Commission, shall comply with Business and Professions Code section 19882, if applicable.

(b)(1) If the denied applicant is an officer, director, manager, member, employee, agent, representative, or independent contractor of a limited liability company licensed, registered, or found suitable by the Commission, the denied applicant shall resign according to the date specified in the Commission's decision and shall so notify the Commission in writing.

(2) If the denied applicant is an officer, director, manager or member of a limited liability company that is licensed, registered, or found suitable by the Commission, the limited liability company shall remove that person from office according to the date specified in the Commission's decision and shall so notify the Commission in writing.

(3) If the denied applicant is an employee, agent, representative, or independent contractor of a limited liability company licensed, registered, or found suitable by the Commission, the limited liability company shall terminate

its relationship with that person pursuant to the date specified in the decision and shall so notify the Commission in writing.

(c)(1) If the denied applicant is a general or limited partner in a general or limited partnership licensed, registered, or found suitable by the Commission, the denied applicant shall resign as a partner according to the date specified in the Commission's decision and shall so notify the Commission in writing.

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

(d) If the denied applicant is a principal in a business entity not otherwise described above that is licensed, registered, or found suitable by the Commission:

(1) The denied applicant shall resign his or her position within that entity and divest whatever interest is held in that entity pursuant to the timelines and instructions specified in the Commission's decision, and shall so notify the Commission in writing.

(2) The business entity shall remove the denied applicant from any principal role in the business entity and shall so notify the Commission in writing.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19823, 19824, 19825, 19870, 19871, 19876, 19882, 19883 and 19892, Business and Professions Code.

APPENDIX A.: FORMS

Please refer to the California Gambling Control Commission's Web site (www.cgcc.ca.gov) for its forms.

CHAPTER 2. WORK PERMITS.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

§ 12100. Definitions.

In addition to section 12002, the following definitions govern the construction of the regulations contained in this Chapter:

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

(b) "Temporary Work Permit" means a work permit issued pursuant to this article to a prospective gambling enterprise employee in accordance with

Business and Professions Code section 19824, subdivision (f), valid for a period not to exceed 120 days from the date of issuance.

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

§ 12101. Forms.

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

(a) "Renewal Work Permit Application Form" means the "Application for Work Permit Renewal" BGC-023 (Rev. 04/13) which is hereby incorporated by reference.

(b) "Replacement Badge Application" means the "Application for Replacement Work Permit Badge" BGC-026 (Rev. 04/13) which is hereby incorporated by reference.

(c) "Transfer of Work Permit Application Form" means the "Application for Transfer of Work Permit" BGC-022 (Rev. 04/13) which is hereby incorporated by reference.

(d) "Work Permit Application Form" means the "Application for Initial Regular Work Permit/Temporary Work Permit" BGC-021 (Rev. 04/13) which is hereby incorporated by reference.

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

ARTICLE 2. REGULAR WORK PERMITS.

§ 12104. Term of Work Permit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) The provisions of Business and Professions Code sections 19857, 19859, and 19914, subdivision (a) shall be deemed incorporated by reference into this regulation for the purposes set forth in this section. For the purposes of this section, the criteria incorporated by reference in these regulations from Business and Professions Code section 19914, subdivision (a), apply to conduct or events occurring prior to the filing of an application for a work permit.

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

ARTICLE 3. TEMPORARY WORK PERMITS.

§ 12120. Temporary Work Permits.

(a) While the Bureau is processing an application for a regular work permit, and subject to Section 12122, the Executive Director, or any employee of the Commission designated in writing by the Executive Director, may issue a temporary work permit pursuant to this article, which shall be valid for no more than 120 days. The duration of the temporary work permit shall not substantially

exceed the estimated time to process and consider the application for a regular work permit, but may be extended if necessary; provided that in no event shall a temporary work permit be valid for more than 120 days. Any temporary work permit issued in accordance with this article shall not create a property right in its holder. In order to protect the public, each temporary work permit shall be issued subject to the conditions specified in Section 12128.

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

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

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

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

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

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

§12122. Criteria for the Issuance of Temporary Work Permits.

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

(a) The applicant has applied for a temporary work permit by completing the Bureau's work permit application form, BGC-021, requesting issuance of a temporary work permit by checking the appropriate box on the application form, and submitting with the application a nonrefundable temporary work permit fee as specified in paragraph (2) of subsection (c) of Section 12008, in addition to the regular work permit fee specified in paragraph (1) of subsection (c) of Section 12008.

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

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

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

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

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

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

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

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

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

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

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

(D) A misdemeanor involving violations of the Act.

(E) A misdemeanor involving dishonesty or moral turpitude.

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

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

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

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

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

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

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

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

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

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

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

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

§ 12126. Processing Times for Temporary Work Permit.

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

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

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

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

§ 12128. Cancellation of Temporary Work Permit.

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

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

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

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

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

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

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

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

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

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

Note: Authority cited: Sections 19811, 19823, 19824, 19840 and l9841, Business and Professions Code. Reference: Sections 10, 19801, 19816, 19824(f) and 19912(a) and (d), Business and Professions Code.

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

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

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

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

(1) The applicant has applied for a work permit transfer by completing the Bureau's transfer of work permit application form, BGC-022.

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

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

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

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

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

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

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

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

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

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

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19801, 19826(a) and 19912, Business and Professions Code.

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

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

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

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

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

ARTICLE 5. REPLACEMENT WORK PERMIT BADGES.

§ 12140. REPLACEMENT WORK PERMIT BADGES.

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

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

(2) The applicant has applied for a replacement work permit badge by completing the Bureau's replacement badge application, BGC-026.

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

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

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

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

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

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

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

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

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code. Reference: Sections 10, 19801, 19826(a) and 19912, Business and Professions Code.

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

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

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete

and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

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

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

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

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

§ 12200. Definitions.

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

(b) As used in this chapter:

(1) "Additional Badge" means a badge 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 for registration or licensing under this chapter, including in the case of an owner that is a corporation, partnership, or any other business entity, all persons whose registrations or licenses are required to be endorsed upon the primary owner's registration or license certificate.

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

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

(5) [RESERVED]

(6) [RESERVED]

(7) [RESERVED]

(8) [RESERVED]

(9) [RESERVED]

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

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

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

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

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

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

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

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

(11) [RESERVED]

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

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

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

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

licensed as “other employee” and shall be required to submit an application and be approved or denied based upon the same criteria that apply to a player.

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

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

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

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

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

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

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

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

(C) Any funding source.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) Owners, as defined in Section 12200, that are a natural person shall complete the form Level III Supplemental Information-Individual (BGC-APP-034A (Rev. 12/11)) for a level III investigation.

(B) Owners, as defined in Section 12200, that are not a natural person shall complete the form Level III Supplemental Information-Business (BGC-APP-034B (Rev. 12/11)) for a level III investigation.

(C) Supervisors, as defined in Section 12200, shall complete the form Level II Supplemental Information (BGC-APP-033 (Rev. 12/11)) for a level II investigation.

(D) Other employees and players, as defined in Section 12200, shall complete the form Level I Supplemental Information (BGC-APP-032 (Rev. 12/11)) for a level I investigation.

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

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

(30) "Transfer Badge" means a badge provided pursuant Section 12200.6 which authorizes an individual registrant or licensee to work for a subsequent primary owner after having ceased to work for an initial primary owner.

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

§ 12200.1. Certificate.

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

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

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

§ 12200.3. Badge.

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

(b) A badge authorizing play in a controlled game shall be of a distinctly different color than a badge that identifies a registrant or licensee, but does not authorize play. If an individual ceases to be employed by or affiliated with a particular primary owner, that individual shall surrender his or her badge to the

primary owner. The primary owner shall notify the Bureau in writing within ten (10) days of the change in status using the Bureau's Change in Status Form for a Third Party Proposition Player Services Registration (BGC-441 (Rev. 04/13)), which is hereby incorporated by reference; with this form, the primary owner shall submit the registrant's or licensee's badge.

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

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

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

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

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

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

§ 12200.5. Replacement of Badge.

(a) Upon submission of a request, the Bureau shall provide a replacement badge if all of the following conditions are met:

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

(2) The request is complete and has been submitted on the Bureau's form Request for Replacement Third Party Proposition Player Services Badge (BGC-438, Rev. 04/13), which is hereby incorporated by reference.

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

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

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

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

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

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

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

Note: Authority cited: Sections 19826, 19827, 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19826, 19864 and 19984, Business and Professions Code.

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

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

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

(2) The request is complete and has been submitted on the Bureau's form Request for an Additional/Transfer/Reinstatement Third Party Proposition Player Services Registration/License (BGC-439, Rev. 04/13), which is hereby incorporated by reference.

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

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

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

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

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

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

Note: Authority cited: Sections 19826, 19827 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19826, 19864 and 19984, Business and Professions Code.

§ 12200.7. Proposition Player Contract Criteria.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(14) Any agreement between the primary owner and the house for owners or supervisors to inspect or receive a copy of surveillance recordings of tables at

which proposition player services are provided under the contract during the times the services are provided, as necessary for business purposes.

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

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

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

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

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

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

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

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

(c)(1) Except as expressly authorized by this subsection, a proposition player contract shall not include any provision authorizing payment to or receipt by the house, or a designee thereof, of any share of the profits or revenues of a registrant or a licensee. Any payments made by a registrant or licensee to the house for a purpose determined by agreement with the house shall be specifically authorized by the proposition player contract. All payments shall be specified in the contract. The contract shall identify the total charge for each of the following categories: services, facilities, and advertising. In addition, the contract shall include a detailed list, excluding specific costs, of the items provided or received in each of these categories.

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

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

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

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

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

(g) A primary owner may contract with more than one gambling establishment at the same time; a gambling establishment may contract with more

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

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

§ 12200.9. Review and Approval of Proposition Player Contracts.

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

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

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

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

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

(2) Prior to December 7, 2003, each primary owner providing proposition player services at a gambling establishment on the date that these regulations originally became effective (November 6, 2003) shall submit an Application for Contract Approval Provider of Proposition Player Services (BGC-APP-030 (Rev.12/11)), 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) referenced in paragraph (2).

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

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

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

(E) A $1000 nonrefundable application fee.

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

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

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

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

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

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

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

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

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

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

(b) If an application for contract approval is submitted as an expedited contract request and the Bureau determines that it does not meet the criteria, the primary owner or designee and the house shall be notified within three (3) business days of the Bureau's decision. Any contract that is not processed through the expedited review and approval process shall be treated as a new contract request and reviewed and approved or disapproved as otherwise provided by Section 12200.9(a).

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

(1) A completed Application for Contract Approval to Provide Proposition Player Services (BGC-APP-030), referenced paragraph (2) of subsection (a) of Section 12200.9.

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

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

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

(5) A $1000 nonrefundable application fee.

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

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

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

(a) Requests to review and approve an amendment to a proposition player contract shall be submitted with an application for approval (see Section

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

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

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

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

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

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

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

§ 12200.11. Extension of Proposition Player Contracts.

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

(1) A completed Application for Contract Approval to Provide Proposition Player Services (BGC-APP-030), referenced in paragraph (2) of subsection (a) of Section 12200.9.

(2) A $1000 application fee.

(3) An executed copy of the contract.

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

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

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

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

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

§ 12200.13. Playing Book.

(a) The primary owner shall be responsible for assuring that its players maintain accurate, complete, and up-to-date playing books for all sessions of play worked in conformity with regulations of the Commission. The information in the playing-book record shall be transferred to the primary owner, or a supervisor designated by the primary owner at the end of each session of play. The primary owner shall maintain this information in English at a single location in the State of California, and shall maintain the original playing book records in the State of California, for at least five (5) years. The location or locations where the records of this information and the original playing book records are maintained, and any change therein, shall be disclosed to the Commission and Bureau by written notice, mailed or delivered within five (5) business days after establishing or changing such a location.

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

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

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

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

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

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

(D) Beginning and ending balances.

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

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

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

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

(I) The name of the primary owner.

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

(c)(1) To amend a playing book form during a contract period, a Request for Approval of Playing Book form (BGC-App 036 (New 12/11)), which is hereby incorporated by reference, must be completed and submitted to the Bureau for prior approval along with the following to constitute a complete request:

(A) Processing fee of $75.

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

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

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

§ 12200.14. Organization Chart and Employee Report.

(a) Each licensed primary owner shall submit to the Bureau, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed Bureau form Third Party Proposition Player Services Employee Report (BGC-440 (Rev. 04/13)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Bureau.

(b) Upon renewal of the registration, each registered primary owner shall submit an updated organization chart and a completed Bureau form Third Party Proposition Player Services Employee Report (BGC-440) to the Bureau.

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

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section s 19826, 19864 and 19984(b), Business and Professions Code

§ 12200.15. Transfers and Sales.

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

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

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

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

§ 12200.16. Inspections and Investigations.

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

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

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

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

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

§ 12200.17. Emergency Orders.

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

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

§ 12200.18. Revocation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 12200.20. Annual Fee.

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

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

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

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

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

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

(d)(1) The annual fee for each registered primary owner may be paid in installments. The primary owner must submit a written request to the Bureau to make installment payments prior to August 1 of that same year. Upon approval by the Bureau, installment payments submitted prior to licensure shall be made as

follows: one-third of the annual fee to be submitted no later than September 1, one-third no later than December 1, and the balance no later than March 1.

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

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

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

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

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

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

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

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

§ 12200.21. Compliance.

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

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

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

ARTICLE 2. REGISTRATION.

§ 12201. Registration.

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

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

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

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

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

(f) Registration is non-transferable.

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

§ 12202. Application for Registration.

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

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

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

(2) A completed Bureau Application for Third Party Proposition Player Services Registration (BGC-435 (Rev. 04/13)), which is hereby incorporated by reference.

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

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

(c) An applicant that is an individual shall complete and submit the Bureau form Third Party Proposition Player Services Registration Supplemental Information (BGC-436 (Rev. 04/13)), which is hereby incorporated by reference.

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

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

§ 12203. Processing of Applications for Initial Registration.

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

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

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

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

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

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

§ 12203A. Processing of Applications for Renewal of Registration.

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

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

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

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

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

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

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

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

§ 12203.1. Temporary Player Registration.

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

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

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

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

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

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

§ 12203.2. Temporary Player Registration: Application; Criteria.

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

(a) The applicant has applied for a temporary player registration by completing the Bureau's regular registration application form, BGC-435,

referenced in Section 12202, requesting issuance of a temporary registration by checking the appropriate box on the application form, and submitting with the application a nonrefundable temporary registration fee specified in paragraph (2) of subsection (d) of Section 12008, in addition to the regular registration fee specified in paragraph (1) of subsection (d) of Section 12008.

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

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

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

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

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

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

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

(D) A misdemeanor involving violations of the Act.

(E) A misdemeanor involving dishonesty or moral turpitude.

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

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

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

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

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

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

(e) The application and other information obtained during the review does not disclose any factor indicating that approval of the temporary registration may in

the judgment of the Executive Director present a danger to the public or to the reputation of controlled gambling or proposition playing in this state.

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

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

§ 12203.3. Processing Times for Temporary Player Registration.

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

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

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

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

§ 12203.5. Cancellation of Temporary Registration.

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

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

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

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

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

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

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

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

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

§ 12204. Ineligibility for Registration.

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

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

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

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

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

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

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

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

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

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

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

§ 12205. Cancellation of Regular Registration.

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

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

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

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

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

§ 12205.1. Transition to Licensing.

(a) As expeditiously as possible in light of available program resources, the Bureau shall summon persons registered as primary owners, owners, supervisors, players, and other employees for the purpose of applying for licenses under this chapter. The registration of any registrant that fails or refuses to submit the applicable Application for Third Party Proposition Player Services License for Business Entities and Owners (BGC-433 (Rev. 04/13)) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434 (Rev. 04/13)), which are hereby incorporated by reference,

including any fees to the Bureau within 30 days of receiving a summons shall expire by operation of law on the following day. Prior to and during review of a request to convert a registration to a license, a registration shall remain valid and may be renewed by the registrant as necessary, upon application and approval of renewal of registration as provided in Section 12203A.

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

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

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

ARTICLE 3. LICENSING.

§ 12218. Request to Convert Registration to License.

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

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

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

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

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

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

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

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

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

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

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

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

§ 12218.1. Subsequent Registrants.

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

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

§ 12218.5. Withdrawal of Request to Convert Registration to License.

[*Section 12218.5 is repealed effective January 1, 2015*.]

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

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

(a) The maximum time within which the Bureau shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing, or that a request or a resubmitted request is deficient and identifying what specific additional information is required, is 20 days after receipt of the request. For the purposes of this section, "request" means the Application for Third Party Proposition Player Services License for Business Entities and Owners (BGC-433) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434) referenced in Section

12205.1. A request is not complete unless accompanied by both a copy of the summons from the Bureau setting a deadline for filing the request and the supplemental information package required by Section 12218(c)(5) for review by the Bureau pursuant to subsection (b) for persons affiliated with the primary owner to whom the summons was addressed.

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

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

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

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

§ 12218.8. License Renewals.

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

(1) A completed Application for Third Party Proposition Player Services License for Business Entities and Owners (BGC-433) or Application for Third-Party Proposition Player Services License for Supervisors, Players or Other Employees (BGC-434), referenced in Section 12205.01.

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

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

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

(c) The Bureau may conduct an investigation of a primary owner and each owner whose name is required to be endorsed upon the license of the primary owner; and any licensed supervisor, player, or other employee identified in the notice issued by the Bureau. Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice must submit a supplemental package pursuant to .Section 12200(b)(27) and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code sections 19867 and 19984.

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

§ 12218.9. Processing of Applications for Renewal License.

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

(1) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 10 working days after receipt of the application. For the purposes of this section, "application" means either of the two forms specified in paragraph (1) of subsection (a) of Section 12218.8, as applicable.

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

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

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

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

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

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

§ 12218.11. Ineligibility for Licensing.

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

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

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

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

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

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

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

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

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

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

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

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

§ 12218.13. Term of License.

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

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

CHAPTER 2.2. GAMBLING BUSINESSES: REGISTRATION; LICENSING.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

§ 12220. Definitions.

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

(b) As used in this chapter:

(1) "Additional Badge" means a badge provided pursuant to Section 12220.6 which authorizes an individual registrant or licensee to be simultaneously employed by more than one primary owner.

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

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

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

(5) [RESERVED]

(6) [RESERVED]

(7) [RESERVED]

(8) [RESERVED]

(9) [RESERVED]

(10) "Funding source" means any person that provides financing, including but not limited to loans, advances, any other form of credit, chips, or any other representation or thing of value, to an owner-registrant or owner-licensee, other than individual registrants under subsection (d) of Section 12221 or individual licensees. "Funding source" does not include any federally or state chartered lending institution or any of the following entities that in the aggregate owns at

least one hundred million dollars ($100,000,000) of securities of issuers that are not affiliated with the entity:

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

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

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

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

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

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

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

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

(12) [RESERVED]

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

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

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

(B) All "other employees" (as defined in this section) of the primary owner who are present in the gambling establishment during the conduct of the gambling

business shall be licensed as “other employee” and shall be required to submit an application and be approved or denied based upon the same criteria that apply to a player.

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

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

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

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

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

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

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

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

(C) Any funding source.

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

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

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

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

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

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

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

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

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

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

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

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

(27) “Supplemental information package” means all of the documentation and deposits required by each of the following forms (which are referenced in paragraph (27) of subsection (b) of Section 12200) to be submitted to the Bureau in response to a summons issued by the Bureau pursuant to Section 12225.1.

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

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

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

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

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

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

§ 12220.1. Certificate.

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

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

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

§ 12220.3. Badge.

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

(b) A badge authorizing play in a controlled game shall be of a distinctly different color than a badge that identifies a registrant or licensee, but does not authorize play. If an individual ceases to be employed by or affiliated with a particular primary owner, that individual shall surrender his or her badge to the primary owner. The primary owner shall notify the Bureau in writing within ten (10) days of the change in status using Change in Status Form for a Gambling Business Registration (BGC-541 (Rev. 04/13)), which is hereby incorporated by reference; with this form, the primary owner shall submit the registrant’s or licensee’s badge.

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

(d) On the front of the badge, there shall be displayed the picture of the registrant or licensee submitted with the application, the badge number, and

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

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

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

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

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

§ 12220.5. Replacement of Badge.

(a) Upon submission of a request, the Bureau shall provide a replacement badge if all of the following conditions are met:

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

(2) The request is complete and has been submitted on the form Request for Replacement Gambling Business Badge (BGC-538, Rev. 04/13), which is hereby incorporated by reference.

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

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

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

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

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

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

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

Note: Authority cited: Sections 19811, 19827, 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference: Section and 19826, Business and Professions Code.

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

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

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

(2) The request is complete and has been submitted on the form Request for an Additional/Transfer/Reinstatement of Gambling Business Registration/License (BGC-539, Rev. 04/13), which is hereby incorporated by reference.

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

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

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

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

(c) Upon the providing of the transfer badge, the previous badge shall become void and shall not be used.

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

Note: Authority cited: Sections 19811, 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference: Sections 19805, 19826 and 19853(a)(3), Business and Professions Code.

§ 12220.13. Playing Book.

(a) The primary owner shall be responsible for assuring that its players maintain accurate, complete, and up-to-date playing books for all sessions of play worked in conformity with regulations of the Commission. The information in the playing-book record shall be transferred to the primary owner, or a supervisor designated by the primary owner at the end of each session of play. The primary owner shall maintain this information in English at a single location in the State of California, and shall maintain the original playing book records in the State of California for at least five (5) years. The location or locations where the records of this information and the original playing book records are maintained, and any change therein, shall be disclosed to the Commission and Bureau by written notice, mailed or delivered within five (5) business days after establishing or changing such a location.

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

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

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

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

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

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

(D) Beginning and ending balances.

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

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

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

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

(I) The name of the primary owner.

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

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

(A) Processing fee of $75.

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

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

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

§ 12220.14. Organization Chart and Employee Report.

(a) Each licensed primary owner shall submit to the Bureau, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed form Gambling Business Employee and Independent Contractor Report (BGC-540 (Rev. 04/13)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Bureau.

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

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

Note: Authority cited: Sections 19826, 19827, 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference: Section 19826, Business and Professions Code.

§ 12220.15. Transfers and Sales.

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

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

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

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

§ 12220.16. Inspections and Investigations.

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

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

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

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

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

§ 12220.17. Emergency Orders.

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

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

§ 12220.18. Revocation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 12220.20. Annual Fee.

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

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

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

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

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

(3) Beginning September 1, 2006, and thereafter, each primary owner shall pay the annual sum of two thousand eight hundred dollars ($2800) per registrant

or licensee, less any applicable credit that may apply from paragraph (1) of this subsection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 12220.21. Compliance.

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

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

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

§ 12220.23. Exclusion.

(a) In order to promote the purposes of the Act to provide for effective regulation of gambling enterprises, owner-licensees of gambling establishments shall notify the Commission and Bureau of, and may exclude from the gambling establishment, any person that the owner-licensee reasonably believes is conducting a gambling business within the gambling establishment without having been registered or licensed under this chapter. An owner-licensee acting under this section shall notify the Commission and Bureau in writing of any such unregistered or unlicensed person and of any such exclusion, including the identity of the excluded individuals and entity if known, within ten (10) business

days following the exclusion. Upon receiving such notice of an unregistered or unlicensed person, the Commission shall notify the person in writing of the registration and license requirement of this chapter and shall notify all owner-licensees of the name of the unregistered or unlicensed person, if known and may condition any subsequent registration or license of the person under this chapter or Chapter 2.1 of this division upon a 60 to 90 day suspension of registration or license or payment of a civil penalty under Business and Professions Code section 19930(c), or both.

(b) An owner-licensee of a gambling establishment may exclude any registered or licensed gambling business and shall notify the Commission and Bureau in writing within five (5) days following the exclusion.

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

ARTICLE 2. REGISTRATION.

§ 12221. Registration.

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

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

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

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

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

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

(g) Registration is non-transferable.

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

§ 12222. Application for Registration.

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

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

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

(2) A completed Application for Gambling Business Registration (BGC-535 (Rev. 04/13)), which is hereby incorporated by reference.

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

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

(c) An applicant that is an individual shall complete and submit the form Gambling Business Registration Supplemental Information (BGC-536 (Rev. 04/13)), which is hereby incorporated by reference.

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

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

§ 12223. Processing of Applications for Initial and Renewal Registration.

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

the applicant fails to respond to the request, the application shall be deemed abandoned and no further action will be taken on it.

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

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

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

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

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

§ 12224. Ineligibility for Registration.

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

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

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

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

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

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

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

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

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

§ 12225. Cancellation of Registration.

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

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

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

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

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

§ 12225.1. Transition to Licensing.

(a) The Bureau shall summon persons registered as primary owners, owners, supervisors, players, and other employees for the purpose of applying for licenses under this chapter. The Bureau shall summon primary owners, owners, supervisors, players, and other employees as expeditiously as possible in light of available program resources. The registration of any registrant that fails or refuses to submit the applicable Application for Gambling Business License for Business Entities and Owners (BGC-533 (Rev. 04/13)) or Application for Gambling Business License for Supervisor, Player or Other Employee (BGC-534

(Rev. 04/13)), which are hereby incorporated by reference, including any fees to the Bureau within 30 days of receiving a summons shall expire by operation of law on the following day. Prior to and during review of a request to convert a registration to a license, a registration shall remain valid and may be renewed by the registrant as necessary, upon application and approval of renewal of registration.

(b) If the registration expires by operation of law, the former registrant shall submit a new Application for Gambling Business License for Business Entities and Owners (BGC-533) or Application for Gambling Business License for Supervisor, Player or Other Employee (BGC- 534), which are referenced in subsection (a), and a new nonrefundable application fee as specified in paragraph (2), and the applicable additional fee specified in paragraph (3), or (4) of subsection (e) of Section 12008.

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

ARTICLE 3. LICENSING.

§ 12233. Request to Convert Registration to License.

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

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

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

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

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

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

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

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

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

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

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

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

§ 12234. Withdrawal of Request to Convert Registration to License.

[*Section 12234 is repealed effective January 1, 2015*.]

§ 12235. Processing Times – Request to Convert Registration to License.

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

(a) The maximum time within which the Bureau shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing, or that a request or a resubmitted request is deficient and identifying what specific additional information is required, is 20 days after receipt of the request. For the purposes of this section, "request" means the form Application for Gambling Business License for Business Entities and Owners (BGC-533) or Application for Gambling Business License for Supervisor, Player or Other Employee (BGC-534), referenced in Section 12225.1. A request is not complete unless accompanied by both a copy of the summons from the Bureau setting a deadline for filing the request and the supplemental information package required by Section 12233(c)(5) for review by the Bureau pursuant to subsection (b) for persons affiliated with the primary owner to whom the summons was addressed.

(b) The Bureau shall review the supplemental information package submitted for completeness and notify the applicant of any deficiencies in the supplemental information package, or that the supplemental information package is complete, within 45 days of the date that the request and supplemental information package are received by the Bureau. Notwithstanding this subsection, subsequent to

acceptance of the supplemental information package as complete, the Bureau may, pursuant to Business and Professions Code section 19866, require the requester to submit additional information.

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

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

Note: Authority cited: Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3) and 19868, Business and Professions Code.

§ 12236. Ineligibility for Licensing.

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

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

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

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

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

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

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

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

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

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

§ 12237. Term of License.

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

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

§ 12238. License Renewals.

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

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

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

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

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

(c) The Bureau may conduct an investigation of a primary owner and each owner whose name is required to be endorsed upon the license of the primary owner; and any licensed supervisor, player, or other employee identified in the notice issued by the Bureau. Within 15 days of receipt of a notice issued by the Bureau, those identified in the notice must submit a supplemental package pursuant to Section 12220(b)(27) and a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and

processing costs, in accordance with Business and Professions Code section 19867.

Note: Authority cited: Sections 19840, 19841 and 19853, Business and Professions Code. Reference: Sections 19823, 19824, 19851, 19853, 19867, 19876 and 19951, Business and Professions Code.

§ 12239. Processing of Applications for Renewal License.

(a) Except as provided in subsection (b), renewal license applications submitted pursuant to Section 12237 shall be processed within the following timeframes:

(1) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 10 working days after receipt of the application. For the purposes of this section, "application" means either of the two forms specified in paragraph (1) of subsection (a) of Section 12238, as applicable.

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

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

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

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

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

Note: Authority cited: Sections 19840, 19841 and 19853, Business and Professions Code. Reference: Sections 19824, 19853, 19868 and 19876, Business and Professions Code.

CHAPTER 4. GAMBLING EQUIPMENT MANUFACTURERS OR DISTRIBUTORS.

§ 12300. Definitions.

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

(b) As used in this chapter only:

(1) “Antique collector” means any individual that sells, exchanges, or otherwise transfers five or fewer antique slot machines, as defined in Penal Code section 330.7, during any calendar year. For purposes of computing the number of antique slot machines transferred during any calendar year, transactions in which a registered manufacturer or distributor acts as an agent or broker on behalf of an antique collector shall not be counted or included. “Antique collector” does not include any individual who is otherwise a manufacturer or distributor within the meaning of paragraph (6) of this subsection.

(2) “Class B” refers to any manufacturer or distributor that has no place of business in the State of California and that does not transport gambling equipment to a destination within the State of California, other than transportation of gambling equipment from an out-of-state location to a tribal gaming facility in this state in compliance with the requirements of section 7.4.5 of the applicable Tribal-State Gaming Compact and the procedures established by agreement there under. All other manufacturers or distributors are Class A.

(3) “Essential Parts” means and includes any of the following:

(A) Game and pay table programmed media, whether in programmable read-only memory or erasable programmable read-only memory.

(B) Other electronic or magnetic storage media containing programming or data that affect the outcome of the game.

(4) “Gambling equipment” means any slot machine or device as defined in section 330b or 330.1 of the Penal Code. “Gambling Equipment” also includes (A) any essential part and (B) any inoperable slot machine or device that is substantially complete and repairable or that can be made operable with the installation of one or more essential parts. Any reference to slot machines or devices has the meaning defined in Penal Code sections 330b and 330.1.

(5) “Manufacture or distribute” and “manufacture or distribution” refer to the activities of a manufacturer or distributor specified in paragraph (6) of this subsection.

(6) “Manufacturer or Distributor” means any person that manufactures, including the assembly, production, programming, or modification of, distributes, sells, leases, inspects, tests, repairs, refurbishes, or stores gambling equipment in this state or for use in this state. Manufacturer or distributor includes, in addition to in-state manufacturers and distributors, persons performing these functions in a location outside of this state with respect to gambling equipment intended for operation in this state.

(7) “Registration” means registration with the Commission under this chapter.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code; and Section 337j, Penal Code. Reference: Section 19841(r), Business and Professions Code; and Section 337j(e)(1), Penal Code.

§ 12301. Registration of Manufacturers or Distributors.

(a) Except as provided in Section 12310, and after December 31, 2002, no person may manufacture or distribute gambling equipment unless that person has a currently valid registration as a manufacturer or distributor issued in accordance with this chapter.

(b) Each manufacturer or distributor shall apply for registration with the Bureau, using the form required by Section 12309. Any manufacturer or distributor in business on the effective date of this chapter shall submit an application for registration to the Bureau within 30 days of the effective date of this chapter. An application for registration shall include all of the following:

(1) The applicant's name, Federal Employer Identification Number, if any, or Social Security Number, voice telephone number, facsimile telephone number, and address of its principal place of business and of each location in this state at which it conducts the business of manufacture or distribution of gambling equipment or gambling equipment parts, including a list of its storage facilities. For purposes of this paragraph, a vehicle used for storage or distribution of gambling equipment parts shall be deemed to be located at the address in this state where customarily garaged or kept when not in use.

(2) A statement specifying in which activities the applicant engages with respect to gambling equipment located, operated, or to be operated in this state, including, as applicable, manufacturing, distributing, selling, leasing, inspecting, testing, repairing, refurbishing, or storing.

(3) Whether the application is for registration as a class A or as a class B manufacturer or distributor.

(4) If the applicant is a business entity, the name, mailing address, voice telephone number, and facsimile telephone number, if any, of its chief executive officer, or other person designated by the entity to serve as the entity's representative.

(5) If the principal place of business of the applicant is located outside of this state, the applicant shall provide a copy or other evidence of current licensure in the jurisdiction in which it is located to manufacture or distribute gambling equipment, or shall submit a statement that licensure is not required by the jurisdiction in which it is located.

(6) A copy of the applicant's current registration with the United States Attorney General pursuant to the Gambling Devices Act of 1962, 15 United States Code section 1173, if the applicant is so registered. If the applicant is not so registered, the application shall include a statement that the applicant is not required to register under the Gambling Devices Act of 1962, Title 15 United States Code section 1173.

(7) Whether the manufacturer or distributor has currently designated an agent for service of process pursuant to the laws of this state by a filing with the

Secretary of State and, if so, the name of the designated agent for service of process.

(8) A statement that the application is accurate and complete within the personal knowledge of the designated representative who executes the application.

(9) A declaration under penalty of perjury in the form specified in section 2015.5 of the Code of Civil Procedure signed by the designated representative that the application is true and correct.

(10)(A) Except as provided in subparagraph (B) of this paragraph, for class A registration, a nonrefundable application fee as specified in paragraph (1) of subsection (f) of Section 12008 shall be submitted with the application for initial registration, and annually thereafter with each application for renewal at least thirty days prior to the anniversary date of initial registration. For class B registration, no fee shall be required for initial registration or renewal. Applications for renewal of class B registration shall be submitted annually at least thirty days prior to the anniversary date of initial registration.

(B) The nonrefundable annual application fee for a manufacturer or distributor applying for class A registration that sells, leases, inspects, tests, repairs, refurbishes, or stores only slot machines or devices that are "antique slot machines" within the meaning of Penal Code section 330.7 shall be as specified in paragraph (2) of subsection (f) of Section 12008, provided that this subparagraph does not apply to a person that is otherwise a manufacturer or distributor or who is an antique collector exempt from registration under Section 12301.1.

Note: Authority cited: Sections 19823, 19824, 19840, 19841(r) and 19951(a), Business and Professions Code. Reference: Sections 19805(b), 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; and Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

§ 12301.1. Claim of Exemption by Antique Collector; Form.

(a) An antique collector may obtain an exemption from registration under this chapter if the antique collector satisfies all of the following requirements:

(1) Submits a completed Antique Collector Claim of Exemption, BGC-039 (Rev. 04/13), which is hereby incorporated by reference, in which the antique collector declares under penalty of perjury in the form specified in section 2015.5 of the Code of Civil Procedure that the information provided in the application is accurate and complete.

(2) The antique collector maintains and retains in California for a period of five years a record of each transaction showing the names and addresses of all parties to the transaction.

(b) Any antique collector who intends to sell, exchange, or transfer more than five antique slot machines within a calendar year shall register as a manufacturer or distributor as otherwise required by this chapter.

(c) The records of slot machine transactions and the inventory of slot machines in the possession of any antique collector shall be subject to inspection by representatives of or the Bureau during normal business hours.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Sections 19805(b), 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

§ 12302. Delegation of Authority; Process Times.

(a) The Executive Director shall review and grant or deny applications for registration in accordance with this chapter.

(b) The Executive Director shall approve an application for registration under this chapter if the application satisfies the requirements of Section 12301(b) of this chapter.

(c) The Bureau shall notify the applicant in writing within ten business days of receiving the application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Bureau shall request in writing any information required in order to complete the application. If the applicant fails to provide the required information within 45 days, the application shall be deemed abandoned and no further action will be taken on it.

Upon determination that an application for registration is complete, the application shall be processed within ten business days and the Executive Director shall either issue the registration applied for or shall notify the applicant of denial and the grounds therefor.

(d) Notwithstanding any other provision of this chapter, including subsection (a) of Section 12301, the time within which to register as a manufacturer or distributor shall be extended during any time required by the Executive Director for consideration of a registration application that has been resubmitted pursuant to subsection (c) of this section.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19805(b) and 19841(r), Business and Professions Code.

§ 12303. Conditions of Registration.

(a) Each manufacturer or distributor shall, as a condition of continued registration, comply with the following continuing requirements:

(1) Submit in duplicate to the Bureau, at its office in the City of Sacramento, within 30 days after the close of each calendar quarter, a report on sales and shipments of gambling equipment as follows:

(A) Except as provided in subparagraph (D) of this paragraph, for each shipment of gambling equipment received or sent out by the manufacturer or distributor from or to a location in the State of California during the preceding calendar quarter, the report shall include all of the following information:

1. The name and address of the sender.
2. The name and address of the recipient.
3. The date of shipment,
4. The bill of lading number.
5. The manufacturer of each item of gambling equipment if different from the sender.
6. The model (no.) of each item of gambling equipment.
7. The year of manufacture (if known) of each slot machine or device/essential part shipped.
8. The manufacturer's serial number, if any, of each slot machine or device/essential part.
9. The number of units of each type, manufacturer, and model (no.) of slot machine/essential part.

(B) For each sale, lease, or other transfer of gambling equipment not otherwise reportable under subparagraph (A) of this paragraph, and any transfer as an agent or broker on behalf of an antique collector, during the preceding calendar quarter by the manufacturer or distributor from or to a location within the State of California, the report shall include all of the following information:

1. The names and addresses of all parties to the sale or lease.
2. The date of the contract of sale or lease.
3. The date of shipment or delivery of the gambling equipment.
4. The name of the manufacturer of the gambling equipment if different from the seller.
5. The year of manufacture (if known) of each slot machine or device/essential part sold.
6. The manufacturer's serial number, if any, of each slot machine or device/essential part.
7. The number of units of each type, manufacturer, and model (no.) of slot machine/essential part.

(C) If a manufacturer or distributor delivers or ships gambling equipment to a purchaser or other recipient at a location in this state for subsequent transportation in interstate or foreign commerce as provided in California Penal Code section 330.8, the purchaser or other recipient shall be a registrant under this chapter.

These transactions shall be reported pursuant to subparagraph (B) of this paragraph.

(D) Any shipment of gambling equipment sent by a manufacturer or distributor to a tribal gaming facility or sent by a tribal gaming facility to a manufacturer or distributor shall be reported to the Bureau pursuant to the terms of the transportation agreement required by section 7.4.5 of the applicable Tribal-State Gaming Compact. The manufacturer, model (no.), and manufacturer's serial number of the gambling equipment shipped shall be specified and the shipment shall be transported in full compliance with all of the requirements of the transportation agreement, including the following:

1. The gambling equipment shall be located in a locked compartment or sealed container within the conveyance while being transported.

2. The gambling equipment shall not be accessible for use while being transported, and,

3. No gambling equipment shall be operated except on the Tribe's lands.

(E) The report shall also include a list of all items of gambling equipment or essential parts in the possession or custody of the registrant at any location in this state (other than a shipment in transit) during the reporting period and the address of each business location of the registrant in this state at which each listed item of gambling equipment or essential part was stored or otherwise located.

(F) The report shall include a statement that it is accurate and complete within the personal knowledge of the designated representative who executes the report, and a declaration under penalty of perjury that it is true and correct, signed by the designated representative in the form specified in Code of Civil Procedure section 2015.5.

(G) The initial quarterly report required by this section shall be for the first calendar quarter of 2003 and shall be submitted and received no later than 30 days following the close of that calendar quarter.

(2) Advise the Bureau in writing of any new California business location or any termination of an existing business location, within 15 days following the change.

(3) Submit to any representative of the Bureau any additional information requested by the representative concerning the registrant's activities as a manufacturer or distributor, including copies of any records maintained or retained pursuant to Title 15, United States Code, section 1173. The information shall include a statement that the information is accurate and complete within the personal knowledge of the designated representative who executes the report, and a declaration under penalty of perjury that it is true and correct, signed by the designated representative in the form specified in Code of Civil Procedure section 2015.5.

(4) Submit to inspection and examination by the Bureau of all premises where gambling equipment is manufactured, sold, or distributed, pursuant to Business and Professions Code section 19827(a)(1)(B).

(5) Submit to audits by representatives of the Bureau, upon request, during normal business hours in order to verify the accuracy of reporting under this chapter.

(b) The Commission may deny or revoke a registration, upon any of the following grounds, after a duly noticed hearing:

(1) The manufacturer or distributor has failed or refused to comply with any requirement of this chapter.

(2) The manufacturer or distributor has violated Penal Code sections 330a, 330b, 330.1, or 330.8.

(c) This section shall become operative on August 1, 2003, and applies to reports for all quarters beginning with the report for the third quarter of 2003, which report shall contain data reflecting the new requirements for the months of July, August, and September.

Note: Authority cited: Sections 19801(g), 19823, 19824, 19827(a)(1), 19840 and 19841(r), Business and Professions Code. Reference: Sections 19841(r), 19930 and 19931, Business and Professions Code.

§ 12304. Fines.

(a) In addition to, or in lieu of, any denial or revocation of registration under Section 12303(b), any violation of this chapter other than as provided in subsection (c) of this section shall be subject to a fine not to exceed ten thousand dollars ($10,000) upon first offense and twenty thousand dollars ($20,000) upon any second or subsequent offense for each separate violation, as provided by Business and Professions Code section 19930, subdivision (c).

(b) Each day a violation continues shall be deemed a separate violation commencing after receipt of notice of violation by the manufacturer or distributor from the Bureau or 30 days after commencement of the violation, whichever first occurs.

(c) A manufacturer or distributor shall be liable for a civil penalty not to exceed five hundred dollars ($500) per business day for each business day that the report required by Section 12303, subsection (a), paragraph (1), is overdue. For purposes of this chapter, the report shall be deemed overdue if not received by the Bureau within 30 calendar days following the last day of the calendar quarter for which the report is required.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Sections 19841(r), 19930 and 19931, Business and Professions Code.

§ 12305. Availability of Records.

(a) Copies of any and all records provided to the Bureau by applicants and registrants under this chapter shall be provided upon request to the Commission and made available upon request to any law enforcement agency.

(b) Upon request of the Commission, copies of the following records shall be provided by the Bureau to the Commission:

(1) Any and all records received by the Bureau from manufacturers and distributors,

(2) Any and all transportation agreements and amendments to transportation agreements entered into with gaming tribes under the Tribal-State Gaming Compacts referred to in Section 12306,

(3) Any and all records received by the Bureau pursuant to transportation agreements entered into with gaming tribes under the Tribal-State Gaming Compacts referred to in Section 12306.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Sections 19805(b) and 19841, Business and Professions Code.

§ 12306. Applicability on Indian Lands.

This chapter does not apply to the manufacture or distribution of gambling equipment conducted upon Indian lands in this state on which class III gaming has been authorized, in accordance with a Compact between a federally recognized Indian Tribe and the State of California, as provided in section 11 of the Indian Gaming Regulatory Act of 1988 (P.L. 100-497), Title 25, United States Code, section 2710 and any amendments thereto; provided, that the manufacture or distribution is not prohibited by the laws of the United States and is limited to gambling equipment that is used or for use in the Tribe's gaming operation, including the sale of gambling equipment previously acquired for use in the Tribe's gaming operation.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code; and Title 25, United States Code, section 2710.

§ 12308. Penal Code Applicability.

Nothing in this chapter shall be construed to make lawful the manufacture, distribution, or transportation of any slot machine or device in violation of any provision of Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code; and Chapter 10 (commencing with Section 330) of Title 9 of Part 1, Penal Code.

§ 12309. Forms.

(a) Applications for registration under Section 12301(b) shall be submitted on the Application for Registration of Manufacturers or Distributors of Gambling Equipment BGC-025 (Rev. 04/13), which is hereby incorporated by reference.

(b) Quarterly Report, BGC-040 (Rev. 04/13), which is hereby incorporated by reference, may but need not be used for submission of reports required by Section 12303.

Note: Authority cited: Sections 19823, 19824, 19840, 19841(r) and 19864, Business and Professions Code. Reference: Sections 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

§ 12310. Uniform Tribal Gaming Regulation Exemption.

There shall be exempt from this chapter all class B manufacturers and distributors that are subject to requirements of a Tribal Gaming Agency pursuant to a uniform regulation (1) that has been approved by the Association of Tribal and State Gaming Regulators, and is in effect as provided in section 8.4.1 of the Tribal-State Gaming Compacts, and (2) that includes the requirement for manufacturers and distributors to provide quarterly reports to the Bureau pertaining to gaming device shipments pursuant to the Transportation Agreements entered into by Tribal Gaming Agencies and the State Gaming Agency pursuant to section 7.4.5 of the Tribal-State Gaming Compacts, which reports are verified by a declaration under penalty of perjury signed by the designated representative of the manufacturer or distributor that the report is true and correct.

Note: Authority cited: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code. Reference: Section 19841(r), Business and Professions Code.

Effective July 1, 2015:

CHAPTER 5. ACCOUNTING AND TRANSACTION APPROVALS.

[*Chapter 5, Accounting and Transaction Approvals, Article 1, Accounting and Financial Reporting (commencing with Section 12311), is effective July 1, 2015*.]

Article 1. Accounting and Financial Reporting.

§ 12311. Definitions.

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

(b) As used in this chapter:

(1) “Group I licensee” means a licensee with a reported gross revenue of $10 million or more for the preceding fiscal year.

(2) “Group II licensee” means a licensee with a reported gross revenue of $2 million or more but less than $10 million for the preceding fiscal year.

(3) “Group III licensee” means a licensee with a reported gross revenue of $500,000 or more but less than $2 million for the preceding fiscal year.

(4) “Group IV licensee” means a licensee with a reported gross revenue of less than $500,000 for the preceding fiscal year.

(5) “Jackpot administrative fee” means a fee to cover all expenses incurred by the licensee for administering a jackpot.

(6) “Licensee” means “owner licensee” as defined in Business and Professions Code section 19805(ad) and, for the purposes of this chapter, the holder of a third-party provider of proposition player services or gambling business license or registration.

Note: Authority cited: Sections 19811, 19824, 19840, 19841, and 19984, Business and Professions Code. Reference: Sections 19805, 19840, 19841, 19853 and 19984, Business and Professions Code.

§ 12312. Record Retention and Maintenance; General Provisions.

Each licensee shall:

(a) Maintain all records required by this article for a minimum of seven years.

(b) Maintain accurate, complete, and legible records of all transactions pertaining to financial activities. Records must be maintained in sufficient detail to support the amount of revenue reported to the Bureau in renewal applications.

(c) Maintain accounting records identifying the following, as applicable:

(1) Revenues, expenses, assets, liabilities, and equity for the gambling enterprise, TPPPS company or gambling business.

(2) Records of all players' banks, dealers' banks, credit transactions, returned checks, and drop for each table (either by shift or other accounting period).

(3) Records required by the licensee's written system of internal controls.

(4) Records, separated by gaming activity, of all jackpot monies contributed by the gambling enterprise, jackpot monies collected from patrons, and monies withdrawn for either jackpot administrative fees or payment to patrons.

(d) Maintain a uniform chart of accounts and accounting classifications in order to ensure consistency, comparability, and effective disclosure of financial information. The chart of accounts shall provide the classifications necessary to prepare a complete set of financial statements including, but not limited to, a statement of financial position (balance sheet), a detailed statement of operations (income statement or profit and loss statement), a statement of changes in equity, a statement of cash flow, and other statements appropriate for the particular

licensee. A chart of accounts shall be submitted with an initial license or registration application for review and approval by the Bureau.

(e) Keep a general ledger, which documents all accounting transactions completed and posted to accounts listed in the chart of accounts referred to in subsection (d) of this section. General accounting records shall be maintained on a double-entry system of accounting with recorded transactions supported by detailed subsidiary records including, but not limited to, ledgers, invoices, purchase orders, and other source documents.

Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19826, 19841, 19857 and 19984, Business and Professions Code.

§ 12313. Financial Statements and Reporting Requirements.

(a) Each licensee shall prepare financial statements covering all financial activities of that TPPPS company, gambling business, or the gambling enterprise, as applicable, for each fiscal year, in accordance with generally accepted accounting principles, unless otherwise provided in this section. If a gambling enterprise (or a person or entity that has an interest, control, or common control with the licensee) owns or operates lodging, food, beverage, or any other non-gambling operation at the gambling establishment, the financial statements must reflect the results of the gambling operation separately from those non-gambling operations.

(1) A Group I licensee shall engage an independent accountant licensed by the California Board of Accountancy to audit the licensee's annual financial statements in accordance with generally accepted auditing standards.

(2) A Group II licensee shall engage an independent accountant licensed by the California Board of Accountancy to, at a minimum, review the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards. The licensee may elect to engage an independent accountant licensed by the California Board of Accountancy to audit the annual financial statements in accordance with generally accepted auditing standards.

(3) A Group III licensee shall prepare financial statements including, at a minimum, a statement of financial position, a statement of income or statement of operations, and disclosure in the form of notes to the financial statements. If the licensee is unable to produce the financial statements, it shall engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards, including full disclosure in the form of notes to the financial statements. The licensee may elect to engage an independent

accountant licensed by the California Board of Accountancy to compile or perform a review of the licensee's annual financial statements in accordance with standards for accounting and review services, or to audit the annual financial statements in accordance with generally accepted auditing standards.

(4)(A) A Group IV licensee shall prepare financial statements that include, at a minimum, a statement of financial position and a statement of income or statement of operations. If the licensee is unable to produce the financial statements, it shall do one of the following:

1. Engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards. Management may elect not to provide footnote disclosures as would otherwise be required by generally accepted accounting principles.

2. Submit to the Bureau, no later than 120 calendar days following the end of the year covered by the federal income tax return, copies of the licensee's complete, signed, and duly filed federal income tax return for the tax year in lieu of the financial statements as otherwise required under this section.

(B) The licensee may elect to engage an independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards.

(b) The Bureau may require a Group II, III, or IV licensee to engage an independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

(1) Inadequate internal control procedures;

(2) Insufficient financial disclosure;

(3) Material misstatement in financial reporting;

(4) Inadequate maintenance of financial data; or

(5) Irregularities noted during an investigation.

(c) Unless otherwise provided in this section, a licensee shall submit copies of the annual financial statements, with the independent auditor's or accountant's report issued to meet the requirements under this section, to the Bureau and the Commission no later than 120 calendar days following the end of the fiscal year covered by the financial statements. If a management letter is issued, a copy of the management letter must also be submitted to the Bureau, including the licensee's reply to the management letter, if any.

(d) The Bureau or Commission may request additional information and documents from either the licensee or the licensee's independent accountant, regarding the annual financial statements or the services performed by the accountant.

(e) The Bureau or Commission may require the licensee to engage an independent accountant licensed by the California Board of Accountancy to perform a fraud audit in the event that fraud or illegal acts are suspected by the Bureau or Commission.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853 and 19984, Business and Professions Code. Reference: Sections 19841, 19857 and 19984, Business and Professions Code.

§ 12315. Records and Reports of Monetary Instrument Transactions for Gambling Enterprises.

(a) A gambling enterprise is required to file a report of each transaction involving currency in excess of $10,000, in accordance with section 14162(b) of the Penal Code.

(b) A gambling enterprise, regardless of gross revenue, shall make and keep on file at the gambling establishment a report of each transaction in currency, in accordance with sections 5313 and 5314 of Title 31 of the United States Code and with Chapter X of Title 31 of the Code of Federal Regulations, and any successor provisions. These reports shall be available for inspection at any time as requested by the Bureau.

(c) Nothing in this section shall be deemed to waive or to suspend the requirement that a gambling enterprise make and keep a record and file a report of any transaction otherwise required by the Bureau or the Commission.

Note: Authority cited: Sections 19811, 19824 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

§ 12316. Unclaimed or Abandoned Property.

(a) A gambling enterprise shall establish written policies and procedures which comply with California's Unclaimed Property Law (Code Civ. Proc., section 1500 et seq.), regarding unclaimed chips, cash, and cash equivalents left at a gaming table or in any player's bank deemed inactive by the terms of the gambling enterprise’s policies and procedures, un-deposited checks issued by the gambling enterprise to a patron, and un-deposited checks drawn on a gambling enterprise’s account.

(b) Records of the date and amount of any unclaimed property sent or reported to the State Controller shall be kept by the licensee.

Note: Authority cited: Sections 19811, 19840, 19841 and 19920, Business and Professions Code. Reference: Sections 19801 and 19841, Business and Professions Code; and Title 10, Chapter 7 (Commencing with section 1500), Code of Civil Procedure.

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

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

§ 12335. DEFINITIONS.

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

(b) As used in this chapter:

(1) “Annual Fee” means the fee established by Business and Professions Code, section 19951(b)(2).

(2) "Portable Personal Key Employee License" or "Key Employee License" means a license which authorizes the holder to be associated with any gambling enterprise as a key employee, as provided in Business and Professions Code sections 19805, subdivisions (x) and (y), and 19854, subdivision (c).

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19800, 19805, 19811, 19854 and 19951(b)(2), Business and Professions Code.

ARTICLE 2. GAMBLING LICENSES.

§ 12340. Gambling Licenses.

(a) No person may conduct a gambling operation without a current valid gambling license issued by the Commission.

(b) A gambling license shall be valid for a period of two (2) years.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19850, 19851, 19852, 19853 and 19876(a), Business and Professions Code. Reference: Sections 19850, 19851, 19855 and 19876(a), Business and Professions Code.

§ 12341. Fee for Initial State Gambling License.

(a) The fee required by Business and Professions Code section 19951, subdivision (b)(2)(A) for initial issuance of a state gambling license shall be based

on the number of tables authorized by the state gambling license and determined pursuant to the following schedule:

(1) For a license authorizing one to five tables, inclusive, at which games are played, three hundred dollars ($300) for each table.

(2) For a license authorizing six to eight tables, inclusive, at which games are played, five hundred fifty dollars ($550) for each table.

(3) For a license authorizing 9 to 14 tables, inclusive, at which games are played, one thousand three hundred dollars ($1,300) for each table.

(4) For a license authorizing 15 to 25 tables, inclusive, at which games are played, two thousand seven hundred dollars ($2,700) for each table.

(5) For a license authorizing 26 to 70 tables, inclusive, at which games are played, four thousand dollars ($4,000) for each table.

(6) For a license authorizing 71 or more tables at which games are played, four thousand seven hundred dollars ($4,700) for each table.

(b) Subsection (a) applies to the following:

(1) The initial issuance of a state gambling license to the holder of a provisional license as defined in Title 11, California Code of Regulations, Section 2140(c).

(2) The initial issuance of a state gambling license to a person who has purchased an existing gambling establishment and who is seeking issuance of an owner's state gambling license certificate pursuant to Business and Professions Code section 19851.

(c) Subsection (a) does not apply to the following:

(1) Changes in the ownership structure of currently licensed gambling establishments.

(2) Holders of newly acquired interests in currently licensed gambling establishments.

Note: Authority: Sections 19811, 19824, 19840, 19841(a) and 19951(b)(2)(A), Business and Professions Code. Reference: Section 19951(b)(2)(A), Business and Professions Code.

§ 12342. Initial Gambling License Applications; Required Forms; Processing Times.

(a) Any person applying for a gambling license shall, as appropriate, complete the following forms, which are hereby incorporated by reference:

(1) Application for State Gambling License, BGC-030 (Rev. 04/13).

(2) Gambling Establishment Owner Applicant-Individual Supplemental Background Investigation Information, BGC-APP-015A (Rev. 04/08).

(3) Gambling Establishment Owner Entity Supplemental Information for State Gambling License, BGC-APP-015B (Rev. 04/08).

(4) Gambling Establishment Supplemental Information for State Gambling License, BGC-APP-015C (Rev. 04/08).

(5) Cardroom Applicant's Spouse Supplemental Background Information for State Gambling License, BGC-APP-009A (Rev. 04/08).

(6) Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. 05/08).

(7) Declaration of Full Disclosure, BGC-APP-005 (Rev. 11/07).

(8) Authorization to Release Information, BGC-APP-006 (Rev. 04/08).

(9) Applicant's Declaration, Acknowledgment and Agreement (Community Property Interest), BGC-APP-011 (Rev. 11/07).

(10) Applicant's Declaration, Acknowledgment and Agreement (Sole and Separate Property), BGC-APP-012 (Rev. 11/07).

(11) Spouse's Declaration, Acknowledgment and Agreement (Community Property Interest), BGC-APP-013 (Rev. 11/07).

(12) Spouse's Declaration, Acknowledgment and Agreement (Sole and Separate Property), BGC-APP-014 (Rev. 11/07).

(13) Appointment of Designated Agent, BGC-APP-008 (Rev. 11/07).

(14) Key Employee Report, BGC-LIC-101 (Rev. 11/07).

(15) Instructions to Applicant's Spouse, BGC-APP-010 (Rev. 05/08).

(16) Notice to Applicants, BGC-APP-001 (Rev. 11/07).

(17) Request for Live Scan Service (California Department of Justice Form BCII 8016, (Rev. 03/07)).

(18) Request for Copy of Personal Income Tax or Fiduciary Return, FTB-3516C1 (Rev. 06/03 side 1-PIT).

(19) Request for Copy of Corporation, Exempt Organization, Partnership, or Limited Liability Company Return FTB-3516C1 (Rev. 06/03 side 2-CORP).

(20) Request for Transcript of Tax Return IRS 4506-T, (Rev. 01/08).

(b) Except as provided in subsection (c), initial gambling license applications submitted pursuant to this chapter shall be processed within the following timeframes:

(1) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 20 days after receipt of the application. For the purposes of this section, "application" means the Application for State Gambling License, BGC-030, as referred to in paragraph (1) of subsection (a) of this section. An application is not complete unless accompanied by the fee specified in subsection (a) of Section 12008 for a gambling license. In addition, an applicant shall submit with the application, any supplemental information required in paragraph (a) of this section for review by the Bureau pursuant to paragraph (2) of this subsection.

(2) The Bureau shall review the supplemental information submitted for completeness and notify the applicant of any deficiencies in the supplemental

information, or that the supplemental information is complete, within 30 days of the date that the application and supplemental information are received by the Bureau. Notwithstanding this subsection, subsequent to acceptance of the supplemental information as complete, the Bureau may pursuant to Business and Professions Code section 19866 require the applicant to submit additional information.

(3) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Bureau is in receipt of both the completed application and the completed supplemental information pursuant to paragraph (1) of this subsection. If the Bureau has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

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

(c) The processing times specified in subsection (a) may be exceeded in any of the following instances:

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

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

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

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19841, 19850, 19851, 19852, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19868, 19880, 19881, 19883, 19890, 19893, 19951 and 19982, Business and Professions Code.

§ 12345. Gambling License Renewals; Processing Times.

(a) A complete application for renewal of a gambling license shall be timely filed by the owner-licensee with the Bureau no later than 120 days prior to the expiration of the current license. To be timely, the complete application for renewal must be received by the Bureau no later than the date due or, if delivered by mail, be postmarked no later than the date due. If the complete application is filed less than 110 days prior to the expiration date of the current license, the application of the owner-licensee and each individual application required pursuant to subsection (b) shall be deemed delinquent. For the purposes of this section, a “complete application” shall consist of all of the following for the

owner-licensee and each person whose name is required to be endorsed upon the license of the owner-licensee, as specified in subsection (b):

(1) A completed and executed Application for State Gambling License, BGC-030, as referred to in paragraph (1) of subsection (a) of Section 12342;

(2) A nonrefundable application fee in the applicable amount specified in subsection (a) of Section 12008 for renewal of a gambling license; and,

(3) Any applicable investigation deposit specified in Title 11, CCR, Section 2037. However, if, after a review of an application for renewal of a gambling license, the Bureau determines that further investigation is needed, the applicant shall submit an additional sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

(b) Each person whose name is required to be endorsed upon the license of a particular gambling enterprise shall complete and execute a separate application for renewal of that person's license. All applications for renewal of the endorsed licensees' gambling licenses for a particular gambling enterprise shall be submitted to the Bureau together with the owner-licensee's application in a single package, as provided in subsection (a).

(c) Except as provided in subsection (d), renewal gambling license applications submitted pursuant to subsections (a) and (b) of this section shall be processed within the following timeframes:

(1) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 10 days after receipt of the application.

(2) The Bureau shall submit its written report concerning the renewal application, which may include a recommendation pursuant to Business and Professions Code section 19826, subdivision (a), to the Commission no later than 45 days prior to the expiration of the current license.

(d) The processing times specified in subsection (c) may be exceeded in any of the following instances:

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

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

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

(4) The application was filed with the Bureau less than 120 days prior to the expiration of the current license.

(e) If the Bureau and the Commission cannot complete their review and approval of the application prior to the expiration of the existing license due to the

late submittal of the renewal application, the gambling enterprise shall cease all gambling operations on the expiration date of the license and gambling operations shall not resume until the renewal application is approved by the Commission, unless the license has been extended as provided in subdivision (c) of section 19876 of the Business and Professions Code.

(f) If a licensee has not submitted a complete renewal application, including all required fees and deposits, within 10 days after the expiration date of the current license, the license shall be deemed abandoned. A license that has been deemed abandoned pursuant to this subsection shall be subject to the provisions of subsection (b) of Section 12347.

Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19951, Business and Professions Code. Reference: Sections 19826, 19851, 19868, 19876 and 19951, Business and Professions Code.

§ 12346. Mandatory and Discretionary Grounds for Denial of Application for a Gambling License.

(a) An application for a gambling license shall be denied by the Commission if any of the following apply:

(1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or unsuitable pursuant to the criteria set forth in the Act or other applicable law or that granting the license would be inimical to public health, safety, welfare, or would undermine the public trust that gambling operations are free from criminal or dishonest elements.

(2) The Commission finds that the local ordinance does not conform to the requirements of Business and Professions Code section 19860.

(b) An application for a gambling license may be denied if:

(1) The Commission finds that the applicant meets any of the criteria for license denial set forth in Business and Professions Code section 19862, subdivision (a).

(2) The Commission finds that an applicant has attempted to communicate or has communicated ex parte, as that term is defined in Business and Professions Code section 19872, subdivision (e), with one or more Commissioners, through direct or indirect means, regarding the merits of the application while the application is pending disposition at the Bureau or the Commission.

(3) The Commission finds that the applicant's past behavior calls into question the applicant's qualification requirements and considerations outlined in Business and Professions Code section 19856. Examples of past behavior that may be considered include, but are not limited to:

(A) Convictions which demonstrate a pattern of disregard for the law,

(B) A conviction involving gambling or gambling-related activities,

(C) A final administrative decision concluding that there was a violation of law involving gambling or gambling-related activities, or

(D) A conviction regarding or final administrative decision concluding that there was a violation of campaign finance disclosure or contribution limitations applicable to an election conducted pursuant to Business and Professions Code section 19960.

(4) The Commission finds that the applicant has, within ten years immediately preceding the submission of the application, willfully or persistently violated any of the following:

(A) Any regulation adopted by the Commission or Bureau.

(B) Any condition, limitation, or directive imposed on a previously held gambling license.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute or any grounds that would support revocation under chapter 10 of these regulations.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19861, 19870, 19872, 19880, 19890 and 19982, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19857, 19858, 19859, 19860, 19862, 19863 and 19960, Business and Professions Code.

§ 12347. State Gambling License; Surrender; Abandonment.

(a) An owner-licensee may propose to surrender a state gambling license at any time prior to expiration. In order to propose the surrender of a license, the owner-licensee must submit a written request to the Commission. A proposed surrender shall be agendized for consideration at the next available Commission meeting. Each proposed surrender shall be considered on its merits by the Commission. A proposed surrender is not effective unless and until the surrender is accepted by the Commission. A proposed surrender may be rejected if the Commission determines that acceptance would not be in the public interest, for example, if the owner licensee is currently under investigation or if disciplinary action has been initiated.

(b) A state gambling license that has been surrendered or abandoned after the effective date of this section is subject to the following:

(1) The license cannot be reactivated, reinstated, reissued, or renewed.

(2) The gambling enterprise associated with that license is no longer eligible to conduct any gambling operation under that license.

(3) Business and Professions Code section 19963 precludes that cardroom from being reopened in that jurisdiction or in any other jurisdiction.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19823, 19851, 19876, 19877 and 19963, Business and Professions Code.

§ 12348. State Gambling Licenses: Prior Surrender or Abandonment.

(a) A state gambling license that was valid as of December 31, 1999, or that was issued pursuant to an application on file with the department prior to September 1, 2000, and that was surrendered or expired without being renewed prior to the effective date of this section, shall be eligible for reinstatement in accordance with the following guidelines:

(1) The applicant seeking to reinstate the license must be the last holder of the license that he or she is seeking to reinstate.

(2) The applicant shall notify the Commission, in writing, within 30 days of the effective date of this section of the intent to apply for reinstatement of the license.

(3) The applicant shall submit all applicable forms for an initial application required pursuant to Section 12342, all fees and deposits required for an initial application required by Section 12341 and Title 11, California Code of Regulations, Section 2037, and all documentation required by subsection (b) within 12 months of the effective date of this section.

(b) The following documentation shall be required of any applicant applying to reinstate a state gambling license under this section:

(1) A copy of the last license issued by the state, or other documentation satisfactory to the Commission, authorizing the applicant to operate the gambling establishment, which may include either a provisional license or a state gambling license. For a corporation or partnership, the applicant must also demonstrate that it is the same entity as was previously licensed to operate the gambling establishment.

(2) A written document addressing the circumstances under which the previous license was surrendered, abandoned, or allowed to expire without being renewed, as well as the applicant's prior efforts, if any, to have the license renewed.

(3) A copy of the current applicable local gambling ordinance.

(4) An opinion from the chief legal officer of the local jurisdiction, dated no earlier than the effective date of this section, certifying that the reopening of the gambling establishment is authorized by and consistent with the local gambling ordinance.

(5) A copy of a formal resolution or other evidence satisfactory to the Commission, adopted by the applicable city council, board of supervisors, or other local governing authority, dated no earlier than the effective date of this section, which clearly states a willingness to issue a local license to the applicant, contingent upon issuance of a state license.

(6) A statement signed by the chief law enforcement officer of the local jurisdiction, dated no earlier than the effective date of this section, confirming that he or she supports the reopening of the gambling establishment.

(7) An economic feasibility study that demonstrates to the satisfaction of the Commission that the proposed gambling establishment will be economically viable, and that the owners have sufficient resources to make the gambling establishment successful and to fully comply with all requirements of the local ordinance, the Act, applicable state regulations, and all local, state, and federal tax laws.

(c) In making the determination to grant or deny a request to reactivate a license pursuant to this section, the Commission shall consider, but is not limited to considering, the following:

(1) Generally, whether issuance of the license is inimical to public health, safety, or welfare, and whether issuance of the license will undermine public trust that the gambling operations with respect to which the license would be issued are free from criminal and dishonest elements and would be conducted honestly.

(2) The circumstances under which the previous license was surrendered, abandoned, or allowed to expire without being renewed. Among other things, the Commission may consider, in its discretion, any or all of the following:

(A) The presence or absence of any extenuating circumstances.

(B) Information which indicates an attempt to avoid adverse action arising from potential misconduct as a licensee.

(C) A voluntary decision to relinquish the prior license.

(D) The applicant's prior efforts, if any, to have the license reissued or reactivated.

(3) In the case of a corporation or partnership, changes in the legal status or composition of the licensed entity

(4) The potential impact a reopened gambling establishment may have on the incidence of problem gambling.

(5) The potential impact on the local economy, including revenues to the local jurisdiction and the number of jobs that may be created.

(6) The economic impact on cardrooms located within a 20 statute mile radius.

(d) The gambling establishment to be reopened must be located in the same local jurisdiction in which it was previously licensed.

(e) No temporary licenses shall be issued to any applicant under this section.

(f) A gambling license meeting the qualifications of subsection (a) shall be considered abandoned if the time limits imposed by paragraphs (2) and (3) of subsection (a) are not met. An abandoned license shall be subject to the provisions of subsection (b) of Section 12347.

Note: Authority cited: Sections 19800, 19811, 19824, 19840, 19841 and 19963, Business and Professions Code. Reference: Sections 19811, 19823, 19824, 19851, 19856, 19860, 19862, 19864, 19865, 19873, 19876, 19960 and 19963, Business and Professions Code.

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

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

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

(2) "Interim gambling license" means a license issued by the Commission which permits the interim operation of a gambling enterprise following a qualifying event, during which time the Bureau processes and the Commission considers an application for a regular gambling license from a new owner.

(3) "New owner" means an individual who is a trustee (other than a trustee in bankruptcy), beneficiary, successor in interest, or security interest holder who becomes an owner of, or obtains an ownership interest in a gambling enterprise as a result of a qualifying event.

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

(5) "Regular gambling license" means a gambling license issued by the Commission pursuant to Section 12342.

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

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

(A) All forms, fees, and deposits for a regular gambling license application required by Sections 12341, 12342, and Title 11, CCR, Section 2037;

(B) A signed written request for an interim gambling license that describes the qualifying event and identifies the person who will control and oversee gambling operations; and

(C) A copy of any document that evidences the succession to the owner-licensee's interest in the gambling enterprise, which may include, as applicable, any of the following:

1. In the case of the death of an owner-licensee, a copy of the death certificate; or

2. In the case of the incapacity of an owner-licensee, a copy of any document that evidences the owner-licensee's incapacity and the appointment of a conservator; or

3. In the case of insolvency, foreclosure or receivership of a gambling enterprise, a copy of any pertinent agreement, note, mortgage, lease, deed of trust, and any document, notice or order that evidences the insolvency, foreclosure or receivership.

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

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

(1) The maximum time within which the Bureau shall notify the applicant in writing that a request for an interim gambling license is complete and accepted for filing, or that a request is deficient and identifying what specific additional information is required, is 10 calendar days after receipt of the request. If additional information is required, the Bureau shall allow the applicant 10 calendar days to submit the additional information. If the requested information is not supplied within 10 calendar days, the request for an interim gambling license shall be considered abandoned and no further action shall be taken on the request. A gambling enterprise shall immediately terminate gambling operations if a request for an interim gambling license is abandoned by the applicant and no

other person has applied for or been granted an interim or regular gambling license for that gambling enterprise.

(2) Once the Bureau determines that a request for an interim gambling license is complete, the matter shall be set for consideration at a noticed Commission meeting. Pursuant to the provisions of the Act and this division, the Commission shall grant or deny the request for an interim gambling license within 60 calendar days after receipt of the request. A request for an interim gambling license shall be denied by the Commission if the applicant is disqualified for any reason set forth in section 19859 of the Business and Professions Code.

(e) All of the following criteria shall apply to a request for an interim gambling license:

(1) In the event a regular gambling license is issued to an applicant prior to action by the Commission on any related request for an interim gambling license, the request for an interim gambling license shall be deemed withdrawn and no further action shall be taken on that request.

(2) If a request for withdrawal of an application for a regular gambling license is submitted before the Bureau's recommendation is made regarding that application, any related request for an interim gambling license shall be deemed withdrawn and no further action shall be taken on that request.

(3) Denial of a request for an interim gambling license, or cancellation of an interim gambling license, shall not suspend or otherwise affect the processing and review of the related application for a regular gambling license.

(f) All of the following conditions shall apply to an interim gambling license granted by the Commission:

(1) Upon issuance or denial of a regular gambling license, any related interim gambling license shall become invalid.

(2) The term of an interim gambling license shall be determined by the Commission and shall be based in part on the time necessary to process and consider the application for a regular gambling license.

(3) Issuance of an interim gambling license does not prejudice or obligate the Commission to grant a regular gambling license. Issuance of a regular gambling license is subject to the results of a complete background investigation by the Bureau, the conduct of the applicant during the term of the interim gambling license, and final approval of the Commission pursuant to Sections 12342 and 12346.

(4) Issuance of an interim gambling license does not create a vested right in the holder to either an extension of the interim gambling license or the issuance of a regular gambling license.

(5) Issuance of an interim gambling license does not change the qualification, or disqualification, requirements for a regular gambling license under the Act or this division.

(6) The holder of an interim gambling license shall provide the Bureau with the name of any newly-appointed key employee within 30 days following the appointment of that key employee. Within 30 days of its occurrence, the holder of an interim gambling license shall also provide the Bureau with the name of any person who provides any service or property to the gambling enterprise under any arrangement whereby the person receives payment based on the earnings, profits or receipts of the gambling enterprise.

(7) The holder of an interim gambling license shall pay all applicable annual fees associated with a regular gambling license.

(8) The holder of an interim gambling license shall comply with the provisions of the Act, this division and Title 11, Division 3, of the California Code of Regulations.

(9) During the term of an interim gambling license, any proceeds derived from the operation of the gambling enterprise that would otherwise be payable to a new owner shall be held in an escrow account and not disbursed until the disposition of ownership interest has been resolved and received Commission approval and all owners of the gambling enterprise have been approved by the Commission for a regular gambling license pursuant to Section 12342. This paragraph shall not prevent the payment of any taxes, operating expenses, preexisting obligations, preexisting dependant support or any other distribution of proceeds that is approved by the Commission.

(10) The Commission, in its sole discretion and on an individual case-by-case basis, may impose any additional conditions necessary to address particular factual situations related to a request for an interim gambling license.

(g) If, as a result of a qualifying event, a new owner intends to sell his or her interest in the gambling enterprise without first obtaining an interim or regular gambling license, he or she shall provide written notification to the Bureau of that intent within 30 calendar days of that qualifying event.

(h) If, during the term of an interim gambling license, the Executive Director determines that the holder of that license is disqualified for any of the reasons set forth in Business and Professions Code section 19859, or may have violated one or more of the conditions under which the interim gambling license was issued, the Executive Director shall prepare and serve on the license holder an order to show cause as to why the interim gambling license should not be cancelled. The holder of the interim gambling license shall be given 30 days to respond in writing. After receipt of the license holder's response, or if the license holder fails to respond within the specified time, the matter shall be set for consideration at a noticed Commission meeting. The interim license holder may address the Commission by way of an oral or written statement, or both, at the Commission meeting. If the Commission acts to cancel the interim gambling license, the license holder may request an evidentiary hearing, in writing, either at that

meeting or within 10 calendar days following that meeting. Any evidentiary hearing shall be conducted in accordance with the applicable provisions of subsection (b) of Section 12050 of this division.

(i) This section shall not preclude the Commission from issuing temporary licenses pursuant to Business and Professions Code section 19824, subdivision (f).

Note: Authority cited: Sections 19811, 19823, 19824, 19825, 19826, 19840, 19841, 19853 and 19870, Business and Professions Code. Reference: Sections 19824, 19841(s), 19850, 19851, 19855, 19857, 19859, 19869 and 19870(b), Business and Professions Code.

ARTICLE 3. PORTABLE PERSONAL KEY EMPLOYEE LICENSE

§ 12350. Initial Licenses; Required Forms; Processing Times.

(a) Except as provided in Business and Professions Code section 19883 and Section 12354, no person may be associated with a gambling enterprise as a key employee without a valid key employee license issued by the Commission.

(b) A key employee license, including an interim key employee license, shall be valid for a period of two (2) years. If an interim key employee license is issued pursuant to Section 12354, the term of the subsequently issued initial key employee license shall be for the remaining unexpired term of the interim license.

(c) Any person applying for a key employee license shall submit the following:

(1) A completed "Application for Gambling Establishment Key Employee License BGC-031 (Rev. 04/13)," which is attached in Appendix A to this chapter.

(2) A nonrefundable application fee in the amount specified in subsection (b) of Section 12008 for a key employee license.

(3) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Bureau of the key employee application.

(4) Key Employee Supplemental Background Investigation Information, BGC-APP-016A (Rev. 08/09), which is hereby incorporated by reference.

(5) Authorization to Release Information, BCG-APP-006, as referred to in paragraph (8), subsection (a) of Section 12342.

(6) Request for Live Scan Service, BCII 8016, as referred to in paragraph (17), subsection (a) of section 12342.

(d) Except as provided in subsection (e), initial key employee license applications submitted pursuant to this chapter shall be processed within the following timeframes:

(1) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five

working days after receipt of the application. For the purposes of this section, "application" means the Application for Gambling Establishment Key Employee License, BGC-031, referred to in paragraph (1) of subsection (c) of this section. An application is not complete unless accompanied by the fee specified in subsection (b) of Section 12008. In addition, an applicant shall submit with the application, any supplemental information required by subsection (c) of this section for review by the Bureau pursuant to paragraph (2) of this subsection.

(2) The Bureau shall review the supplemental information submitted for completeness and notify the applicant of any deficiencies in the supplemental information, or that the supplemental information is complete, within 30 days of the date that the application and supplemental information are received by the Bureau. Notwithstanding this subsection, subsequent to acceptance of the supplemental information as complete, the Bureau may pursuant to Business and Professions Code section 19866 require the applicant to submit additional information.

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

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

(e) The processing times specified in subsection (d) may be exceeded in any of the following instances:

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

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

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19876(a), Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19876(a), 19951 and 19982, Business and Professions Code.

§ 12351. License Renewals; Required Forms; Processing Times.

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

(1) A completed Application for Gambling Establishment Key Employee License, BGC-031, as referred to in paragraph (1) of subsection (c) of Section 12350.

(2) A nonrefundable application fee in the amount specified in subsection (b) of Section 12008 for a key employee license.

(3) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Bureau of the key employee renewal application.

(b) If, after a review of an application for renewal of a key employee license, the Bureau determines that further investigation is needed, the applicant shall submit a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

(c) Except as provided in subsection (d), key employee renewal license applications shall be processed within the following timeframes:

(1) An application for renewal of a key employee license shall be filed by the key employee with the Bureau no later than 120 days prior to the expiration of the current license.

(2) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application. For the purposes of this section, "application" means the Application for Gambling Establishment Key Employee License, BGC-031, as referred to in paragraph (1) of subsection (c) of Section 12350. An application is not complete unless accompanied by the fee as specified in subsection (b) of Section 12008 for a key employee license.

(3) If the Bureau conducts an investigation, it shall submit a written report concerning the renewal application, which may include a recommendation pursuant to Business and Professions Code section 19826, subdivision (a), to the Commission no later than 45 days prior to the expiration of the current license, unless that application is filed with the Bureau less than 120 days prior to the expiration of the current license.

(d) The processing times specified in subsection (c) may be exceeded in any of the following instances:

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

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

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19851, 19854 and 19951, Business and Professions Code. Reference: Sections 19826, 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866 and 19867, Business and Professions Code.

§ 12352. Employment Status Notification; Replacement License; Required Forms; Processing Times.

(a) The holder of a valid key employee license shall notify the Bureau within 10 days of acceptance or termination of employment with a gambling enterprise by submitting a completed Notification of Change in Key Employee Employment Status, BGC-033 (Rev. 04/13), which is attached in Appendix A to this chapter.

(b)(1) The holder of a valid key employee license may request a replacement license in the event the license has been lost, stolen, damaged, or as needed to reflect a change of name by submitting the following:

(A) A completed Request for Replacement Key Employee License, BGC-034 (New 04/13) which is attached in Appendix A to this chapter.

(B) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Bureau of the key employee license replacement request

(C) A nonrefundable fee payable to the Bureau as specified in subsection (b) of Section 12008.

(2) The Bureau shall provide a replacement portable personal key employee license to the holder as long as there is not any cause for revocation of the key employee license.

(3) A replacement key employee license provided pursuant to this section shall be valid during the unexpired term of the replaced key employee license.

(4) Upon the providing of the replacement key employee license, the previous key employee license shall become invalid and shall not be used thereafter.

(5) Applications submitted pursuant to paragraph (1) of this subsection shall be processed within the following time frames:

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

(B) A replacement key employee license shall be either provided or denied within 15 working days after the filing of a complete application.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19854, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866 and 19867, Business and Professions Code.

§ 12353. License Content; License Display and Presentation.

(a) A key employee license issued by the Commission shall contain all of the following on the front of the license:

(1) A photograph of the licensee,

(2) The first name of the licensee;

(3) The license number; and

(4) The expiration date of the license.

(b) A key employee license issued by the Commission shall contain the full name of the licensee on the reverse side of the license.

(c) A key employee must wear in a visible and conspicuous manner, their key employee license at all times while on duty in the gambling establishment.

(d) A key employee license shall be presented upon request without delay or interference, to the employee's gambling enterprise employer or supervisor, a representative of the Commission or Bureau, or anyone requesting to verify the key employee has a valid license.

(e) A key employee license shall not be altered in any manner nor shall the content contained on the license be obstructed from view.

(f) A key employee license that has expired or is determined to be invalid, pursuant to any applicable provision of the Act or this division, shall not be used to gain employment or perform any duties which require a valid key employee license. Any expired or invalid license shall be surrendered to the Commission or Bureau upon request.

Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19827, 19840, 19841 and 19854, Business and Professions Code. Reference: Sections 19850, 19851, 19854, 19855 and 19864, Business and Professions Code.

§ 12354. Interim Key Employee Licenses; Processing Times.

(a) An individual, if holding a valid work permit for any gambling enterprise, may immediately begin to work as an interim key employee provided that the individual submit the following to the Bureau within 10 days of hiring:

(1) An Application for Interim Key Employee License, BGC-035 (Rev. 04/13), which is attached in Appendix A to this chapter.

(2) A nonrefundable application fee pursuant to subsection (b) of Section 12008.

(3) A copy of the employee's valid work permit issued pursuant to section 19912 of the Business and Professions Code for any gambling enterprise.

(4) A two inch by two inch color passport-style photograph taken no more than 30 days before submission to the Bureau of the interim key employee application, which shall be in addition to the photograph submitted for the initial portable personal key employee license.

(b) Applications for issuance of an interim key employee license shall be processed within the following timeframes:

(1) The maximum time within which the Bureau shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and

identifying what specific additional information is required, is five working days after receipt of the application.

(2) An interim key employee license shall be either granted or denied within 15 working days after the filing of a complete application.

(c) Interim key employee license approvals are subject to the following conditions:

(1) An application package for an initial portable personal key employee license as required in subsection (c) of Section 12350 must be submitted to the Bureau within 30 days of assuming a key employee position.

(2) An interim license shall be valid for a period of two years from the date it is issued.

(3) Issuance of an interim license does not obligate the Commission to issue a regular key employee license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license.

(5) The interim key employee shall cease working in a key employee position if, during the term of the interim license, any of the following occurs:

(A) The application for key employee license is abandoned or denied.

(B) The interim key employee's work permit expires, is revoked, or is cancelled before the key employee license is approved.

(C) The Executive Director notifies the applicant and gambling enterprise that the interim status is cancelled pursuant to subsection (e), of this section.

(d) Upon issuance or denial of a regular key employee license by the Commission, the interim license previously issued shall become invalid and shall not be used thereafter.

(e) With ten day's advance written notice to the interim key employee and to the gambling enterprise, the Executive Director shall cancel the interim key employee license based upon the following:

(1) Evidence showing that the applicant has sustained any disqualifying criminal convictions;

(2) Evidence showing that the applicant is statutorily ineligible for a key employee license under the Act;

(3) Evidence which discloses that having the applicant serve as an interim key employee pending determination of their application may in the judgment of the Executive Director present a danger to the public or to the reputation of controlled gambling in this state;

(4) A determination by the Executive Director that the applicant has failed to reveal any fact that is material to, or supplied materially untrue or misleading information on, the applicant's key employee license application;

(5) A Bureau recommendation of denial of the applicant's key employee application;

(6) Referral by the Commission of the applicant to an evidentiary hearing with direction to the Executive Director to cancel the interim key employee status; or

(7) A determination by the Executive Director that the gambling enterprise using the interim key employee procedure has shown a pattern or practice of hiring or promoting persons to key employee positions in violation of subsection (a) above or that the gambling enterprise has acted in bad faith, with actual knowledge that the persons hired or promoted would be ineligible for licensure.

(f) Within ten days of the date of notice of a cancellation of interim status pursuant to this section, the gambling enterprise shall notify the Bureau in writing of the effective date of the position change for or suspension of the employee, and shall describe the employee's revised job duties, if any.

(g) Judicial review of a cancellation of interim status shall be by petition pursuant to section 1085 of the Code of Civil Procedure.

(h) This section shall apply to any individual employed in the capacity of a key employee, whether employed in a gambling establishment owned by a non-corporate licensee or by a corporate licensee, as provided in Business and Professions Code section 19883.

Note: Authority cited: Sections 19823, 19824, 19840, 19841 and 19883, Business and Professions Code. Reference: Sections 19805(w), 19805(x), 19850, 19855, 19856, 19857, 19859, 19866, 19870 and 19883, Business and Professions Code.

§ 12355. Mandatory and Discretionary Grounds for Denial of Application for a Key Employee License.

(a) An application for a portable personal key employee license shall be denied by the Commission if any of the following applies:

(1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or unsuitable pursuant to the criteria set forth in the Act or other applicable law or that granting the license would be inimical to public health, safety, welfare, or would undermine the public trust that gambling operations are free from criminal or dishonest elements.

(b) An application for a key employee license may be denied if:

(1) The Commission finds that an applicant has attempted to communicate or has communicated ex parte, as that term is defined in Business and Professions Code section 19872, subdivision (e), with one or more Commissioners, through direct or indirect means, regarding the merits of the application while the application is pending disposition at the Bureau or the Commission.

(2) The Commission finds that the applicant's past behavior calls into question the applicant's qualification requirements and considerations outlined in Business

and Professions Code section 19856. Examples of past behavior that may be considered include, but are not limited to:

(A) Convictions which demonstrate a pattern of disregard for the law,

(B) A conviction involving gambling or gambling-related activities,

(C) A final administrative decision concluding that there was a violation of law involving gambling or gambling-related activities, or

(D) A conviction regarding or final administrative decision concluding that there was a violation of campaign finance disclosure or contribution limitations applicable to an election conducted pursuant to Business and Professions Code section 19960.

(3) The Commission finds that the applicant has, within ten years immediately preceding the submission of the application, willfully or persistently violated any of the following:

(A) Any regulation adopted by the Commission or Bureau.

(B) Any condition, limitation, or directive imposed on a previously held gambling or key employee license.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute or any grounds that would support revocation under chapter 10 of these regulations.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19859, 19870, 19872, 19890 and 19982, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19856, 19857, 19858 and 19859, Business and Professions Code.

ARTICLE 4. ANNUAL FEE; REQUESTS FOR ADDITIONAL TABLES.

§ 12357. Annual Fee.

(a) The annual fee required by Business and Professions Code section 19951, subdivision (b), paragraph (2), subparagraph (B) shall be based on the criteria in paragraph (1) or (2) of this subsection, whichever is applicable, and shall be due and payable to the Bureau annually by the gambling enterprise no later than 120 calendar days following the end of the gambling enterprise's fiscal year. To be considered timely, the annual fee must be received by the Bureau no later than the date due or, if delivered by mail, be postmarked no later than the date due.

(1) The annual fee specified in subdivision (c) of section 19951 shall be based on the number of tables authorized by the license at the close of the gambling enterprise's preceding fiscal year.

(2) The annual fee specified in subdivision (d) of section 19951 shall be based on the gambling enterprise's gross revenues for the preceding fiscal year.

(b) Each owner-licensee shall submit, with their payment of the annual fee specified in this section, a completed Gambling Establishment Annual Fee

Calculation, form BGC-028 (Rev. 06/13), which is hereby incorporated by reference.

(c) If the full amount of the annual fee has not been received by the Bureau within 90 days after the payment due date, and the gambling license has been deemed surrendered pursuant to Business and Professions Code section 19955, the license shall be subject to the provisions of subsection (b) of Section 12347 of Article 2.

Note: Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19876(a), 19951 and 19955, Business and Professions Code. Reference: Sections 19841, 19876(a), 19951, 19954 and 19955, Business and Professions Code.

§ 12358. Request for Additional Temporary Tables for Tournaments or Special Events.

(a) An owner licensee of a gambling establishment may apply to operate, on a limited and temporary basis, for a tournament or special event (hereinafter, event), more tables than the gambling establishment is authorized to regularly operate. To apply for additional tables, the applicant must submit to the Bureau, no less than 45 days prior to the event, the following for each event:

(1) A completed and signed application form entitled Request for a Certificate to Operate Additional Tables on a Temporary Basis BGC-024 (Rev. 04/13), which is attached in Appendix A to this chapter.

(2) A non-refundable application fee of $500 plus a Bureau review deposit, pursuant to Title 11, Cal Code Regs., Section 2037, made payable to the Bureau of Gambling Control.

(3) Fees for the additional tables, as calculated according to the form in paragraph (1) of this subsection.

(b) The Commission shall not grant the application if a review by the Bureau discloses any of the following:

(1) The requested temporary increase in the number of tables would exceed the number of tables allowed to be operated by the local jurisdiction for either the particular cardroom or the jurisdiction where the gambling establishment is located.

(2) The requested temporary increase in the number of tables has been denied by the local jurisdiction where the gambling establishment is located.

(3) The gambling establishment's state gambling license is suspended or contains conditions precluding the approval of a temporary increase in the number of tables.

(4) The gambling establishment has outstanding fees, deposits, fines, or penalties owing to the Commission or to the Bureau.

(c) The Commission may deny the application if the application as submitted was untimely or incomplete.

(d) A request by an applicant to withdraw the application shall result in the application being considered abandoned, and the fees for the additional tables and unused deposit amounts returned, with no further action to be taken by the Commission or Bureau.

(e) The Bureau shall complete its review of the application and submit its findings to the Commission within 25 days of receipt of the application. The Commission shall either approve or deny the request within 13 days of receiving the Bureau's findings and notify the applicant, in writing, of its decision. The Commission may delegate the authority to deny the requested temporary increase or to issue a license certificate approving the requested temporary increase in the number of tables to any employee of the Commission.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841(a)-(c) and (p), 19864, 19950(b) and 19952, Business and Professions Code. Reference: Section 19951, Business and Professions Code.

§ 12359. Request for Additional Permanent Tables.

(a) The owner licensee of a gambling establishment may apply to operate additional tables on a permanent basis by submitting the following to the Bureau:

(1) A completed and signed application form entitled Application for Additional Authorized Permanent Tables, BGC–027 (Rev. 04/13), which is attached in Appendix A to this chapter.

(2) A non-refundable application fee of $500, plus a Bureau review deposit, pursuant to Title 11, Cal Code Regs., Section 2037, made payable to the Bureau of Gambling Control.

(b) The Commission shall not grant the application if any of the following are disclosed by the application or the results of the investigation of the applicant by the Bureau:

(1) The requested increase in the number of tables would exceed the number of tables allowed to be operated by the local jurisdiction for either the particular cardroom or the jurisdiction in which the gambling establishment is located.

(2) The requested increase in the number of tables has been denied by the local jurisdiction in which the gambling establishment is located.

(3) The gambling establishment’s state gambling license is suspended or is subject to conditions precluding the approval of an increase in the number of tables.

(4) The gambling establishment has outstanding fees, deposits, fines, or penalties owing to the Commission or to the Bureau.

(c) A request by an applicant to withdraw the application shall result in the application being considered abandoned and unused deposit amounts returned, with no further action to be taken by the Commission.

(d) The Bureau shall complete its review of the application and submit its findings to the Commission within 25 days of receipt of the application. Commission staff shall then set the request on the Commission agenda within 90 days of receiving the Bureau's findings and advise the applicant of the agenda date and any required annual fees due. If the request for additional permanent tables is approved, the applicant must pay the required annual fees due before placing the additional tables in operation.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19864, 19950(b) and 19951, Business and Professions Code. Reference: Section 19951, Business and Professions Code.

APPENDIX A. FORMS

Please refer to the California Gambling Control Commission's Web site (www.cgcc.ca.gov) for its forms.

CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS.

ARTICLE 1. GENERAL PROVISIONS.

§ 12360. Chapter Definitions.

Except as otherwise provided in Section 12002 of these regulations, the definitions in Business and Professions Code section 19805 govern the construction of this chapter. As used in this chapter:

(a) "Cage bank" means a fund consisting of monetary assets including, but not limited to, gambling chips, cash, and cash equivalents, maintained inside a cage for use in gambling operations.

(b) "Cashier bank" means an imprest fund consisting of monetary assets including, but not limited to, gambling chips, cash, and cash equivalents, maintained for or by an individual cashier inside a cage.

(c) "Confidential document" means any document or record, whether maintained in writing or electronically, concerning any entity, individual, or group of individuals that contains any private financial or personal information directly obtained from or provided by the subject (e.g., credit and check cashing information, exclusion lists, Title 31 reports, etc.), or documents that are otherwise protected under any other provision of law, and includes documents and information the public disclosure of which may jeopardize the safety and security of patrons, employees, and their property, the assets of the gambling enterprise, or the integrity of gambling operations.

(d) “Floor bank” means an imprest fund consisting of monetary assets including, but not limited to, gambling chips, cash, and cash equivalents, maintained outside a cage on or near the gambling floor.

(e) “Gambling equipment” means any equipment, devices, or supplies used or intended for use in the play of any controlled game, and includes, but is not limited to, playing cards, tiles, dice, dice cups, card shufflers, and gaming tables.

(f) “Gaming activity” has the same meaning as defined in Title 11, CCR, Section 2010, subsection (f).

(g) “House rules” means a set of written policies and procedures, established by a gambling enterprise, which set general parameters under which that gambling enterprise operates the play of controlled games.

(h) “Licensee” means “owner licensee” as defined in Business and Professions Code section 19805, subdivision (ad).

(i) “Security department” means the operational entity within a gambling establishment that is responsible, but not necessarily solely responsible, for patrol of the public areas of the establishment, and to assist in:

(1) Maintaining order and security;

(2) Excluding underage patrons;

(3) Responding to incidents involving patrons or others;

(4) Detecting, reporting and deterring suspected illegal activity; and

(5) Completing incident reports.

(j) “Surveillance unit” means the operational system or entity within a gambling establishment that is responsible for the video recording, as may be specified in Article 3 of this chapter, of all activities required to be under surveillance, monitored and/or recorded pursuant to the Act and this division for the purposes of detecting, documenting and reporting suspected illegal activities, including suspected gambling by persons under 21 years of age, and assisting the personnel of the security department in the performance of their duties.

Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19805, 19841, 19860 and 19924, Business and Professions Code.

§ 12362. Statewide Involuntary Exclusion List.

(a) A licensee may remove a person from the gambling establishment pursuant to Business and Professions Code section 19801, subdivision (i), or Business and Professions Code section 19845. A gambling establishment may also have an internal removal list to bar certain individuals from entering the specific gambling establishment only.

(b) A licensee or government official (such as law enforcement, or agents of the California Horse Racing Board, Bureau, or Commission) (“requestor”) may submit, on form CGCC-12362 (Rev. 05/11) “Request for Statewide Involuntary

Exclusion of an Individual," which is attached in Appendix A to this chapter, a request to exclude an individual from all California gambling establishments based upon the reasons listed in Business and Professions Code section 19844 or 19845, subdivision (a)(7). Such request shall have the protections afforded under Business and Professions Code section 19846, subdivision (a).

(c) Removal of an individual from a specific gambling establishment, as described in subsection (a) above, or statewide exclusion, pursuant to the request described in subsection (b) above, shall not be based upon the sex, race, color, religion, ancestry, national origin, marital status, sexual orientation, medical condition, or disability of the individual, with the exception that a problem or pathological gambler may be excluded pursuant to Article 6 of these regulations (commencing with section 12460) or involuntarily excluded pursuant to this section.

(d) Upon receipt of a request by a licensee or governmental official for statewide involuntary exclusion of an individual, the Executive Director shall review the reason for exclusion. If there appears to be good cause to place an individual on the statewide involuntary exclusion list, the Executive Director shall cause a notice of exclusion to issue to the individual. Such notice shall state the grounds for exclusion and may be served by personal service, by certified mail at the last known address of the individual, or by publication daily for 1 week in a newspaper of general circulation in the vicinity of the requestor. The exclusion shall be effective upon perfection of notice and shall remain in effect until the individual is removed from the list by Commission decision.

(e) An individual may contest the Commission's notice of exclusion by requesting a hearing from the Commission. Such hearing may be pursuant to Business and Professions Code section 19871 or pursuant to Government Code section 11500 et seq., as determined by the Executive Director. Such hearing shall occur within 60 days of the request for hearing, unless the time of the hearing is changed by agreement of the Commission and the individual requesting the hearing.

(f) If the individual fails to appear at the time and place set for hearing, and the individual does not contact the Commission within 24 hours to give good cause why the hearing should be reset, a default decision shall issue affirming the exclusion.

(g) At the hearing, the individual may appear in person and/or be represented by counsel at the individual's own expense and present relevant testimony or documentary evidence. If a governmental agency requested that the individual be placed on the statewide involuntary exclusion list, the governmental agency may appear. If a licensee requested that the individual be placed on the statewide involuntary exclusion list, then the licensee or designated agent may appear.

(h) The standard of proof shall be preponderance of the evidence that the individual poses a threat either to the public, gambling enterprise employees, or the gambling industry, or should be excluded pursuant to Business and Professions Code section 19844 or 19845, subdivision (a)(7). The burden of proof shall be on the Commission staff. Evidence of exclusion or discipline by another gaming jurisdiction based upon the factors described in Business and Professions Code section 19844 or 19845, subdivision (a)(7) may be introduced.

(i) The final decision in the matter shall be in writing, shall state any term-length for the exclusion if other than lifetime, shall be sent by certified mail or personal service to the individual and the governmental agency or gambling establishment which requested the individual be placed on the statewide involuntary exclusion list, and shall be effective immediately.

(j) If the individual requested a hearing after the Commission's notice of exclusion and was given a final decision in the matter that affirmed the exclusion, that individual shall not petition the Commission to be removed from the statewide involuntary exclusion list for a minimum of one year after the date of the final decision.

(k) Petitions to be removed from the statewide involuntary exclusion list shall be in writing, directed to the Executive Director, and sent to the Commission at 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833. Petitioners should clearly state the circumstances of the ejection or exclusion, any new evidence which is material and necessary, including evidence that circumstances have changed since placement on the statewide involuntary exclusion list, and why they do not pose a threat to the public, gambling enterprise employees, the gambling industry, or should otherwise not be excluded pursuant to Business and Professions Code section 19844 or 19845, subdivision (a)(7). This statement shall be signed under penalty of perjury under the laws of the State of California. The Executive Director may summarily deny the petition without prejudice due to lack of compliance with this subsection. If not summarily denied, the Executive Director shall provide notice and opportunity to comment to the requestor. After review of the requestor's comments, the Executive Director, may notify the Bureau to remove the individual from the statewide involuntary exclusion list, or may set the matter for hearing pursuant to Business and Professions Code section 19871 or pursuant to Government Code section 11500 et seq., as determined by the Executive Director.

(l) The Executive Director may order an individual removed from the list after verified information is received that the individual is deceased and shall so notify the Bureau.

(m) If the Commission determines that an individual should be removed from the statewide involuntary exclusion list, the Commission's decision shall include an order removing the individual's name from the list, and shall so notify the

Bureau. The Bureau shall amend the exclusion database and send notification to all gambling establishments and to the requestor.

(n) Judicial review of the Commission's decision shall be in accordance with Code of Civil Procedure, section 1094.5.

(o) The statewide involuntary exclusion list shall be maintained by the Bureau, sent or made available to all gambling establishments, and may be shared with law enforcement personnel of any jurisdiction.

(p) Licensees shall implement policies and procedures designed to thwart excluded persons, as noticed by the Bureau, from entering the gambling establishment, ejection or removal procedures of any patrons once recognized as being a known excluded person, and notification to the Bureau of any incidents of attempted entry, entry, or removals of known excluded persons. This regulation does not require a licensee's policies and procedures to include patrons providing proof of identification before entering the gambling establishment. This regulation does not require the gambling establishment to use physical force in ejecting or removing an excluded person.

(q) The Commission may discipline a licensee that knowingly fails to take prompt, reasonable action to eject or exclude an individual listed on the statewide involuntary exclusion list, or fails to notify the Bureau of any entries or attempts to enter by an excluded person, pursuant to Chapter 10 of these regulations.

(r) This regulation does not create any right or cause of action against a gambling establishment, government official (such as law enforcement, or agents of the California Horse Racing Board, Bureau, or Commission) by an excluded person or abrogate the existing statutory privileges and immunities of a licensee or requestor, or limit or expand the provisions of Business and Professions Code section 19846.

Note: Authority cited: Sections 19840 and 19844, Business and Professions Code. Reference: Sections 19801(i), 19801(l), 19844, 19845, 19846 and 19940, Business and Professions Code.

§ 12364. Relocation of Gambling Establishment.

(a) For purposes of this section:

(1) "Neighboring jurisdiction" means any other adjoining jurisdiction whose common boundary line with the governing local jurisdiction is 1,000 feet or less from the proposed new location of the gambling establishment.

(2) "Relocation" means the physical relocation of a gambling establishment, including the buildings, grounds and parking lots, from one site consisting of one or more contiguous parcels to another site, consisting entirely of different parcels. Relocation does not include the addition of new, contiguous parcels to the current site or modification of existing buildings.

(b) An owner-licensee shall notify the Bureau of a planned relocation of a gambling establishment at least 90 days in advance of the intended

commencement of gambling operations at the new location on the form entitled "Notice of Relocation," CGCC-050 (New 06/12), which is attached in Appendix A to this Chapter. A draft floor plan of the proposed gambling establishment depicting, at a minimum, the location of the main cage, the count room, the surveillance room, and the gaming area(s) shall accompany the notice to the Bureau.

(1) If the new location is more than 1,000 feet from any boundary line of its governing local jurisdiction, the owner-licensee shall submit to the Bureau all of the following information and documents, of which the information and documents specified in subparagraphs (A) through (C), inclusive, are to be submitted no later than 30 days prior to the Bureau's site visit conducted pursuant to subsection (d):

(A) A copy of the licensee's fully executed rental or lease agreement for, or evidence of the licensee's ownership of, the proposed new location.

(B) A copy of the licensee's fire safety and evacuation plan for the proposed new location, prepared in compliance with Section 12370.

(C) A copy of the licensee's security and surveillance plan for the proposed new location, prepared in compliance with Section 12372.

(D) Documentary evidence of the issuance to the licensee of all required approvals, licenses and permits by any applicable local jurisdictional entity concerning the new location; e.g., business licenses, occupancy permits, conditional use permits, zoning variances, local gaming licenses, etc. These documents, if available, shall be submitted at the same time as the documents specified in subparagraphs (A) through (C), inclusive, or, if not available, shall be submitted upon availability and prior to the commencement of gambling operations.

(E) Documentary evidence of the issuance to the licensee of all required approvals, licenses and permits, other than those specifically relating to gambling operations, by any applicable state or federal agency concerning the new location; e.g., liquor licenses, check cashing permits, etc. These documents are not required to be submitted prior to the commencement of gambling operations or the Bureau's site visit pursuant to subsection (d), but must be submitted to the Bureau prior to the commencement of the associated activity.

(2)(A) If the new location is 1,000 feet or less from any boundary line of its governing local jurisdiction, the owner-licensee shall, in addition to the documentation required by paragraph (1), and prior to the commencement of gambling operations, submit documentation from the appropriate agency or department in the neighboring jurisdiction confirming that the agency or department has no objection to the planned location of the gambling establishment.

(B) As an alternative to obtaining advance confirmation, the licensee may submit to the appropriate agency or department in the neighboring jurisdiction, a copy of its Notice of Relocation concurrent with the submission to the Bureau. The licensee shall provide the Bureau with proof of submission of the notice to the neighboring jurisdiction. The copy of the notice submitted to a neighboring jurisdiction shall be accompanied by a written statement from the licensee which, at a minimum, shall include the following information:

"The appropriate agency or department of [name of neighboring jurisdiction] may submit objections to the proposed relocation of [name of gambling establishment] to the Bureau of Gambling Control, at Post Office Box 168024, Sacramento, CA 95816-8024. Any objections to the proposed location must be received by the Bureau within 45 days of the date of this notice and must be based upon evidence of probable negative effects resulting from the gambling establishment's relocation or proof that the legitimate interests of residents in the neighboring jurisdiction are threatened."

(C) This paragraph does not apply to a gambling establishment that is all of the following:

1. Already located 1,000 feet or less from any boundary line;

2. After the relocation, it will continue to be within 1,000 feet of same neighboring jurisdiction;

3. Any reduction in distance is less than half of the current distance from the same boundary line; and,

4. Any distance moved parallel to the boundary line is less than half of the current distance from the same boundary line.

(c)(1) If an owner-licensee does not provide documentation from a neighboring jurisdiction as provided in subparagraph (A) of paragraph (2) of subsection (b), and the Bureau receives objections to the relocation from a neighboring jurisdiction, the gambling establishment shall not be relocated without Commission review. The Bureau shall forward the relocation notice to the Commission within 10 days of receipt by the Bureau of objections from any neighboring jurisdiction for placement on a Commission agenda for consideration. The Commission shall notify the objecting neighboring jurisdiction, the Bureau, and the licensee of the time and place of the Commission hearing at least 10 days prior to the hearing in order for all parties to have the opportunity to attend and be heard.

(2) If an owner-licensee obtains documentation from a neighboring jurisdiction as provided in paragraph (2) of subsection (b), or if the Bureau does not receive timely objections to the relocation from a neighboring jurisdiction, no Commission review shall be required and the Bureau may proceed as if paragraph (2) of subsection (b) did not apply.

(d)(1) The Bureau shall schedule and conduct a site visit prior to the intended commencement of gambling operations as indicated in subsection (b). A written report of the findings of the site visit shall be provided to the Commission, as well as any follow-up reports. The Bureau's site visit report shall include determinations regarding compliance with, at a minimum, the following internal control requirements of Article 3 of Chapter 7:

(A) Drop and drop collection, pursuant to Section 12384;

(B) Count and count room functions, pursuant to Section 12385;

(C) Cage functions, pursuant to Section 12386;

(D) Security, pursuant to Section 12395; and,

(E) Surveillance, pursuant to Section 12396.

(2) If the Bureau notes any deficiency in compliance with laws or regulations, including, but not limited to, a deficiency in the internal controls listed in paragraph (1), it shall issue a notice to the owner-licensee to correct the deficiency. The notice shall describe each deficiency and specify a reasonable time in which the deficiency is to be corrected. The commencement of gambling operations shall not be delayed unless the deficiency prevents substantial compliance with laws or regulations and materially threatens public safety or the integrity of the gambling operation, and the deficiency cannot be corrected or mitigated within a reasonable time. Failure to correct or otherwise mitigate the deficiency may be considered during the license renewal process and may result in disciplinary action under Chapter 10 of this division.

(e) No gambling operations may be conducted at any new location until the provisions of subsections (b) and, if applicable, (c), have been complied with.

(f) If any gambling operations are conducted in violation of subsection (e), the owner-licensee and each endorsed owner shall be subject to disciplinary action under Chapter 10 of this division. For the purposes of this subsection, each day or portion thereof, whether consecutive or not, during which any gambling operations are conducted in violation of subsection (e) shall constitute a separate violation.

(g) Failure to timely provide notice to the Bureau as required by subsection (b) shall constitute a ground for disciplinary action under Chapter 10 of this division.

Note: Authority cited: Section 19811, 19823, 19824, 19840, 19841, 19853(a)(3), 19860, 19862 and 19864, Business and Professions Code. Reference: Sections 19811, 19824, 19826, 19860, 19862 and 19868, Business and Professions Code.

ARTICLE 2. EMERGENCY PREPAREDNESS, SECURITY AND SURVEILLANCE PLANS.

§ 12370. Emergency Planning and Preparedness.

(a) As required by California Code of Regulations Title 24, Part 9, Chapter 4 (commencing with Section 401), and Title 19, Section 3.09, a gambling establishment shall prepare and maintain a fire safety and evacuation plan, conduct emergency evacuation drills and conduct employee training on the content of their fire safety and evacuation plan. Fire safety and evacuation plans, emergency evacuation drills and employee training procedures adopted pursuant to this section shall comply with, as applicable, California Code of Regulations Title 24, Part 9, Chapter 4 (commencing with Section 401) and Title 19, Section 3.09, or those standards adopted by local ordinance pursuant to Health and Safety Code section 13143.5.

(b) Each applicant as an owner-licensee under Chapter 6 of this Division shall submit to the Bureau one copy of a current fire safety and evacuation plan, pursuant to this section, together with those application documents required by Section 12342.

(c) Each licensee shall submit one copy of its current fire safety and evacuation plan, pursuant to this section, with the first biennial license renewal application submitted after the effective date of this section, and with every second renewal application submitted thereafter.

(d) If a licensee's fire safety and evacuation plan is revised as a result of the addition of permanent tables, or as a result of any change to the physical premises which alters the locations of phones, fire extinguishers, manual fire alarm pull stations or exits, or which alters evacuation routes or procedures, the licensee shall submit one copy of its revised fire safety and evacuation plan with the first biennial license renewal application submitted immediately following any revision, and, subsection (c) notwithstanding, with every second renewal application submitted thereafter.

(e) Each fire safety and evacuation plan submitted to the Bureau pursuant to this Section shall include the following documentation, as applicable:

(1) If the responsible local authority provides reviews, the licensee shall send to the Bureau documentation showing that the local authority approved the fire safety and evacuation plan, pursuant to Health and Safety Code section 13143.5 and California Code of Regulations Title 24, Part 9, Chapter 1, Section 111.2.1.1. Health and Safety Code section 13143.5, subdivision (f), paragraph (2), provides that any fee charged pursuant to the enforcement authority of subdivision (f) shall not exceed the estimated reasonable cost of providing the service for which the fee is charged.

(2) If the responsible local authority does not provide reviews, the licensee shall send the fire safety and evacuation plan to the State Fire Marshal, and shall send to the Bureau documentation showing that the State Fire Marshal has approved the fire safety and evacuation plan.

(f) Failure by a licensee to develop and implement a fire safety and evacuation plan, conduct emergency evacuation drills or conduct employee training on the content of its fire safety and evacuation plan pursuant to this section, constitutes an unsuitable method of operation and also may result in denial of an application for license renewal, pursuant to Section 12348, or in the suspension or revocation of its existing license, pursuant to Chapter 10 of this division.

(g) In addition to any other remedy under the Act or this division, the Commission may assess a civil penalty of at least $500 but not more than $5000 for each violation of this section.

Note: Authority cited: Sections 19811, 19824 and 19840, Business and Professions Code. Reference: Sections 19801, 19823, 19841, 19860, 19920 and 19924, Business and Professions Code.

§ 12372. Security and Surveillance Plan.

(a) No later than December 1, 2011, each gambling establishment in Tier I and Tier II, as provided in subsection (b) of Section 12380, shall develop and implement a written security and surveillance plan for the gambling establishment that includes, but is not limited to, provisions for the following:

(1) Close monitoring and control of all controlled gambling and gaming activity;

(2) Close monitoring and control of access to restricted areas of the gambling establishment that include, but are not limited to, cages, count rooms, vaults, security offices and surveillance rooms;

(3) Surveillance procedures, including video recording requirements, as applicable;

(4) Lighting in and around the gambling establishment;

(5) Specific conditions, procedures and instructions for reporting suspected criminal incidents or activity to state and local law enforcement agencies;

(6) Procedures for securing or protecting persons, property, assets and records.

(b) No later than December 1, 2011, each gambling establishment in Tiers III through and including V, as provided in subsection (b) of Section 12380, shall develop and implement a security and surveillance plan for the gambling establishment that, in addition to the requirements of subsection (a), includes, but is not limited to, provisions for the following:

(1) A listing of the names and job titles of the employees who are responsible for making decisions that involve the security of patrons, patrons' property,

employees, employees' property, and the gambling establishment's property, cash or equivalent assets and records;

(2) The presence and duties of uniformed security personnel;

(3) Surveillance procedures, including video recording and monitoring requirements, as applicable;

(4) Specific conditions, procedures and instructions for stopping controlled gambling and gaming activities; and

(5) Specific employee training schedules that relate to the gambling establishment's security and surveillance plan.

(c)(1) Each security and surveillance plan shall identify and comply with all state and local requirements and shall implement all applicable provisions of Article 3 of this chapter. Each licensee shall submit, pursuant to paragraph (2), (3) or (4), as an attachment to its security and surveillance plan, copies of identified, applicable local ordinances and any locally-issued certificate of compliance with those ordinances.

(2) Each applicant as an owner-licensee under Chapter 6 of this Division shall submit to the Bureau one copy of a current security and surveillance plan, pursuant to this section, together with those application documents required by Section 12342.

(3) Each licensee shall submit to the Bureau one copy of its current security and surveillance plan with the first biennial license renewal application that is submitted eighteen months after the effective date of this section, and with every second renewal application submitted thereafter.

(4) If a licensee's security and surveillance plan is revised as a result of the addition of permanent tables, or as a result of any change to the physical premises which alters the locations or configurations of any restricted areas of the gambling establishment, or which alters or affects any security or surveillance capabilities or procedures, the licensee shall submit one copy of its revised security and surveillance plan with the first biennial license renewal application submitted immediately following any revision to its security and surveillance plan, and, paragraph (3) notwithstanding, with every second renewal application submitted thereafter.

(5) If the responsible local authority provides reviews of security or surveillance plans, the licensee shall send documentation of the areas reviewed by the responsible local authority and whether or not the responsible local authority approved those areas of the security and surveillance plan under the responsible local authority's jurisdiction.

(d) The Bureau shall review the licensee's security and surveillance plan, including those provisions under the responsible local authority's jurisdiction, whether reviewed by the local authority or not, and those provisions not under the responsible local authority's jurisdiction. If the Bureau determines that the

licensee's security and surveillance plan does not address the elements set forth in this section, then the Bureau may issue a determination identifying the deficiencies and specifying a time certain within which those deficiencies shall be cured.

(e)(1) Each licensee shall, at least annually, provide for a review of the requirements of the security and surveillance plan with those employees that have been assigned duties under the plan, ensuring that each employee has a general understanding of the provisions of the plan applicable to his or her position and understands his or her specific duties under the plan. This annual review shall be documented, including a signature from each employee indicating that they have participated in the review and a signature from the person who provided the review.

(2) When a new employee begins work, the licensee, or the licensee's designate, shall review the requirements of the security and surveillance plan with the new employee, ensuring that each new employee has a general understanding of the provisions of the plan applicable to his or her position and understands his or her specific duties under the plan. This initial review shall be documented as provided in paragraph (1).

(f) Failure by a licensee to develop and implement a security and surveillance plan, or to cure a deficiency identified pursuant to subsection (d), constitutes an unsuitable method of operation and also may result in denial of an application for license renewal pursuant to Section 12348, or in the suspension or revocation of its existing license pursuant to Chapter 10 of this division.

(g) In addition to any other remedy under the Act or this division, the Commission may assess a civil penalty of at least $500 but no more than $5000 for each violation of this section.

Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19860, 19920 and 19924, Business and Professions Code.

ARTICLE 3. MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS.

§ 12380. Minimum Internal Control Standards; General Terms, Conditions, Definitions.

(a) “Minimum Internal Control Standards,” or “MICS,” are the minimum requirements to operate a gambling establishment as set forth in this chapter, and include, but are not limited to, administration controls, and controls requiring segregation of duties. A licensee must meet or exceed these requirements in controlling their gambling operation.

(b) The purposes of the MICS are to better ensure the maintenance of accurate records, the recording of all income, the safeguarding of assets and records of the gambling establishment, operational efficiency and integrity, and adherence to prescribed policies and procedures.

(c) Failure by a licensee to comply with the requirements of this article constitutes an unsuitable method of operation and is a ground for disciplinary action.

(d) For purposes of this article:

(1) "Tier I licensee," means an owner licensee authorized to operate one to five tables.

(2) "Tier II licensee," means an owner licensee authorized to operate six to ten tables.

(3) "Tier III licensee," means an owner licensee authorized to operate eleven to thirty tables.

(4) "Tier IV licensee," means an owner licensee authorized to operate thirty-one to sixty tables.

(5) "Tier V licensee," means an owner licensee authorized to operate sixty-one or more tables.

(6) Absent specific reference to a particular tier, any requirement of any regulation in this article shall be deemed to be applicable to all licensees.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19840, 19841, 19922 and 19924, Business and Professions Code.

§ 12381. Policies and Procedures.

(a) All licensees shall have written policies and procedures that meet or exceed the MICS contained in this article.

(b) A licensee's policies and procedures shall be communicated to employees through new employee orientations and periodic training sessions.

(c) Adherence to the policies and procedures established to comply with this article shall be required.

(d) On request, copies of a licensee's policies and procedures shall be provided, within a reasonable time specified, for the Commission and/or Bureau to review.

(e) Unless otherwise specified in this chapter, all forms, books, records, logs, lists and any and all other original source or duplicate documentation required to be maintained by a licensee pursuant to this chapter shall be:

(1) Recorded in English;

(2) Recorded in a permanent form or media; and

(3) Maintained for a minimum of three years, unless otherwise specified, in a secured area on site at the gambling establishment or at a California facility approved in advance by the Bureau.

(f) In addition to the requirements of subsection (a) through and including (e), licensees in Tiers II through and including V shall assign the overall responsibility for establishing, periodically reviewing, monitoring, and testing for compliance with their MICS policies and procedures to a specific owner licensee or key employee and shall document the assignment in the licensee's policies and procedures. Tests for compliance with MICS policies and procedures shall be performed at least annually, and may be performed by a licensee's staff, other than the person or persons who normally perform the duties being tested, or by agents or outside consultants (e.g., a certified public accountant) for the licensee. The results of the tests, and a detailed record of the efforts to correct any noncompliance found as a result of the tests, shall be documented and the documentation retained by the licensee.

(g) Licensees shall establish and implement policies and procedures in accordance with the applicable provisions of this section no later than April 1, 2010.

Note: Authority cited: Sections 19827, 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

§ 12384. Drop and Drop Collection.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for the drop and collection of the drop for non-electronic gambling tables:

(1) Drop collection fees shall be deposited into a secure container, known as a "drop box," that shall be securely attached to the gambling table. A drop box shall be constructed and controlled in a manner to provide for the security of its contents.

(2) If a jackpot or any other player-funded gaming activity is offered, jackpot collections shall be deposited into a separate drop box, or otherwise segregated, and accounted for separately.

(3) Drop boxes shall have all of the following:

(A) A lock securing the contents.

(B) A separate lock securing the drop box to the gambling table. This lock shall be keyed differently from the lock securing the contents of the drop box.

(C) An individual identifier that corresponds to the gambling table to which the drop box is attached and the shift, if applicable, for which it is used, and that can be documented when the box is removed from the table. Visible drop box identifiers shall be imprinted or impressed on the box and capable of being seen and read in video surveillance recordings, either while attached to the table or when removed from the table and immediately displayed to a surveillance camera. If a bar code or an equivalent system is used, in addition to the imprinted or impressed identifiers, it shall have the capability to identify each drop box by shift

and table, the person or persons performing the collection, and the date and time of the collection.

(D) An opening through which chips collected for fees shall be inserted.

(4) An emergency, interim, or temporary drop box may be maintained without a number or marking, if the applicable designation is permanently imprinted or impressed thereon and, when put into use, it is temporarily marked as provided in subparagraph (C) of paragraph (3) above.

(5) A drop box, when removed from a gambling table, whether in use or not, shall be afforded security sufficient to protect the drop box and its contents and shall be stored in a secure area while awaiting the count.

(6) A drop box, when not in use during a shift, may be stored on a gambling table.

(7) The licensee shall establish and schedule the time(s) for the collection of drop boxes and shall ensure that the entire drop collection process is recorded by video surveillance. Except as otherwise provided in subsection (c), the drop box collection may be performed more frequently or less frequently than the time(s) scheduled by the licensee when circumstances warrant a reasonable deviation from the established schedule.

(8) The drop collection shall be performed by at least one licensed or permitted individual.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall include the following standards for drop collection:

(1) All drop boxes, whether in use or not, shall be removed from the gambling table as provided in subsection (a) by at least one employee of the gambling establishment who holds a valid license or work permit, accompanied by at least one member of the security department or its equivalent. The employee of the gambling establishment shall not be a member of the security department or its equivalent.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, or any other provision of this article related to the designation of employees to perform the drop collection, a Tier III licensee that does not directly employ security personnel may have the drop collection performed by at least two employees of the gambling establishment who hold a valid license or work permit and who are each assigned to a different department.

(3) The names of the individuals performing the drop collection shall be documented either by software or in writing and, when documented in writing, those individuals who performed the collection shall legibly print their names and sign the documentation.

(4) A drop box, when not in use during a shift, may be stored on a gambling table if the entire area is covered by recorded video surveillance during that period of time.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall include standards for drop collection that provide for the designation of at least one employee of the gambling establishment who holds a valid license or work permit to video monitor the drop box collection process and that the entire drop collection process be continuously recorded by video surveillance.

(d) Licensees shall establish and implement the applicable standards for drop collection specified in subsections (a) through and including (c) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

§ 12385. Count; Count Room Functions.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for count room functions:

(1) The licensee shall ensure that the contents of drop boxes are counted and recorded in a manner and in a location within the licensed gambling establishment that ensures the appropriate security and proper accounting of all gambling chips.

(2) The licensee shall designate an individual or individuals, each holding a valid gambling license or work permit, who shall be responsible for performing the drop count. The opening, counting and recording of the contents of a drop box shall be performed in the presence of and by the designated individual(s).

(3)(A) Drop box counts shall be permanently recorded, in ink or another form approved by the owner licensee, on a daily count sheet or the equivalent, which documents all of the following information, as applicable:

1. The name of the gambling establishment;
2. The date and time of the count;
3. The shift, individual box number and table number of each box counted;
4. The amount in each individual box;
5. The total number of boxes counted; and
6. The printed or recorded name(s) of the individual(s) conducting the count and, if a hard copy record, the signature(s) of the individual(s).

(B) Corrections to the information initially recorded for the drop count prior to the completion and signing of a hard copy daily count sheet shall be permitted. Corrections shall be made by drawing a single line through the error and writing the correct figures above the original figures or by another method approved by the Bureau. The designated individual making the correction shall write his or her initials and the date, in ink, immediately next to the correct figures. The

correction, in a hard copy of a daily count sheet, of errors discovered subsequent to the completion and signing by the designated individual(s) shall require the completion of a revised or amended count sheet, which shall be maintained with the original count sheet.

(4) The entire count process, beginning with the opening of the first drop box and continuing through completion of the count sheet, shall be continuously recorded by video surveillance.

(5) The contents of a drop box shall not be mixed or commingled with the contents of any other drop box prior to the counting and recording of its contents.

(6) A drop box shall be emptied in a manner that will identify and record the box identification, as specified in Section 12384, subsection (a), paragraph (3), subparagraph (C), and paragraph (4), and so that video surveillance recording will document that all contents are removed from the drop box for the count.

(b)(1) In addition to the requirements of subsection (a), the policies and procedures for Tiers II through and including V shall include standards for count room functions that require the use and maintenance of a secured area known as the count room for the counting of gambling chips, which shall:

(A) Be designed and constructed to provide appropriate security for the materials housed therein and for the activities conducted therein;

(B) Not be used as a storage facility for items or materials not directly associated with the count process or cage functions, nor have any removable containers other than drop boxes that could be used to conceal chips or cash.

(2) If the count room is used to store chips, cash, drop boxes or any other items or materials that are directly associated with the count, the interior of the room and all of its contents shall be under constant recorded video surveillance.

(c) In addition to the requirements of subsection (a) and (b), the policies and procedures for Tiers III through and including V shall include the following standards for count room functions:

(1) The number of individuals designated by the licensee, pursuant to paragraph (2) of subsection (a), to perform the drop count shall not be less than two individuals, or one individual using an automated chip counting machine that counts, sorts and racks the chips, and records the count electronically on the licensee's computer system.

(2) The designated individuals performing the count shall be attired so as to reduce their ability to conceal chips on their person; for example, by wearing, over their regular clothing, smocks or other clothing with no pockets.

(3) At the conclusion of the count, a cage or vault cashier or at least the equivalent shall count the chips received and verify the accuracy of the count and count sheets.

(4) Count sheets verified pursuant to paragraph (3) above shall, immediately following verification, be remitted to the accounting department or its equivalent,

or deposited in a locked box, located in a secure area of the gambling establishment, the contents of which are accessible only by the accounting department or its equivalent. Count sheets shall be maintained and controlled by the accounting department or its equivalent.

(d) In addition to the requirements of subsections (a) through and including (c), the policies and procedures for Tiers IV and V shall include the following standards for count room functions:

(1) The count room shall be a fully enclosed room that is separate and apart from all other rooms in the gambling establishment and is equipped with an alarm system or device connected to all entrances to the count room which causes a signaling to the surveillance unit or its equivalent, whenever any door to the count room is opened.

(2) Immediately prior to the commencement of the count, one of the designated individuals shall notify the surveillance unit, or its equivalent, that the count is about to begin. At least one employee of the gambling establishment who holds a valid license or work permit shall be designated to video monitor the count process and the entire count process shall be continuously recorded by video surveillance.

(3) Immediately prior to the opening of a drop box, the door to the count room shall be secured. Except as otherwise authorized by the licensee's policies and procedures, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

(e) In addition to the requirements of subsections (a) through and including (d), the policies and procedures for Tier V shall include standards for count room functions that require the drop count to be performed by not less than three individuals designated by the licensee pursuant to paragraph (2) of subsection (a), or two individuals using an automated chip counting machine that counts, sorts and racks the chips, and records the count electronically on the licensee's computer system.

(f) Licensees shall establish and implement the applicable standards for count and count room functions specified in subsections (a) through and including (e) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

§ 12386. Cage Operation and Functions.

(a) The policies and procedures for all tiers shall meet or exceed the following standards for cages:

(1) The licensee shall maintain within the gambling establishment at least one separate and secure area at a fixed location that is designated as a cage. A cage

shall be located, designed, constructed and operated to provide convenience for patron transactions while maintaining appropriate security and accountability for all monetary transactions occurring at the cage and all cage contents.

(2) The licensee shall assign at least one gambling enterprise employee to process monetary transactions at a cage. The titles, classifications, or positions of all employees assigned to process monetary transactions at a cage shall be listed on the gambling enterprise's organizational chart. The assigned employees' duties may include any or all of the following:

(A) Custody of the cage inventory or individual cashiers' banks, which is comprised of currency, coin, patron checks, gambling chips, forms, documents and records consistent with the operation of a cage or an individual cashier's bank.

(B) Receipt and distribution of gambling chips through internal operations.

(C) Sale and redemption of chips through patron transactions.

(D) Deposits to and withdrawals from players' banks and dealers' banks, if applicable.

(E) Check cashing and extensions of credit for patrons, as permitted by the licensee's policies and procedures.

(F) Preparation of cage accountability reconciliations and records necessary to document compliance with the requirements of this chapter.

(G) Recording patron information that is necessary for compliance with the requirements of sections 5313 and 5314 of Title 31 of the United States Code, applicable regulations in Chapter X (effective as of July 1, 2011) of Title 31 of the Code of Federal Regulations and any successor provisions, and subsection (a) of Section 12404 of this chapter.

(H) The proper accounting and safeguarding of any cage bank or cashier's bank, and gambling equipment or confidential documents when kept in a cage.

(3) Routine access and entry into a cage, or an area designated as a cage pursuant to paragraph (1) of this subsection, shall be limited to on-duty cage personnel assigned pursuant to paragraph (2) of this subsection. Other employees of the gambling enterprise who hold a valid gambling license, key employee license, or work permit may be granted access to a cage or cage area for the purpose of performing their duties.

(4) A log shall be maintained, either in writing or electronically, to document entry into a cage by any person not authorized access pursuant to paragraphs (2) and (3) of this subsection. The log must contain the person's name, title, date of entry, and time entering and exiting; or provide substantially equivalent information through an automated access control system. Any automated access control system must provide a secure, tamperproof means of recording and maintaining entry and exit information.

(5)(A) Cage and cashiers' banks shall be reconciled after each shift by the incoming and outgoing assigned cage employees. If an imprest is used, each outgoing cage employee responsible for an imprest shall balance his or her imprest to the imprest amount. The recordable cage transactions and reconciliations shall be posted and reconciled to the general ledger at least monthly.

(B) The reconciliation of each cage and cashiers' bank shall be documented on a cage accountability form that shall include, at a minimum, all of the following, as applicable:

1. The date of the reconciliation;

2. The designation of the shift being reconciled;

3. An accounting of the contents of the cage bank, cashiers' banks, and, if applicable, players' banks in use during the subject shift, including:

i. The beginning shift balances, unless an imprest is used;

ii. All transactions recordable to the general ledger;

iii. The ending balances of cash and chips;

iv. An identification of any overage or shortage with an explanation, if known.

4. The amount assigned or issued from the cage to dealers' banks and floor banks in use during the subject shift.

5. The printed name and signature of each assigned cage employee performing the reconciliation, as applicable.

(6) The purchase or redemption of gambling chips by a patron may only occur at a cage or from an authorized gambling enterprise employee on the gambling floor. Licensees shall not permit proposition player services providers to purchase or redeem gambling chips for cash or cash equivalents from a patron or to sell gambling chips to a patron. For the purposes of this article, the sale, purchase or redemption of gambling chips shall not include the exchange of a chip or chips of one total value for a chip or chips of an equal total value.

(7) If a licensee operates more than one cage at any time during any shift, all cages, irrespective of their designations (e.g., main cage, satellite cage, auxiliary cage, supplementary cage, secondary cage, back up cage, support cage, etc.), shall be subject to and comply with all provisions of this article applicable to the operation and functions of cages for the licensee's tier.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall require that the cage and cashiers' banks reconciliations specified in paragraph (5) of subsection (a) be posted and reconciled to the general ledger by someone other than an assigned cage employee or cage supervisor.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall include the following standards for a cage:

(1) A cage shall be a secure enclosed structure with at least one cashier window through which items such as gambling chips, cash, checks, and documents may be passed to serve patrons and gambling enterprise employees. The design and construction of a cage shall include:

(A) Secure cashier windows designed to prevent entry by a patron or another individual, and to prevent theft from the cage;

(B) A manually triggered silent alarm system connected directly to the surveillance unit, or its equivalent, or an alarm monitoring agency; and

(C) Access through a secured door or doors, which shall be under constant recorded video surveillance in accordance with the applicable provisions of Section 12396.

(2) In addition to the information specified in paragraph (5) of subsection (a), the cage accountability form referenced therein shall include an itemization of the following:

(A) Cash and coin by denomination;

(B) Gambling chips by denomination;

(C) All other items of monetary value (e.g., markers, patron checks, players' banks, etc.), specifying the amount of each;

(D) The amount assigned to each dealer's bank and floor bank.

(3) The licensee shall maintain a record, either in writing or electronically, of the names or classifications of all persons assigned pursuant to paragraph (2) of subsection (a) as being authorized to access or enter a cage, which record shall specify those persons who possess the combination or the keys or who control the mechanism to open the devices securing the entrance to a cage, and those who possess the ability to operate the alarm system. The record shall be updated each time an assignment is added or deleted.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier V shall include standards for a cage that require monitored and recorded video surveillance of the interior of the cage and all of its contents, and the exterior of all access doors in accordance with the applicable provisions of Section 12396.

(e) Licensees shall establish and implement the applicable standards for cage functions specified in subsections (a) through and including (d) no later than April 1, 2010.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

§ 12387. Security and Use of Floor Banks; Security of Gambling Equipment and Confidential Documents.

(a) The policies and procedures for all tiers shall meet or exceed the following standards for the security of floor banks:

(1) When kept, held, or stored in any public area of the gambling establishment, a floor bank shall be secured in a receptacle, drawer, or compartment with a locking mechanism securing the contents. The receptacle, drawer, or compartment shall remain locked at all times, except when being accessed by assigned gambling enterprise employees in the performance of their duties. If a keyed lock or locking mechanism is used, the key shall not be left in the lock when the drawer or compartment is not being accessed. All keys, combinations, and access codes shall be subject to the applicable key security and control provisions of Section 12395.

(2) The lock or locking mechanism of each receptacle containing a floor bank, shall be keyed differently from the lock or locking mechanism of any other receptacle, drawer, or compartment of any furnishing, fixture, cabinet, appurtenance, or device (hereafter cabinet) in the gambling establishment, except in the following circumstances:

(A) When a single assigned gambling enterprise employee requires access to multiple receptacles in the performance of his or her duties; that access is limited solely to that employee during his or her assigned shift; and each of the receptacles contains a floor bank, those receptacles may have a key, combination, or access code in common with each other.

(B) Managers and supervisors whose duties include the supervision or oversight of employees who utilize and have access to floor banks in the performance of their assigned duties, may have a master or duplicate key that will open some or all of the locking mechanisms for the receptacles containing a floor bank to which any of their subordinate employees have access.

(3) Any cabinet having a drawer, compartment, or receptacle containing or intended to contain a floor bank shall be located so that it is clearly visible for security and surveillance purposes. The cabinet shall be kept under continuous recorded video surveillance, in accordance with the applicable provisions of Section 12396. The camera coverage shall be adequate to enable monitoring and recording of the contents of any drawer when open, to the extent reasonably possible, and of all activities involving the floor bank. If a mobile cabinet is used, it shall be kept at a fixed secure location under continuous recorded video surveillance when not being actively used on the gambling floor.

(4) No gambling equipment, documents, supplies, or other materials that are not directly related to a floor bank shall be commingled with or kept in the same receptacle with a floor bank. Neither the cabinet nor any other drawer, compartment, or receptacle therein, shall be used to hold, store, keep, or safeguard any personal property or possession of any gambling enterprise employee, patron, or any other person, nor any equipment, documents, supplies, or other materials that are not directly related to the conduct of gambling operations.

(5) Each floor bank shall be individually balanced not less than daily and the imprest amount verified. Any shortages or overages shall be documented in an exception report and included in the appropriate cage bank reconciliation.

(6) The licensee shall establish a maximum imprest amount that may be assigned to each floor bank based on a reasonable estimate of the amount necessary for the activities associated with the bank during any shift. The maximum imprest amount that may be assigned to a floor bank in a mobile cabinet shall not exceed $30,000 at any time.

(7) The licensee's policies and procedures shall include specific provisions governing the sale or distribution of gambling chips and the disbursement of cash to patrons from a floor bank by the assigned gambling enterprise employee. The redemption of chips by a patron from a floor bank shall not exceed a total of $500, except when that floor bank is being temporarily operated as a cage and all applicable provisions of Section 12386 are complied with. No chip redemptions may be transacted at any time from a floor bank in a mobile cabinet.

(b) The policies and procedures for all tiers shall meet or exceed the following standards for-the security of gambling equipment and confidential documents:

(1)(A) When kept, held, or stored in any public area of the gambling establishment, gambling equipment not actively being used shall be secured in a receptacle, drawer, or compartment, with a locking mechanism securing the contents. The locking mechanism shall remain locked at all times, except when being accessed by an authorized gambling enterprise employee in the performance of his or her duties. If a keyed lock or locking mechanism is used, the key shall not be left in the lock when the receptacle is not being accessed. All keys, combinations, and access codes shall be subject to the applicable key security and control provisions of Section 12395. This subparagraph shall not apply to any gambling equipment that cannot be secured in a receptacle, drawer, or compartment when not in use due to its size.

(B) When kept, held, or stored in any public area of the gambling establishment, confidential documents shall be secured in a receptacle, drawer, or compartment, as specified in subparagraph (A), except when in use or when maintained electronically. Confidential documents, when in use or maintained electronically, shall be kept out of public view, to the extent reasonably possible.

(2) The lock or locking mechanism of each receptacle containing any gambling equipment or confidential documents, shall be keyed differently from the lock or locking mechanism of any other receptacle, drawer, or compartment of any cabinet in the gambling establishment, except in the following circumstances:

(A) When a single assigned gambling enterprise employee requires access to multiple receptacles in the performance of his or her duties; that access is limited solely to that employee during his or her assigned shift; and each of the receptacles contains either gambling equipment or confidential documents, those

receptacles may have a key, combination, or access code in common with each other.

(B) Managers and supervisors whose duties include the supervision or oversight of employees who utilize and have access to gambling equipment or confidential documents in the performance of their assigned duties, may have a master or duplicate key that will open some or all of the locking mechanisms for the receptacles to which any of their subordinate employees have access.

(3) Any cabinet having a drawer, compartment, or receptacle containing gambling equipment or confidential documents shall be located so that it is clearly visible for security and surveillance purposes. The cabinet shall be kept under continuous recorded video surveillance, in accordance with the applicable provisions of Section 12396.

(4) No gambling equipment or confidential documents shall be commingled with or kept in the same drawer or compartment with a floor bank, or commingled with or kept in the same drawer or compartment with any personal property or possession of any gambling enterprise employee, patron, or any other person.

(5) The licensee's policies and procedures shall include specific provisions governing the storage, distribution, and tracking of gambling equipment kept, held, or stored on or near the gaming floor or in any other public area of the gambling establishment.

(c) If a licensee provides to any third-party provider of proposition player services (TPPPS) company or its employees access to or the use of any cabinet, or any receptacle, drawer, or compartment in any cabinet described in subsection (a) or (b), that access or use shall be exclusive to that TPPPS company and its employees, and that cabinet shall not be used by the licensee for any purpose.

(d) Licensees shall establish and implement the standards specified in this section no later than April 1, 2015.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19841, 19922 and 19924, Business and Professions Code.

§ 12388. Extension of Credit, Check Cashing, and Automatic Teller Machines (ATMs).

(a) A licensee may extend credit to a patron if, prior to extending credit to the patron, the licensee determines that an extension of credit is not prohibited by any statute, law, regulation, or local ordinance. A licensee shall not extend credit to an owner, supervisor, player or other employee of a gambling business (as defined in Title 4 CCR Section 12220) that is occupying a player-dealer position in any game at any gambling establishment owned by the licensee. A licensee shall not extend credit to an owner, supervisor, player or other employee of a third-party provider of proposition player services (as defined in Title 4 CCR Section 12200) that is a party to a contract with the licensee to provide third party proposition

player services in a game with a player-dealer position in any gambling establishment owned by the licensee. A licensee may not extend credit to an employee of the licensee to act as a "house prop player" or "public relations player" in any controlled game. In addition to complying with all laws regarding the issuance of credit, a licensee that extends credit to a patron shall address, in written policies and procedures and credit application form(s), the following requirements for the extension and collection of credit:

(1) Establish a method for determining the maximum amount which will be advanced to a patron, changes in the credit amount, the maximum time an extension of credit will be outstanding, and repayment terms.

(2) Prior to extending credit to a patron for the first time, ensure that the person requesting the credit is identified by examining the patron's unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport.

(3) Ensure that the patron is credit worthy through an assessment of one of the following:

(A) Receipt of patron information on a credit application form which includes the patron's name and signature, current address, telephone number, social security number, bank and/or trade references, employment information and income information, which shall be verified and used to form an assessment of the patron's financial situation, collateral circumstances and credit worthiness.

(B) Receipt of a signed and dated authorization from the patron to access their consumer credit report from a bona fide credit-reporting agency to show the patron has an established credit history consistent with approved credit policies and receipt of information from a bona fide credit-reporting agency that the patron has an established credit history consistent with approved credit policies.

(C) If any previous credit transactions exist between the patron and the gambling establishment, an examination of those records showing that the patron has paid in a timely manner all credit instruments and/or otherwise documenting that there is a reasonable basis for extending the credit amount to the patron.

(4) An owner or designated key employee other than a dealer must approve any credit application.

(5) No credit may be extended to any patron who has signed a self-exclusion form (Title 4 CCR Section 12464) or has self-restricted access to credit (Title 4 CCR Section 12463) for the time period of the exclusion or restriction.

(6) Notify the patron of the issuance or denial of credit. The notification for issuing credit shall include the date of issuance, terms of repayment, and interest charges, if applicable. If a patron is denied credit, and the denial is based, in whole or part, on any information contained in a consumer credit report, the licensee shall comply with Civil Code section 1785.20.

(7) If a patron is approved for credit pursuant to subparagraph (B) of paragraph (3), a copy of the patron's consumer credit report obtained by the licensee shall be kept on file with the cardroom for as long as that patron's credit account is open.

(8) Written or electronic records shall be maintained on each attempt to collect on delinquent credit accounts.

(9) For each patron issued credit, the licensee shall maintain a record of the patron's credit limit, payment schedule, outstanding credit balance, and the patron's signature on a credit agreement.

(b) For each patron that is issued credit for the first time, the following information shall be collected and maintained:

(1) Patron's name, current address and telephone number;

(2) A photocopy of the patron's unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport;

(3) Basis upon which credit verified, as listed in subsection (a)(3);

(4) Documentation of authorization by a person designated by management to approve credit.

(c) If payment upon an extension of credit is delinquent for more than 90 days, as determined by the original credit agreement, the person to whom credit was extended shall be prohibited from obtaining additional credit until the amount owed is paid in full.

(d) No gambling enterprise shall cash any check if cashing such a check is prohibited by any statute, regulation, or ordinance. No gambling enterprise employee shall be permitted to cash any check drawn against any federal, state, county, or other government fund, including, but not limited to, social security, unemployment insurance, disability payments, or public assistance payments, as outlined in Business and Professions Code section 19841, subdivision (q), unless the check is for wages or payment for goods or services.

(e) A licensee who does not deposit a patron's check within three banking days after receipt shall be considered to have extended credit to that patron.

(f)(1) A licensee shall not allow a patron to replace, redeem, reclaim or repurchase a personal check with a subsequent personal check, unless that patron has been approved for an extension of credit as provided in this Article and the amount of the check or checks to be replaced is within the patron's approved credit limit.

(2) A subsequent personal check used by a patron to replace a previous personal check may not be replaced with another personal check at any time after receipt by the licensee.

(3) Paragraph (1) of this subsection shall not apply to a personal check that has not been deposited by a licensee within three banking days after a receipt, or to a dishonored check.

(g) A licensee that cashes checks for a patron shall address, in written policies and procedures, the following requirements for the cashing of checks:

(1) Prior to cashing a check for a patron, the designated employee shall determine that

(A) The licensee's records do not contain information reflecting that the patron presenting the check has signed a self-exclusion form or self-restricted access to check cashing for the time period of the exclusion or restriction,

(B) Cashing such check is not prohibited,

(C) Cashing such check conforms to the licensee's approval process,

(D) The check is for a specific amount and within the patron's established check cashing amount limit, and, in the case of a personal check, includes the current date, and,

(E) In the case of a third party check, the check is endorsed over to the gambling establishment.

(2) If personal checks, cashier's checks, or payroll checks are cashed, the licensee or designated employee shall examine and, if the patron is not approved for credit or check cashing, record an unexpired government-issued form of identification evidencing residence and bearing a photograph of the patron, such as a driver's license or passport. If the patron's identification information is already on file with the licensee, then retrieval and examination of this identification file by the licensee or designated employee shall satisfy the provisions of this paragraph.

(3) Records of all returned checks shall be maintained by the gambling establishment and shall include, at a minimum, the following:

(A) Date on the check.

(B) Name of the customer presenting the check.

(C) Amount of the check.

(D) Date(s) the check was dishonored.

(E) Date(s) and amount(s) of any collection received on the check after being returned by a bank.

(4) If a check is dishonored, the person who proffered the check shall be prohibited from cashing additional checks until the amount owed is paid in full, but may replace a dishonored check in accordance with the policies of the licensed gambling establishment.

(5) The licensee shall include written procedures for the collection of checks dishonored for non-sufficient funds (NSF), including a point in time that the NSF check will be written off as a bad debt.

(h) If a licensee that cashes checks for a patron charges a check-cashing fee, the licensee shall obtain and maintain an unexpired California Department of Justice Check Cashing Permit pursuant to Civil Code section 1789.37.

(i) Checks accepted or credit instruments completed in accordance with this Article are valid and enforceable instruments.

(j) A licensed gambling establishment shall not have an ATM (automatic teller machine or cash- or voucher-dispensing machine) accessible by an individual while physically seated at a gaming table, unless otherwise required under the Americans with Disabilities Act.

(k) ATMs shall be configured to reject Electronic Benefit Transfer cards (EBTs) issued by the State of California or by any city, county, or city and county therein.

Note: Authority cited: Sections 19811, 19823, 19840, 19841(g), 19841(o), 19841(q), 19901, 19905 and 19920, Business and Professions Code. Reference: Sections 19801, 19841(g), 19841(o), 19841(q), 19901, 19905 and 19920, Business and Professions Code.

§ 12391. Gambling Floor Operation.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for gambling floor operation:

(1) Except as provided in Business and Professions Code sections 19844, 19845, 19861 and 19921, all areas of the gambling establishment in which controlled games and gaming activity are being conducted shall be open to the public.

(2) No licensee or employee of a gambling enterprise shall, as a consequence of an employee's refusal to play a controlled game, coerce that employee, or take or threaten to take any action adversely affecting the terms and conditions of employment for that employee. Notwithstanding the foregoing, where an employee's duties or scope of employment includes the play of controlled games, a licensee or employee may take action adversely affecting the terms and conditions of employment against that employee for his or her refusal to play a controlled game. This paragraph does not create any new civil liability.

(3) A licensee shall not have in any room or combination of rooms where controlled games or gaming activities are being conducted, more gaming tables than the total number of tables the licensee is authorized to operate, unless all excess gaming tables are covered or prominently labeled as being non-operational and are under continuous recorded video surveillance, in accordance with paragraph (1), subsection (a) of Section 12396.

(4) The sale or redemption of chips shall be transacted only by those designated gambling enterprise employees who have received the training required by section 1021.210 (revised as of July 1, 2011) of Chapter X of Title 31

of the Code of Federal Regulations. A licensee shall have policies and procedures in place to ensure compliance with Section 12404 of Article 4.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall include standards for gambling floor operations that provide for, Title 11, CCR, Section 2050 notwithstanding, at least one licensee or key employee to be on the premises at all times that the gambling establishment is open to the public to supervise the gambling operation and ensure immediate compliance with the Act and these regulations.

(c) Licensees shall establish and implement the applicable standards for gambling floor operations specified in subsections (a) and (b) no later than May 1, 2013.

Note: Authority cited: Sections 19801(l), 19811, 19840, 19841, 19861 and 19920, Business and Professions Code. Reference: Sections 19801(a), 19801(g), 19801(h), 19801(j), 19801(l), 19823, 19841, 19861, 19914(a)(2), 19920 and 19924, Business and Professions Code.

§ 12392. House Rules.

The policies and procedures for all Tiers shall meet or exceed the following standards for house rules:

(a) A licensee shall adopt and implement general house rules, written, at a minimum, in English, which promote the fair and honest play of all controlled games and gaming activity, and which at a minimum:

(1) Allow for the operation of only those games that are permitted by local ordinance and state and federal laws and regulations;

(2) Include provisions that are designed to deter collusion; and,

(3) Where applicable during the play of any controlled game or gaming activity, shall address the following:

(A) Player conduct,

(B) Table policies,

(C) Betting and Raising,

(D) “Misdeals,”

(E) Irregularities,

(F) “The Buy-In,”

(G) “Tied Hands,”

(H) “The Showdown,”

(I) “House Way,”

(J) Player Seating and Seat Holding, and

(K) Patron Disputes.

(b) A licensee’s house rules shall be in addition to, and shall not conflict with, the game rules approved by the Bureau for any controlled game or gaming activity.

(c) A licensee's house rules must be readily available and provided upon request to patrons and the Bureau.

(d) Licensees shall establish and implement the applicable standards for house rules specified in subsections (a) and (b) no later than May 1, 2013.

Note: Authority cited: Sections 19801(l), 19811, 19840, 19841 and 19920, Business and Professions Code. Reference: Sections 19801(g), 19801(h), 19823, 19841 and 19920, Business and Professions Code.

§ 12395. Security.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for security:

(1) Access to restricted areas of the gambling establishment, including but not limited to cages, count rooms, vaults, security offices and surveillance rooms, shall be limited to authorized personnel in the performance of their duties and shall be closely controlled.

(2) For the purpose of video surveillance recordings, gambling establishments shall provide adequate lighting of all public areas, entrances and exits, and for all adjoining parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(3) Licensees shall file an incident report with the Bureau's Criminal Intelligence Unit within five business days of either of the following:

(A) Any owner or key employee contacting a local law enforcement agency, pursuant to the provisions of the licensee's security plan, regarding any reasonably suspected violation of the Act, this division, Division 3 of Title 11 of the California Code of Regulations, any statute set forth in sections 330 through 337z of the Penal Code that pertains to gambling, section 1916-3(b) of the Civil Code (loan-sharking), chapter 1 (commencing with section 11000) of division 10 of the Health and Safety Code (illegal possession or distribution of controlled substances), section 4022 of the Business & Professions Code (illegal possession or distribution of dangerous drugs), or any violation of the following Penal Code sections: 186.10 (money laundering), 211 (robbery), 245 (assault with deadly weapon), 266h (pimping), 266i (pandering), 459 (burglary), 470 (forgery), 476 (fraud), 487 (grand theft), 488 (petty theft), 503 (embezzlement), 518 (extortion), 641.3 (commercial bribery), 648 (counterfeit currency), 653.22 (loiter for prostitution), 653.23 (pimping), or 647(b) (prostitution).

(B) Any owner or key employee obtaining knowledge or notice of any reasonably suspected violation listed in subparagraph (A).

(4) An incident report shall include, when available and applicable, the following information:

(A) The date and time of the incident or event.

(B) The identity of each perpetrator or suspect, including the following:

1. Full name.
2. Address.
3. Date of birth.
4. Driver license or identification card number.

(C) Law enforcement report number.

(D) Detailed description of the event or suspected incident, including an identification of any witnesses and a description of any evidence.

(5) Licensees shall maintain a list of all mechanical keys or electronic card keys to the locking devices used to secure the gambling establishment, restricted areas of the gambling establishment, or any fixtures, appurtenances and equipment used in the gambling operation, the names of all gambling establishment employees who have been issued, possess or have access to any of those keys, and the location where un-issued keys are stored. If any coded mechanical or electronic locking devices are used, the list shall include all access codes and combinations, as applicable, and the names of all gambling establishment employees who possess any code or combination, or who control the mechanism to open any of the locks. The licensee may maintain a master list or separate departmental lists. Each list shall be:

(A) Continuously maintained while current, at a minimum, in a permanent, written form and dated as of the date created or updated;

(B) Updated as changes in the information contained in the list changes;

(C) Kept in a secure, locked receptacle, such as a key control box, safe, locking file drawer or similar container; and

(D) Retained for a minimum of one year after the list has been updated.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III through and including V shall meet or exceed the following standards for security:

(1) Except as otherwise provided, licensees shall install and maintain a minimum of at least one secure key control box for the storage and safeguarding of all un-issued gambling-related keys and access code cards associated with the gambling establishment; e.g., keys to the gambling establishment, cage, count room or other restricted areas of the gambling establishment, and any fixtures, appurtenances and equipment used in the gambling operation, including but not limited to gambling tables and drop boxes. This paragraph does not apply to an individual licensee, who does not employ, except in unforeseeable exigencies, more than one person or any person except members of his or her immediate family. For the purposes of this paragraph, "immediate family member" means spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

(2) All key control boxes shall meet or exceed the following requirements:

(A) The key control box shall have a minimum of one keyed locking mechanism. A coded key lock or a mechanical or electronic combination lock is acceptable.

(B) The key control box shall be securely attached to a permanent structure within the gambling establishment. The hardware used to attach the box shall not be visible or accessible externally.

(C) All keys, stored within a key control box shall be easily identifiable and individually labeled.

(D) Access to a key control box shall be limited to the licensed gambling establishment owners, key employees, or other employees designated by the owner of the gambling establishment.

(3) Licensees shall maintain a key control log for each key control box maintained pursuant to paragraph (1). The key control log shall document the issuance and return of all gambling-related keys used to control access by gambling establishment employees to restricted areas of the gambling establishment, or any fixtures, appurtenances and equipment, associated with the department or operation.

(4) During any period of time, between one-half hour before or after sunset and one-half hour before or after sunrise, in which the gambling establishment is open for business or patrons are present on the premises, licensees shall have at least one uniformed security officer on duty, who shall periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons. Any security officer, whether an employee, agent or contractor of the licensee, who is a gambling enterprise employee as defined in subdivision (m) of section 19805 of the Business and Professions Code, shall be required to hold a work permit pursuant to paragraph (1) of subdivision (a) of section 19912 of the Business and Professions Code, and Chapter 2 of this division. Any contract security officer whose scope of employment is limited to performance of his or her duties exclusively outside the licensee's gambling establishment shall not be required to hold a work permit under these regulations.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers IV and V shall meet or exceed the following standards for security:

(1) Licensees shall install and maintain a backup generator that is sufficient, during power outages, to provide for the operation of lighting systems, information systems, and surveillance and recording systems for a time necessary to protect the safety and security of patrons and employees, patrons' property, and the licensee's assets and property while gambling operations are terminated and patrons exit the premises.

(2) Any gambling establishment that elects to continue gambling operations during a power outage shall install and maintain a backup generator that is sufficient to provide for the full and continued operation of all lighting systems, all information systems, and all surveillance and recording systems.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier IV shall include standards for security that require at least two uniformed security officers, as specified in paragraph (4) of subsection (b), to be on duty during all hours of operation, one of which shall periodically patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(e) In addition to the requirements of subsections (a), (b), (c) and (d), the policies and procedures for Tier V shall include standards for security that require at least two uniformed security officers, as specified in paragraph (4) of subsection (b), to be on duty during all hours of operation, one of which shall continuously patrol the exterior of the gambling establishment, including all adjoining and adjacent parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(f) Licensees shall establish and implement the applicable standards for security specified in subsections (a) through and including (e) no later than December 1, 2011.

Note: Authority cited: Sections 19801(g), 19826(b), 19840, 19841, 19856(c), 19857 and 19924, Business and Professions Code. Reference: Sections 19841, 19856(c), 19857, 19912, 19922 and 19924, Business and Professions Code.

§ 12396. Surveillance.

(a) The policies and procedures for all Tiers shall meet or exceed the following standards for surveillance:

(1) Licensees shall install and maintain, on site in their gambling establishment, a surveillance system, with video recording and closed circuit television (CCTV) monitoring capabilities, to record critical activities related to the licensees' gambling operations. The surveillance system shall record with reasonable coverage and clarity, at a minimum, the gambling operation, the payment of player drop fees, the collection of drop boxes, the drop count processes, cage and cashier activities, gambling equipment storage areas, except for furniture storage areas, and the interior of gambling establishment entrances and exits. The video recording equipment shall include date and time generators which shall display the current date and time of recorded events on videotape or digital recordings. The displayed date and time shall not significantly obstruct the view of recorded images. The surveillance system may have remote, off-site

access capabilities, but only ancillary to any on-site systems required by this section.

(2) All surveillance recordings shall be made in real time mode, or at a speed sufficient to capture and record with reasonable completeness the actions of all individuals being observed, except that any recordings of the gambling establishment parking areas, and the gambling establishment entrances and exits may be recorded in time-lapse mode, at a minimum speed of 15 frames per second.

(3) All video surveillance cameras shall be installed in a manner that prevents them from being intentionally obstructed, tampered with or disabled by patrons or employees, to the extent reasonably possible. All recording and monitoring equipment shall be located in secure rooms or areas of the gambling establishment so that access is controlled.

(4) The surveillance system operation shall be checked daily to ensure that all surveillance equipment is functioning properly and reasonable efforts shall be made to repair malfunctioning surveillance equipment within 72 hours of the discovery of the malfunctions.

(5) If a digital video recording (DVR) system is utilized, the system shall meet the following standards:

(A) The DVR system shall have a failure notification system that, at a minimum, provides a visual notification of any failure in the surveillance system or the DVR media storage system.

(B) The DVR system shall have a media storage system that is configured so that a failure of any single component will not result in the loss of any data from the media storage system.

(C) The DVR system shall have the capability to reproduce or copy all or any portion of the stored data from the media storage system to a digital video disk (DVD).

(D) A single DVR system shall not have more than 8 cameras required by the standards of this section, unless the DVR system has an appropriate backup system to ensure that there is no loss of data in the event of a failure of the primary DVR system or any single component of that system.

(6) Videotapes or other recording media shall be marked or coded to denote the activity recorded.

(7)(A) Unless otherwise requested by the Bureau, all recordings shall be retained for a minimum of seven complete days of operation, except that recordings that are determined by the Bureau or a law enforcement agency to be of evidentiary value shall be retained for a period specified in writing by the determining agency. Recordings of any criminal offense subject to reporting pursuant to paragraph (3) of subsection (a) of Section 12395 shall be retained indefinitely, or until the Bureau authorizes their disposal.

(B) Subsection (f) notwithstanding, the seven day retention period specified in subparagraph (A) shall be increased to 14 days no later than June 1, 2013.

(8) For the purpose of enforcing the provisions of the Act, this division, or Division 3 of Title 11 of the California Code of Regulations, Bureau staff, with the approval of the chief, may, at any time during the gambling establishment's actual hours of operation, demand immediate access to the surveillance room and any area of the gambling establishment where surveillance equipment is installed or maintained or where surveillance video recordings are stored, and such access shall be provided by the licensee or the licensee's authorized representative. The Bureau may, pursuant to subparagraph (D) of paragraph (1) of subdivision (a) of section 19827 of the Business and Professions Code, take custody of and remove from the gambling establishment the original of any video recording, or a copy of any digital recording, required to be made and maintained pursuant to the Act or this division. Any surveillance video recording that is in the custody of the Bureau pursuant to this paragraph may be disclosed by the Bureau only when necessary to administer or enforce the provisions of the Act, this division, or Division 3 of Title 11 of the California Code of Regulations or when necessary to comply with a court order. Upon reasonable request of the licensee or the licensee's authorized representative, a copy of the recordings shall be made and left on the premises if copying equipment is available to enable Bureau staff to make copies. If copying equipment is not available to Bureau staff, upon reasonable request of the licensee or the licensee's authorized representative, a copy of the recordings will be provided to the licensee at the licensee's expense, unless the Bureau expressly waives its costs of providing the copies.

(9) Licensees shall prominently display in a place and manner conspicuous to all patrons entering and exiting the gambling establishment, a sign containing the following statement printed in bold lettering of sufficient size to be visible and readable: "All Public Areas, Entrances and Exits of This Establishment are Subject to Surveillance and Video Recording." The lettering and background shall be of contrasting colors, and the sign shall comply in all respects with applicable signage requirements, if any, of the local jurisdiction.

(b) In addition to the requirements of subsection (a), the policies and procedures for Tiers II through and including V shall meet or exceed the following standards for surveillance:

(1) The surveillance system shall, at a minimum, record both the interior and the exterior of gambling establishment entrances and exits.

(2) The surveillance system shall have a sufficient number of cameras dedicated to gambling tables to be capable of viewing and recording, with reasonable coverage and clarity, patrons, dealers, wagers, cards, and game outcome at each table. For the purposes of this paragraph, an overhead view of patrons and dealers is acceptable. This paragraph shall not apply to

demonstration or instructional tables, when cash or prizes are not being wagered, won or lost.

(3) The surveillance system shall include an audio recording of, at a minimum, any areas of the gambling establishment that are used for vault or count room functions.

(c) In addition to the requirements of subsections (a) and (b), the policies and procedures for Tiers III through and including V shall include standards for surveillance that require the surveillance system to include coverage and recording of all adjoining parking areas owned, operated or otherwise controlled by the licensee for use by its patrons.

(d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures for Tier IV shall include a requirement that, during all hours of operation, a gambling establishment owner or key employee be on duty who has the ability to access live video from surveillance cameras and previous surveillance video recordings.

(e) In addition to the requirements of subsections (a), (b), (c) and (d), the policies and procedures for Tier V shall meet or exceed the following standards for surveillance:

(1) Licensees shall establish a surveillance unit separate and apart from the security department. The head of the surveillance unit and all surveillance unit personnel shall be independent of the security department and have no other gambling-related duties.

(2) Licensees shall establish and maintain a separate surveillance room that meets or exceeds the following requirements:

(A) The surveillance room shall have controlled access through a secured door or doors, which shall be under constant recorded video surveillance.

(B) No entrance or exit door of a surveillance room shall be readily observable or accessible from the gambling operation area.

(3) Routine access and entry into the surveillance room shall be limited to on-duty employees of the surveillance unit assigned to monitor gambling operations. Owners, managers and other employees of the gambling establishment who hold a valid gambling license or work permit may be granted access to the surveillance room for the purpose of performing their duties. Other persons may be granted limited access to the surveillance room for educational, investigative or maintenance purposes, if accompanied at all times by a surveillance unit employee.

(4) At least one surveillance employee shall be present in the surveillance room and actively monitoring the gambling operations, via the surveillance room equipment, during all hours of operation, except that the surveillance room may be unattended for no more than a total of one hour during any shift or eight-hour period to allow for required meal and rest breaks for staff. No controlled

gambling may take place when a surveillance employee is not present and on duty in the gambling establishment, whether on a break or not.

(5) Count room surveillance shall include closed circuit television (CCTV) monitoring and video recording.

(6) Licensees shall maintain a record of all surveillance activity in the surveillance room, by surveillance period or shift, in a surveillance activity log. The surveillance activity log entries shall be made by on-duty surveillance personnel and shall include, at a minimum, the following:

(A) The date and time of commencement of the surveillance period or shift;

(B) The printed name(s) of the person(s) conducting the surveillance;

(C) The date and time of termination of the surveillance period or shift;

(D) A summary of the results of the surveillance, including a notation of the time of recording of any event, activity, occurrence, process or procedure that was monitored during the surveillance period or shift, whether the recording or monitoring was required or not;

(E) A notation of the time of the discovery or occurrence of any equipment or camera malfunctions during the surveillance period or shift;

(F) A notation of the time of the correction or repair of any equipment or camera malfunctions occurring during the surveillance period or shift, if corrected or repaired during that period or shift;

(G) A notation of the time of the correction or repair of any equipment or camera malfunctions discovered and noted in a previous surveillance period or shift, if corrected or repaired during the current period or shift;

(H) A notation of the time of occurrence of any medical emergency event or law enforcement event, including any incident number generated by the responding entity, if available;

(I) A notation of the time(s) of drop box collection occurring during the surveillance period or shift;

(J) A notation of the time of drop count procedure(s) occurring during the surveillance period or shift; and

(K) A notation of the times of patron disputes occurring during the surveillance period or shift that require the intervention of the security department, if any.

(7) Each gambling table must have a dedicated camera, meeting the requirements of paragraph (2) of subsection (a), providing clear surveillance coverage of all controlled gambling at all hours of operation. In addition, one Pan/Tilt/Zoom (PTZ) camera must be installed for every ten or fewer authorized tables present in any gambling operations area of the gambling establishment. A reasonable attempt must be made to pan the faces of patrons and dealers for identification at least once per work shift of surveillance unit employees.

(f) Licensees shall establish and implement the applicable standards for surveillance specified in subsections (a) through and including (e) no later than December 1, 2011.

Note: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

ARTICLE 4. ACCOUNTING AND FINANCIAL REPORTING.

[*The current Article 4, Accounting and Financial Reporting (commencing with Section 12400), is repealed effective July 1, 2015*.]

[*See new Chapter 5, effective July 1, 2015*]

§ 12400. Definitions.

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

(b) As used in this chapter:

(1) "Authorized game" means a controlled game approved by the Bureau of Gambling Control.

(2) "Dealer's bank" means the total amount of moneys a dealer of the gambling establishment has on deposit with the gambling establishment for chip trays.

(3) "Drop" means the total amount of compensation collected from patrons of a gambling establishment to play in controlled games.

(4) "Fiscal year" means the annual period used by a licensee for financial reporting purposes.

(5) "Group I licensee" means a licensee with a reported gross revenue of $10 million or more for the preceding fiscal year.

(6) "Group II licensee" means a licensee with a reported gross revenue of $2 million or more but less than $10 million for the preceding fiscal year.

(7) "Group III licensee" means a licensee with a reported gross revenue of less than $2 million for the preceding fiscal year.

(8) "Jackpot" means a gaming activity appended to the play of an authorized game in a gambling establishment in which a prize is awarded based on predetermined criteria.

(9) "Jackpot administrative fee" means a fee to cover all expenses incurred by the licensee for administering a jackpot.

(10) "Licensee" means "owner licensee" as defined in Business and Professions Code section 19805 (ad).

(11) "Player's bank" means the total amount of moneys a patron of the gambling establishment has on deposit with the gambling establishment.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19805 and 19841, Business and Professions Code.

§ 12401. Accounting Records.

(a) Maintain accurate, complete, and legible records of all transactions pertaining to gross revenue as defined in Business and Professions Code section 19805(r). Records must be maintained in sufficient detail to support the amount of revenue reported to the Bureau in renewal applications.

(b) Maintain accounting records identifying the following:

(1) Revenues, expenses, assets, liabilities, and equity for the gambling establishment.

(2) Records of all players' banks, dealers' banks, credit transactions, returned checks, and drop for each table (either by shift or other accounting period).

(3) Records required by the licensee's written system of internal controls.

(4) Records of all jackpot moneys contributed by the gambling establishment, jackpot moneys collected from patrons, or both, and moneys withdrawn for either jackpot administrative fees or payment to patrons.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

§ 12402. Chart of Accounts.

Each licensee shall:

(a) Maintain a uniform chart of accounts and accounting classifications in order to ensure consistency, comparability, and effective disclosure of financial information. The chart of accounts shall provide the classifications necessary to prepare a complete set of financial statements including but not limited to a statement of financial position, a statement of operations, a statement of changes in equity, a statement of cash flows, or other statements appropriate for the licensee. If the licensee elects to submit to the Bureau copies of its federal income tax return as provided in Section 12403, the chart of accounts shall contain classifications necessary to prepare the licensee's federal income tax return.

(b) Within 90 days of the effective date of these regulations, submit the chart of accounts to the Commission for approval. The Commission shall submit a copy of the chart of accounts to the Bureau for review and comment. The Bureau shall provide the Commission with comments, if any, within 15 days of the submission to the Bureau. If the Bureau does not respond within 15 days, it shall be deemed that the Bureau does not object to the chart of accounts or have comments. The Commission shall then have 30 days to approve, reject, request additional information, or approve with modification(s) the chart of accounts and advise the licensee.

(c) Not use a chart of accounts other than the approved chart of accounts, but may create subaccounts for some or all accounting classifications. The licensee may alter the account numbering system, provided that the licensee maintains and provides to the Commission a cross-reference to the approved chart of accounts no later than 30 calendar days following the end of the fiscal year in which the change occurs.

(d) Keep a general ledger, which documents all accounting transactions completed and posted to accounts listed in the chart of accounts referred to in subsection (a) of this section. General accounting records shall be maintained on a double entry system of accounting with recorded transactions supported by detailed subsidiary records, including but not limited to ledgers, invoices, purchase orders, and other source documents.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

§ 12403. Financial Statements and Reporting Requirements.

(a) A licensee shall prepare financial statements covering all financial activities of the licensee's gambling operation for each fiscal year, in accordance with generally accepted accounting principles unless otherwise provided in this section. If the licensee (or a person or entity that has an interest, control, or common control with the licensee) owns or operates lodging, food, beverage, or any other non-gambling operation at the establishment, the financial statements must reflect the results of the gambling operation separately from those non-gambling operations.

(1) A Group I licensee shall engage an independent accountant licensed by the California Board of Accountancy to audit the licensee's annual financial statements in accordance with generally accepted auditing standards.

(2) A Group II licensee shall engage an independent accountant licensed by the California Board of Accountancy to review the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards. The Bureau or Commission may require the licensee, or the licensee may elect, to engage, an independent accountant licensed by the California Board of Accountancy to audit the annual financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

(A) Inadequate internal control procedures;

(B) Insufficient financial disclosure;

(C) Material misstatement in financial reporting;

(D) Inadequate maintenance of financial data; or

(E) Irregularities noted during an investigation.

(3) A Group III licensee with a gross revenue of $500,000 or more per year shall prepare financial statements including at a minimum a statement of financial position, a statement of income or statement of operations, and disclosure in the form of notes to the financial statements. If the licensee is unable to produce the financial statements, it shall engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards, including full disclosure in the form of notes to the financial statements. The Bureau or Commission may require the licensee, or the licensee may elect, to engage an independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

(A) Inadequate internal control procedures;

(B) Insufficient financial disclosure;

(C) Material misstatement in financial reporting;

(D) Inadequate maintenance of financial data; or

(E) Irregularities noted during an investigation.

(4)(A) A Group III licensee with a gross revenue of less than $500,000 per year shall prepare financial statements that include, at a minimum, a statement of financial position and a statement of income or statement of operations. If the licensee is unable to produce the financial statements, it shall do one of the following:

1. Engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards and management may elect not to provide footnote disclosures as would otherwise be required by generally accepted accounting principles.

2. Submit to the Bureau no later than 120 calendar days following the end of the year covered by the federal income tax return, copies of the licensee's complete signed and duly filed federal income tax return for the tax year in lieu of the financial statements as otherwise required under this section.

(B) The Bureau or Commission may require the licensee, or the licensee may elect, to engage an independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards, if

there are concerns about the licensee's operation or financial reporting, including but not limited to:

1. Inadequate internal control procedures;
2. Insufficient financial disclosure;
3. Material misstatement in financial reporting;
4. Inadequate maintenance of financial data; or
5. Irregularities noted during an investigation.

(b) Unless otherwise provided in this section, a licensee shall submit copies of the annual financial statements, with the independent auditor's or accountant's report issued to meet the requirements under this section, to the Bureau no later than 120 calendar days following the end of the fiscal year covered by the financial statements. If a management letter is issued, a copy of the management letter must also be submitted to the Bureau, including the licensee's reply to the management letter, if any.

(c) The Bureau or Commission may request additional information and documents from either the licensee or the licensee's independent accountant, regarding the annual financial statements or the services performed by the accountant.

(d) The Bureau or Commission may require the licensee to engage an independent accountant licensed by the California Board of Accountancy to perform a fraud audit in the event that fraud or illegal acts are suspected.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

§ 12404. Records and Reports of Monetary Instrument Transactions.

(a) A gambling enterprise, as defined in section 19805(m) of the Business and Professions Code, is required to file a report of each transaction involving currency in excess of $10,000, in accordance with section 14162(b) of the Penal Code.

(b) A gambling enterprise shall comply with sections 5313 and 5314 of Title 31 of the United States Code and with sections 103.21, 103.22, 103.23, 103.63, and 103.64 of Title 31 of the Code of Federal Regulations, and any successor provisions.

(c) A gambling enterprise, regardless of gross revenue, shall make and keep on file at the gambling establishment a report of each transaction in currency in excess of $10,000. These reports shall be available for inspection at any time as requested by the Bureau. These reports shall include, but not be limited to:

(1) Patron's name
(2) Patron's address
(3) Patron's identification
(4) Amount of transaction

(5) Type of transaction

(6) Date of transaction.

(d) Nothing in this section shall be deemed to waive or to suspend the requirement that a gambling enterprise make and keep a record and file a report of any transaction otherwise required by the Bureau or the Commission.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

§ 12405. Record Retention and Disclosure.

The licensee shall retain within California all records required to be maintained by the Act or by these regulations for at least seven years after the records are made. Upon request of the Bureau or Commission, a licensee shall provide the Bureau or Commission with copies of such records, within the time period specified in the request. If the records are maintained in electronic form and the licensee is requested to do so, the licensee shall provide a printed copy pursuant to this section.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

§ 12406. Language.

A licensee shall make and maintain all books, accounts, and other financial records in English.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Section 19841, Business and Professions Code.

§ 12410. Unclaimed or Abandoned Property.

A licensee shall establish written policies and procedures which comply with California's Unclaimed Property Law (Code Civ. Proc., section 1500 et seq.), regarding unclaimed chips, cash, and cash equivalents left at a gaming table or in any player's bank deemed inactive by the terms of the licensee's policies and procedures, un-deposited checks issued by the licensee to a patron, and un-deposited checks drawn on a licensee's account.

Records of the date and amount of any unclaimed property sent or reported to the State Controller shall be kept by the licensee.

Note: Authority cited: Sections 19811, 19840, 19841(g), 19841(h), and 19841(j) and 19920, Business and Professions Code. Reference: Sections 19801, 19841(g), 19841(h) and 19841(j), Business and Professions Code; and Title 10, Chapter 7 (Commencing with section 1500), Code of Civil Procedure.

ARTICLE 6. PROGRAM FOR RESPONSIBLE GAMBLING.

§ 12460. Article Definitions.

For purposes of this Article:

(a) "Self-Exclusion" means an irrevocable voluntary agreement to be excluded from gambling establishments and all games or gaming activities or privileges and to be prohibited from collecting any winnings or recovering any losses for a specified term. A Self-Exclusion list shall be maintained by the Bureau and shall not be open to public inspection.

(b) "Self-Restriction" means an irrevocable voluntary agreement for a specified term to:

(1) Completely exclude from a particular gambling establishment and all games or gaming activities or privileges and to be prohibited from collecting any winnings or recovering any losses,

(2) Exclude from the play of a particular game or gaming activity, if the gambling establishment determines that such segregation of games is feasible,

(3) Restrict the amount of credit and/or check cashing that may occur at that particular gambling establishment, and/or

(4) Exclude from any marketing or promotional activities of the particular gambling establishment.

Note: Authority cited: Sections 19811, 19840, 19841(o) and 19920, Business and Professions Code. Reference: Section 19845, Business and Professions Code.

§ 12461. Posting Referral Information.

(a) Each licensee, by July 1, 2007, shall post or provide, at patron gambling entrances or exits, and in conspicuous places in or near gambling areas and any areas where cash or credit are available to patrons, accessible written materials concerning the nature and symptoms of problem gambling and the toll-free telephone number approved by the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently "1-800-GAMBLER."

(b) If the licensee operates a web site for the gambling establishment, by July 1, 2007, that web site shall contain a responsible gambling message and a link to the Office of Problem Gambling (or its successors) that provides information and referral services for problem gamblers, currently "http://www.problemgambling.ca.gov."

(c) If the licensee produces any advertising material, by July 1, 2007, such material shall contain a responsible gambling message and shall refer to the telephone number listed in subsection (a) above and/or the link to the web site listed in subsection (b) above.

Note: Authority cited: Sections 19811, 19840, 19841(o) and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Sections 4359.2 and 4369.4, Welfare and Institutions Code.

§ 12462. Training Requirements.

(a) Each licensee shall implement, by July 1, 2007, procedures to conduct new employee orientations and annual training for all employees, excluding food and beverage servers, who directly interact with gambling patrons in gambling areas.

(b) New employee orientations and annual training shall be documented, including signatures by the employee and the licensee or key employee who coordinated the training, the date and length of the training, and the name of the trainer, as part of the licensee's application for renewal. Copies of this documentation shall be kept in an employee's personnel file for a minimum of five years.

(c) The training shall, at a minimum, consist of information concerning the nature and symptoms of problem gambling behavior, assisting patrons in obtaining information about problem gambling programs, and information on the self-restriction and self-exclusion programs.

(d) Each licensee shall designate personnel responsible for maintaining the program and addressing the types and frequency of such training and procedures.

(e) This section shall not be construed to require employees to identify problem gamblers.

Note: Authority cited: Sections 19811, 19840, 19841(o) and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Sections 4369.2 and 4369.4, Welfare and Institutions Code.

§ 12463. Self-Restriction Program.

(a) Licensees shall implement, by July 1, 2007, a program that allows patrons to self-limit their access to the gambling establishment entirely, or to the issuance of credit, check cashing, or marketing by that licensee. That program shall contain, at a minimum, the following:

(1) The development of written materials for dissemination to patrons explaining the program;

(2) The development of written forms allowing patrons to participate in the program, which may include use of a form entitled Self-Restriction Form, CGCC-036 (Rev. 07/13), attached in Appendix A to this chapter;

(3) Policies and procedures for maintaining and updating a list of self-restricted persons, wherein the confidentiality of the list is protected pursuant to Section 12466 and only agents or employees have access, unless needed by Bureau staff or law enforcement pursuant to an investigation or in assisting in a Problem Gambling program by an entity approved by the Commission;

(4) Policies and procedures that allow a patron to be excluded from certain games or gaming activities within the gambling establishment, if the licensee determines that the segregation of games is feasible, or from the gambling establishment completely during the term of exclusion, with the exception of access for the sole purpose of carrying out the duties of employment, including:

(A) Removal procedures for patrons who attempt entry after requesting to be excluded,

(B) Notification to the Bureau of any incidents of removals where the police and/or security are called to remove a person from the premises, and

(C) Forfeiture of any money or prizes won or any losses recovered by an excluded person and the remittance of such for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the State Department of Public Health, Office of Problem and Pathological Gambling;

(5) Policies and procedures that allow a patron to be excluded from access to check cashing or the issuance of credit during the term of restriction;

(6) Policies and procedures that allow a patron to be excluded from customer lists maintained by the licensee for direct mail marketing, telephone marketing, and other direct marketing regarding gaming opportunities or promotions at the gambling establishment during the term of restriction;

(7) Policies and procedures for removal of a patron from check-cashing, credit, or marketing opportunities by the licensee.

(b) This section does not mandate that a licensee provide the services of a notary public for persons who wish to complete the Self-Restriction form.

Note: Authority cited: Sections 19811, 19840, 19841(o) and 19920, Business and Professions Code. Reference: Sections 19801, 19920 and 19954, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

§ 12464. Self-Exclusion Program.

(a) Licensees shall implement, by July 1, 2007, a program that allows patrons to self-exclude themselves from gambling establishments using a form entitled Self-Exclusion Form, CGCC-037 (Rev. 07/13), attached in Appendix A to this chapter. That program shall contain, at a minimum, the following:

(1) Policies and procedures for providing Self-Exclusion forms and for sending any completed Self-Exclusion forms to the Bureau;

(2) Policies and procedures for maintaining and updating a list of self-excluded persons, wherein the confidentiality of the list is protected pursuant to Section 12466 and only agents or employees have access, unless needed by Bureau staff or law enforcement pursuant to an investigation or in assisting in a Problem Gambling program by an entity approved by the Commission;

(3) Policies and procedures designed to thwart self-excluded patrons, as noticed by the Bureau, from entering the gambling area during the term of exclusion, with the exception of access for the sole purpose of carrying out the duties of employment, including removal procedures for patrons who attempt entry after requesting to be excluded and notification to the Bureau of any incidents of removals, where the police and/or security are called to remove a person from the premises;

(4) Policies and procedures for the forfeiture of any money or prizes won or any losses recovered by an excluded person and the remittance of such for deposit into the Gambling Addiction Program Fund for problem gambling prevention and treatment services through the State Department of Public Health, Office of Problem and Pathological Gambling;

(5) Policies and procedures for removal of a patron from customer lists maintained by the licensee for direct mail marketing, telephone marketing, and other direct marketing regarding gaming opportunities or promotions at the gambling establishment;

(6) Policies and procedures for removal of a patron from check-cashing, credit, or marketing opportunities by the licensee.

(b) This section does not mandate that a licensee provide the services of a notary public for persons who wish to complete the Self-Exclusion form.

Note: Authority cited: Sections 19811, 19840, 19841(o) and 19920, Business and Professions Code. Reference: Sections 19801, 19920 and 19954, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

§ 12466. Responsible Gambling Program Review.

(a) The Executive Director or Bureau staff may require that any licensee make available for review or submit any of the elements of its program described in this Article, to the Executive Director or Bureau staff for review. If the Commission makes an administrative determination that the licensee's program does not adequately address the standards as set forth in this article, then the Executive Director may issue such a determination identifying the deficiencies and specifying a time certain within which those deficiencies shall be cured. Judicial review of the Executive Director's decision is subject to the limitation of Business and Professions Code section 19804.

(b) Failure by a licensee to establish the programs set forth in this article, or to cure a deficiency identified pursuant to subsection (a), constitutes an unsuitable method of operation and is in violation of this section.

(c) Protecting the confidentiality of self-restriction or self-exclusion lists includes:

(1) Not willfully disseminating self-excluded or self-restricted patrons' names, photos, or other personally identifying information to third parties or confirming

to third parties whether or not a patron is on a self-exclusion or self-restriction list.

(2) Not posting self-excluded or self-restricted patron photos or other personally identifying information in areas where other patrons would readily notice the information.

(d) In addition to any other remedy under the Act, the Commission may assess a monetary penalty not exceeding $1,000 for each violation of this article.

(e) This article does not create any right or cause of action on behalf of an individual who participates in self-restriction or self-exclusion under this article against the state of California, the California Gambling Control Commission, the Bureau of Gambling Control, the Office of Problem Gambling, or any gambling establishment.

Note: Authority cited: Sections 19811, 19840, 19841(o) and 19920, Business and Professions Code. Reference: Sections 19801 and 19920, Business and Professions Code; and Section 4369.4, Welfare and Institutions Code.

APPENDIX A. FORMS

Please refer to the California Gambling Control Commission's Web site (www.cgcc.ca.gov) for its forms.

CHAPTER 8. BINGO.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

§ 12480. Definitions.

(a) Except as otherwise provided in Section 12002 and subsection (b) of this regulation, the definitions in Business and Professions Code section 19805 and Penal Code sections 326.3 and 326.5(p), shall govern the construction of this chapter.

(b) As used in this chapter:

(1) "Administrative duties" include activities relating to coordinating all aspects of remote caller bingo games including, but not limited to, planning, organizing, and scheduling with sponsoring and cosponsoring organizations.

(2) "Authorized organization" means an organization authorized by the Commission pursuant to Section 12505.

(3) "Bingo equipment" includes, but is not limited to, any card-minding device; Point of Sale system for card-minding devices; all network and telecommunications equipment used to communicate from the calling station to card-minding devices; the calling station and all related equipment; the main

flashboard and all related equipment, the balls, the verifier, and the game pacer used in the playing of remote caller bingo games.

(4) “Caller” means an individual who is present at a host game site and who announces the numbers or symbols from randomly drawn plastic balls.

(5) “Distributor” means any person that directly or indirectly distributes; supplies; vends; leases; or otherwise provides card-minding devices for use in this state; including the supplying, repairing, and servicing if authorized by the manufacturer, whether from a location within this state or from a location outside this state.

(6) “Employee” means an individual who is paid a reasonable fee for the performance of duties related to the conduct of remote caller bingo games in any of the following categories:

(A) Administrative;

(B) Financial;

(C) Managerial;

(D) Security; or

(E) Technical.

(7) “Fiduciary” means an individual who is designated in writing by an authorized organization to manage the finances of the organization's remote caller bingo operation for the benefit of the organization rather than the benefit of the designated individual, exercising the highest level of good faith, loyalty, and diligence.

(8) “Financial duties” include, but are not limited to, cashiering, maintaining accounts payable and receivable, payroll processing, and maintenance of financial accounting books and records, on behalf of an organization or a vendor.

(9) “Game” is defined as beginning when the first ball or number symbol is called and ends when all succeeding balls or number symbols are returned to the cage or blower and the machine has been cleared. A game may have two or more parts with different winning patterns for each part.

(10) “Game pacer” means an electrical or electronic device that is set to a predetermined interval establishing the timing of bingo calls. The game pacer may be a separate device or may be incorporated into the bingo calling station.

(11) “Host site” means the location at which the live bingo game is conducted and the transmission of the remote caller bingo game originates.

(12) “Interim license” means a license issued by the Commission pursuant to Section 12492 or Section 12500 that allows the following:

(A) A fiduciary or caller of an authorized organization, or a vendor to conduct remote caller bingo games; or

(B) An owner-licensee of a manufacturing, distributing, or vending business to provide remote caller bingo equipment, supplies, and services or card-minding devices in this state.

(13) “Managerial duties” include, but are not limited to, oversight of the conduct of the game and the supervision of the employees, members, and patrons at any remote caller bingo game site.

(14) “Manufacturer” means any person that directly or indirectly does one or a combination of the following:

(A) Manufactures, distributes, supplies, vends, leases, or otherwise provides bingo equipment or supplies used in a remote caller bingo game.

(B) Manufactures, distributes, supplies, vends, leases, or otherwise provides card-minding devices, including the assembly, production, programming, or modification of card-minding devices, in this state or for use in this state.

(C) Performs any of the functions listed in subparagraphs (A) or (B) in a location outside of this state, with respect to remote caller bingo equipment and supplies or card-minding devices intended for operation in this state.

(15) “Member” means an individual who belongs to an authorized organization and assists with the conduct of remote caller bingo games.

(16) “Net receipts” means the total revenue from all activities connected with participation in a game of remote caller bingo after costs and expenses are deducted.

(17) “Organization” means an organization that is exempt from the payment of the bank and corporation tax by Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or 23701w of the Revenue and Taxation Code; a mobile home park association; a senior citizens organization; or a charitable organization affiliated with a school district.

(18) “Owner” means an individual, corporation, limited liability company, partnership, trust, joint venture, association, or any other entity that has 10 percent or more interest in or has the power to exercise significant influence over a manufacturing, distributing, or vending business and is endorsed on the license certificate issued to the owner-licensee.

(19) “Owner-licensee” means an individual, corporation, limited liability company, partnership, trust, joint venture, association, or any other owner of a manufacturing, distributing, or vending business that holds an interim or regular license issued by the Commission.

(20) “Point of sale system” means a financial interface software system used to track transactions involving card-minding devices and customer accounts.

(21) “Profit” means the gross receipts collected from one or more bingo games, less reasonable sums necessarily and actually expended for prizes, licensing fees, overhead costs, and other allowable expenses.

(22) “Record” includes, but is not limited to, ledgers and accounts relating to inventory, proceeds, expenditures, and the distribution of all profits derived from remote caller bingo games.

(23) “Regular license” means a license issued by the Commission pursuant to the provisions of Section 12492, Section 12500, section 326.3(q)(1) of the Penal Code, and any specific additional licensing criteria established by the Commission in regulation.

(24) “Remote caller bingo equipment” includes, in addition to the equipment specified in paragraph (3), all network, video, audio and telecommunications equipment used for the purpose of transmitting the play of a bingo game from a host site to one or more satellite sites.

(25) “Satellite site” means the location at which the transmission of the live bingo game from a host site is received.

(26) “Security duties” include, but are not limited to, physically safeguarding the authorized organization's patrons, staff, assets, and property, including the site's surrounding area and parking facility.

(27) “Site” means the property owned or leased by an authorized organization, or property whose use is donated to an authorized organization and which property is used by that authorized organization for performance of the charitable purpose for which the organization was formed.

(28) “Site manager” means an individual who is physically present at a remoter caller bingo game site and is the primary person responsible for the game conduct, staff, and patrons present at the site and obtaining the declared winner's identifying information and mailing address.

(29) “Sponsor” means an authorized organization conducting remote caller bingo games, which has met the requirements of section 326.3(b)(1) of the Penal Code.

(30) “Technical duties” include, but are not limited to, providing expertise related to the maintenance, repair and operation of remote caller bingo equipment.

(31) “Vendor” means, for purposes of section 326.3 of the Penal Code, a person that directly or indirectly provides equipment, supplies, or services to an authorized organization for use in remote caller bingo games, including management companies that have a written agreement with an organization to assist with or conduct remote caller bingo games.

(32) “Volunteer” means a member of an organization that assists with the conduct of remote caller bingo games and is not compensated for the performance of their duties and does not benefit financially from the conduct of remote caller bingo games.

(33) “Work permit” means a card, certificate, or permit issued by the Commission pursuant to Section 12503 or by a county, city, or city and county, that authorizes the holder to be employed by a vendor or an authorized organization to conduct remote caller bingo games in the following categories:

(A) Administrative;

(B) Financial;

(C) Managerial;
(D) Security; or
(E) Technical.

Note: Authority cited: Section 19850.5, Business and Professions Code; and Section~~s~~ 326.3, Penal Code. Reference: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code.

§ 12482. Assistance to Bingo Players with Disabilities.

Pursuant to the provisions of paragraph (6) of subdivision (p) of section 326.5 of the Penal Code, the following requirements are established as means by which the operator of a bingo game shall, as required by applicable law, offer assistance to players with disabilities:

(a) For players with disabilities consistent with definitions set forth in the Americans with Disabilities Act (ADA) (42 U.S.C. § 12101 *et seq.*), when those disabilities would restrict a player's ability to mark cards:

(1) The operator of a bingo game that offers card-minding devices shall reserve at least two card-minding devices, approved by the Bureau, for use by disabled players. If there are no requests for use of the reserved card-minding devices prior to fifteen minutes before the scheduled start of a session, the reserved devices may be made available for use by any player.

(2) If the operator of a bingo game, or any other person involved in the conduct of a bingo game, charges players a fee for the use of card-minding devices, players with disabilities as described in subsection (a) shall not be required to pay that fee or to comply with a minimum purchase requirement imposed on players utilizing card-minding devices, if any. Those players are required to comply with any minimum purchase requirement imposed on all players by an operator.

(3) The operator of a bingo game that offers card-minding devices shall allow players with disabilities as described in subsection (a) to claim prizes by presenting a printout of a winning card, or other evidence of a winning card approved by the Commission.

(b) For players with disabilities consistent with definitions set forth in the ADA, when those disabilities would restrict a player's ability to verbally announce “BINGO,” the operator of a bingo game shall allow those players to utilize a form of visual or audible signaling to notify the operator of a winning pattern or “bingo,” which may include a flag, paddle, light, horn, bell or whistle, or other means approved by the Commission.

(c) For players with disabilities consistent with definitions set forth in the ADA, when those disabilities would restrict the players' ability to mark cards, or to announce “BINGO,” the operator of a bingo game shall allow another individual to assist the disabled players in the play of bingo. The assisting

individual shall not be counted towards the 750-player maximum applicable to remote caller bingo as provided in subdivision (i) of section 326.3 of the Penal Code.

Note: Authority cited: Section 19850.5, Business and Professions Code; and Section 326.5, Penal Code. Reference: Section 19850.5, Business and Professions Code; and Section 326.5, Penal Code.

§ 12486. Approval of Card-Minding Devices.

[Emergency regulation expired 12/31/11, and was repealed by operation of law effective 01/01/2012]

§ 12488. Approval of Remote Caller Bingo Equipment.

[Section repealed effective December 4, 2013]

ARTICLE 2. MANUFACTURERS, DISTRIBUTORS, AND VENDORS OF BINGO EQUIPMENT, DEVICES AND SUPPLIES.

§ 12492. Interim Licenses; Initial and Renewal; Conditions.

(a) An interim approval process is established to further the legislative intent of avoiding disruption of fundraising efforts by nonprofit organizations as expressed in Business and Professions Code section 19850.6.

(b) No person may manufacture, distribute, or provide remote caller bingo equipment, supplies or card-minding devices in this state unless they have a valid interim license issued by the Commission pursuant to this article.

(c) Any manufacturer or distributor of card-minding devices or any vendor providing remote caller bingo equipment, supplies, or services in this state on or after April 24, 2009, shall apply for an interim license, pursuant to this article, within 30 days of the effective date of this section.

(d) Any person applying for an initial interim license as the owner-licensee, as defined in subsection (b) of section 12480, of the manufacturer, distributor, or vendor business shall submit the following to the Bureau:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, BGC-610 (Rev. 04/13), which is attached in Appendix B.

(2) A non-refundable application fee of $500.00.

(3) If the applicant is an individual residing in the state of California, a completed Request for Live Scan Service, California Department of Justice Form BCII 8016, confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(4) If the applicant is an individual residing outside the state of California, two FBI Fingerprint cards.

(e) Any person applying for an initial interim license as an owner, as defined in subsection (b) of section 12480, of a manufacturing, distributing, or vending business shall submit the following to the Bureau:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, BGC-610, referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of $500.00.

(3) If the applicant is an individual residing in the state of California, a completed Request for Live Scan Service, California Department of Justice Form BCII 8016, confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(4) If the applicant is an individual residing outside the state of California, two FBI Fingerprint cards.

(f) Interim license approvals pursuant to this article, are subject to the following conditions:

(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.

(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines the applicant does not qualify for a regular license.

(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12493, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and may request an evidentiary hearing, either in writing not less than ten days prior to the meeting or at the meeting itself.

Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(g) Any person applying for a renewal interim license as the owner-licensee of the manufacturing, distributing, or vending business shall submit the following to the Bureau no later than 90 days prior to the expiration of that license:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, BGC-610, referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of $500.00.

(h) Any person applying for a renewal interim license as an owner of the manufacturing, distributing, or vending business shall submit the following to the Bureau no later than 90 days prior to the expiration of that license:

(1) Application for Interim License for Manufacturers, Distributors, and Vendors of Bingo Equipment, Devices, Supplies, and Services, BGC-610, referred to in paragraph (1) of subsection (d).

(2) A non-refundable application fee of $500.00.

(i) Each application for an initial or renewal interim license shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this article, the applicant shall be provided a written list of the deficiencies.

(j) A renewal interim license shall be valid for one year from the date of approval of the renewal application or from the expiration of the prior interim license, whichever is later.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5 and 19850.6, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code.

§ 12493. Interim License Denial; Applicant Disqualification.

(a) An application for an interim license shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6 and 19859, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6 and 19859, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code.

§ 12496. Change of Business Location.

A manufacturer, distributor, or vendor shall advise the Bureau in writing of any new California business locations, or any terminations of existing business locations, within 15 days following the change.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; and Sections 326.3, 326.4 and 326.5, Penal Code. Reference: Sections 19850.5 and 19850.6, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code.

ARTICLE 3. REMOTE CALLER BINGO INTERIM LICENSES AND INTERIM WORK PERMITS

§ 12500. Interim Licenses; Initial and Renewal; Conditions.

(a) An interim licensing process is established to further the legislative intent of avoiding disruption of fundraising efforts by nonprofit organizations as expressed in Business and Professions Code section 19850.6.

(b) No person may perform in the capacity of a fiduciary or caller for the purposes of conducting remote caller bingo games unless that person has a valid interim license issued by the Commission pursuant to this article. A person may hold one of each license type simultaneously but shall not perform in the capacity of more than one during the same remote caller bingo game or session.

(c) Any fiduciary or caller applying for an initial interim license shall submit the following to the Bureau:

(1) Application for Interim License for Remote Caller Bingo, BGC-620 (Rev. 10/13), which is attached in Appendix C to this chapter.

(2) A non-refundable application fee of $50.00.

(3) Completed Request for Live Scan Service, California Department of Justice Form BCII 8016, confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(d) Interim license approvals are subject to the following conditions:

(1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.

(3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.

(4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for a regular license.

(5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12501, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting, and may request an evidentiary hearing, either in writing not less than ten days after the meeting or at the meeting itself. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(e) Any fiduciary or caller applying for a renewal interim license shall submit the following to the Bureau no later than 90 days prior to expiration of that license:

(1) Application for Interim License for Remote Caller Bingo, BGC-620, referred to in paragraph (1) of subsection (c).

(2) A non-refundable application fee of $50.00.

(f) Each application for an initial or renewal interim license shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this article, the applicant shall be provided a written list of deficiencies.

(g) A renewal interim license shall be valid for one year from the date of approval of the renewal application or from the expiration of the prior interim license, whichever is later.

Note: Authority cited: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code. Reference: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code.

§ 12501. Interim License Denial; Applicant Disqualification.

(a) An application for an interim license shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6 and 19859, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6 and 19859, Business and Professions Code; and Sections 326.3 and 326.5, Penal Code.

§ 12503. Interim Work Permits; Initial and Renewal; Conditions.

(a) No person may act in the capacity of an employee, as defined in subsection (b) of section 12480, without a current interim work permit issued by the Commission pursuant to this article or by a city, county, or city and county.

(b) Any employee applying for a remote caller bingo interim work permit shall submit the following to the Bureau:

(1) Application for Interim Work Permit for Remote Caller Bingo, BGC-622 (Rev. 04/13), which is attached in Appendix C.

(2) A non-refundable application fee of $50.00.

(3) A completed Request for Live Scan Service, California Department of Justice Form BCII 8016 confirming that the applicant has submitted his or her fingerprints to the BCII for an automated criminal history check and response.

(c) An interim work permit is subject to the following conditions:

(1) An interim work permit shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular work permit have not been adopted.

(2) Upon adoption of regulations specifying the criteria for a regular work permit, the Commission will notify the holder of the interim work permit of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim work permit will not be eligible for renewal.

(3) An interim work permit does not obligate the Commission to issue a regular work permit nor does it create a vested right in the holder to either a renewal of the interim work permit or the granting of a subsequent regular work permit.

(4) Issuance of an interim work permit has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim work permit will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for issuance for any Commission permit, registration, or license.

(5) If, during the term of an interim work permit, it is determined that the holder is disqualified pursuant to Section 12504, the Executive Director shall prepare an order to show cause why that interim work permit should not be cancelled. The holder of the interim work permit shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address

the Commission by way of an oral statement at the Commission meeting and may request an evidentiary hearing, either in writing not less than ten days prior to the meeting or at the meeting itself. Any evidentiary hearing shall be conducted in accordance with applicable provisions of subsection (b) of Section 12050 of this division.

(d) Any employee applying for renewal of a remote caller bingo interim work permit shall submit the following to the Bureau no later than 90 days prior to expiration of the work permit:

(1) Application for Interim Work Permit for Remote Caller Bingo, BGC-622 referred to in paragraph (1) of subsection (b).

(2) A non-refundable application fee of $50.00.

(e) Each application for an initial or renewal interim work permit shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the application does not satisfy the requirements of this article, the applicant shall be provided a written list of the deficiencies.

(f) A renewal interim work permit shall be valid for up to one year from the date of approval of the renewal application or from the expiration of the prior interim work permit, whichever is later.

Note: Authority cited: Sections 19850.5 and 19850.6, Business and Professions Code; and Section 326.3, Penal Code. Reference: Sections 19850.5 and 19850.6, Business and Professions Code; and Section 326.3, Penal Code.

§ 12504. Interim Work Permit Denial; Applicant Disqualification.

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

(1) The applicant meets any of the criteria for mandatory disqualification in subdivisions (b) through (f) of section 19859 of the Business and Professions Code.

(2) The applicant, if an individual, is less than 18 years of age.

Note: Authority cited: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code. Reference: Sections 19850.5, 19850.6, and 19859, Business and Professions Code; Sections 326.3 and 326.5, Penal Code.

§ 12505. Authorization of Organizations Conducting Remote Caller Bingo Games.

(a) No organization may conduct remote caller bingo games in this state unless it has been authorized by the Commission pursuant to this article.

(b) Any organization requesting initial authorization by the Commission shall:

(1) Meet the requirements specified in section 326.3(b)(1-5) of the Penal Code.

(2) Submit to the Bureau a Statement of Eligibility to Conduct Remote Caller Bingo, BGC-618 (Rev. 10/13), which is attached in Appendix C to this Chapter.

(3) Submit a non-refundable processing fee of $50.00.

(c) An organization authorized by the Commission shall annually submit the following to the Bureau within 120 calendar days after the close of the organization's fiscal year:

(1) A Statement of Eligibility to Conduct Remote Caller Bingo, BGC-618, referred to in paragraph (2) of subsection (b), specifying any changes in the information included in the organization's last statement of eligibility filed with the Bureau.

(2) A non-refundable processing fee of $25.00.

(d) Each statement received pursuant to subsection (b) shall be reviewed and, if found to be complete and correct, shall be set for consideration at a noticed Commission meeting. If the statement does not satisfy the requirements of this article, the applicant shall be provided a written list of the deficiencies. The Commission reserves the right to refuse authorization to any organization that does not meet the requirements specified in subsection (b).

Note: Authority cited: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code. Reference: Section 19850.5, Business and Professions Code; and Section 326.3, Penal Code.

§ 12508. Remote Caller Bingo Requirements.

(a) An organization conducting remote caller bingo shall have been authorized by the Commission pursuant to Section 12505.

(b) Any vendor providing remote caller bingo services must have a valid interim license issued pursuant to Section 12492.

(c) Organizations and vendors shall retain records in connection with their remote caller bingo games for a period of five (5) years. Records shall be maintained in California, written in English and must include the following:

(1) Full and accurate records of the income received and expenses disbursed in connection with the operation, conduct, promotion, supervision, and any other related activity of remote caller bingo games. Those records shall be maintained in accordance with generally accepted principles of accounting.

(2) Full and accurate records of the names and license or permit numbers, if applicable, of all organization members, including any volunteers, and any employees conducting or providing remote caller bingo services.

(d)(1) The records kept by vendors, pursuant to paragraph (1) of subsection (c), shall be audited by an independent California certified public accountant at least annually, and copies of the audit reports shall be provided to the Bureau within 120 days after the close of the vendor's fiscal year.

(2) The records kept by organizations, pursuant to paragraph (1) of subsection (c), shall be audited by an independent California certified public accountant at least annually, and copies of the audit reports shall be provided to the Bureau within 60 days after completion of the audit report.

(e) In addition to the requirements of subsections (c) and (d), the following requirements shall apply to organizations that conduct remote caller bingo:

(1) The operation of remote caller bingo may not be the primary purpose for which the organization is formed.

(2) The receipts of the game shall be used only for charitable purposes. The organization conducting the game shall determine the disbursement of the net receipts of the game.

(3) Within 30 days after the end of each calendar quarter, each organization authorized to conduct remote caller bingo games shall submit to the Bureau a loan reimbursement payment, as prescribed by paragraph (2) of subdivision (d) of section 326.4 of the Penal Code, for reimbursement of the loan from the Indian Gaming Special Distribution Fund to the Charity Bingo Mitigation Fund, the amount of which shall be based on the gross revenues from all remote caller bingo games conducted by the organization during the calendar quarter for which the payment is submitted.

(f) An organization authorized to conduct remote caller bingo games shall provide the Bureau and local law enforcement with at least 30 days advance written notice of its intent to conduct those games. The notice shall include all of the following:

(1) The legal name of the organization and the address of record of the agent upon who legal notice may be served.

(2) The locations of the caller and remote players, whether the property is owned by the organization or donated, and if donated, by whom.

(3) The name of the licensed caller, and the name of the site manager.

(4) The names of administrative, managerial, technical, financial, and security personnel employed.

(5) The name of the vendor and any person or entity maintaining the equipment used to operate and transmit the game.

(6) The name of the person designated as having a fiduciary responsibility for the game.

(7) The license numbers of all persons who are required to be licensed.

(8) A copy of the local ordinance for each city, county or city and county in which the game will be played.

(9) A copy of the license issued to the organization pursuant to subdivision (*l*) of section 326.5 of the Penal Code.

Note: Authority cited: Section 19850.5, Business and Professions Code; and Sections 326.3 and 326.4 , Penal Code. Reference: Sections 326.3 and 326.4, Penal Code.

§ 12510. Cosponsor Requirements.

[Emergency regulation expired 12/31/11, and was repealed by operation of law effective 01/01/2012]

§ 12511. STANDARDS OF PLAY FOR REMOTE CALLER BINGO.

[Emergency regulation expired 12/31/11, and was repealed by operation of law effective 01/01/2012]

§ 12514. AUDITS.

[Emergency regulation expired 12/31/11, and was repealed by operation of law effective 01/01/2012]

APPENDIX A. FORMS

[Emergency regulation (§ 12486) expired 12/31/11, and was repealed by operation of law effective 01/01/2012]

APPENDIX B. AND APPENDIX C. FORMS

Please refer to the California Gambling Control Commission's Web site (www.cgcc.ca.gov) for its forms.

CHAPTER 10. DISCIPLINE, HEARINGS, AND DECISIONS.

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§ 12550. Purpose and Scope.

(a) The purpose of this chapter is to set forth disciplinary procedures and guidelines applicable to the holder of any license, registration, permit, finding of suitability, or approval issued by the Commission. This chapter does not apply to any denial proceedings under the Act.

(b) The disciplinary guidelines in this chapter are designed to promote fairness and flexibility in dealing with a wide range of disciplinary scenarios. Variation in penalties based on circumstances and factors in aggravation or mitigation are part of this disciplinary scheme to promote compliance with applicable laws and regulations.

(c) Nothing in this chapter is intended to limit the authority of the Commission to issue orders of summary suspension pursuant to Business and Professions Code section 19913, or to limit the authority of the Bureau to issue emergency orders pursuant to Business and Professions Code section 19931.

(d) Nothing in this chapter shall be construed to prevent the Commission from:

(1) Ordering an investigation by Commission staff on a matter brought before the Commission;

Instituting a civil action in any superior court to restrain a violation of the Act, pursuant to Business and Professions Code section 19824, subdivision (g);

Referring a matter to the Attorney General or any district attorney or city attorney for civil, criminal or administrative action; or

Requesting the Bureau to conduct an investigation pursuant to information gathered independently by the Commission or supplied to it by a third party.

(e) Nothing in this chapter precludes any person from notifying the Commission or the Bureau regarding any violations of law or reasons why the holder of any license, registration, permit, finding of suitability, or approval should be disciplined.

(f) Nothing in this chapter precludes the Bureau, in its discretion, from issuing warning notices, notices to cure, advisory letters regarding violations or possible violations of law, or from withdrawing such upon further investigation.

Note: Authority cited: Sections 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19823, 19912, 19913, 19914, 19920, 19922, 19930, 19931 and 19984, Business and Professions Code.

§ 12552. Settlements.

(a) At any time, the Commission and respondent may enter into a settlement of the accusation as provided in this section.

(b) Any settlement of an accusation shall include a plan for immediate abatement of the violation, a plan for immediate compliance with all statutory and regulatory requirements, an agreement to any penalty imposed, and shall be a full and final settlement of the violation including a complete waiver of all judicial or other review unless otherwise agreed to by the Commission.

(c) Any settlement of an accusation shall be submitted by the Bureau for approval by the Commission at a noticed Commission meeting. The Commission shall have final approval authority concerning any such settlement. If the Commission rejects a settlement or agreement, and no amended agreement or settlement is reached before two additional regularly noticed Commission meetings have concluded, or sixty days have elapsed, whichever is later, the Bureau shall proceed with the formal hearing process under this chapter.

Note: Authority cited: Sections 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19824, 19826, 19920 and 19930, Business and Professions Code.

§ 12554. Formal Hearing Process.

(a) Upon the filing with the Commission of an accusation by the Bureau recommending revocation, suspension, or other discipline of a holder of a license, registration, permit, finding of suitability, or approval, the Commission shall proceed under Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. Discipline shall be in accordance with the guidelines of this chapter, summarized for convenience only in CGCC-12554 (New 09/06), Summary Chart of Disciplinary Guidelines, attached as Appendix A to this chapter.

(b) In the event that the Bureau cannot present the accusation, the Commission may request outside counsel or representation by another state agency or may adequately segregate one or more Commission staff members from the Commissioners and Commission legal unit to present the accusation.

(c) The Administrative Law Judge and Commission shall base their decisions on written findings of fact, including findings concerning any relevant aggravating or mitigating factors. Findings of fact shall be based upon a preponderance of the evidence standard. The "preponderance of the evidence standard" is such evidence as when considered and compared with that opposed to it, has more convincing force, and produces a belief in the mind of the fact-finder that what is sought to be proved is more likely true than not true.

(d) Upon a finding of a violation of the Act, any regulations adopted pursuant thereto, any law related to gambling or gambling establishments, violation of a previously imposed disciplinary or license condition, or laws whose violation is materially related to suitability for a license, registration, permit, or approval, the Commission may do any one or more of the following:

(1) Revoke the license, registration, permit, finding of suitability, or approval;

(2) Suspend the license, registration, or permit;

(3) Order the licensing authority of a city, county, or city and county to revoke a work permit, pursuant to Business and Professions Code section 19914, subdivision (a),

(4) Impose any condition, limitation, order, or directive (including but not limited to a directive to divest an interest in a business entity pursuant to Business and Professions Code, section 19879);

(5) Impose any fine or monetary penalty consistent with Business and Professions Code sections 19930, subdivision (c), and 19943, subdivision (b);

(6) Stay, in whole or in part, the imposition of a revocation or suspension against the holder of a license, registration, work permit, finding of suitability, or approval, or

(7) Order the holder to pay a monetary penalty in lieu of all or a portion of a suspension. Within the guidelines of Business and Professions Code sections 19930, subdivision (c), and 19943, subdivision (b):

(A) If the respondent is an owner licensee of a gambling establishment, the monetary penalty shall be equivalent of fifty percent of the average daily gross gaming revenue, but not less than $300, for the number of days for which the suspension is stayed.

(B) [RESERVED]

(C) If the respondent is an owner of a third-party provider of proposition player services and the violation did not involve a fraudulent, expired, borrowed, or stolen badge, and did not involve a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of $500 plus the total of $100 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

(D) If the respondent is an owner of a third-party provider of proposition player services and the violation involved a fraudulent, expired, borrowed, or stolen badge, or involved a non-registered or non-licensed employee of the owner, the monetary penalty shall be the sum of $500 plus the total of $300 multiplied by the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged, which sum shall be multiplied by the number of days for which the suspension is stayed.

(E) If the respondent is an owner of a gambling business, the monetary penalty shall be $1500 per day for the number of days for which the suspension is stayed.

(F) If the respondent is a key employee of a gambling establishment or a supervisor of a gambling business or third-party provider of proposition player services, the monetary penalty shall be $100 per day for the number of days for which the suspension is stayed.

(G) If the respondent is a holder of a work permit, a player or other employee of a gambling business or third-party provider of proposition player services, or a person not otherwise described above, the monetary penalty shall be $50 per day for the number of days for which the suspension is stayed.

(e) If a person's state gambling license for a gambling establishment is revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the gambling establishment, provided that after the date on which the revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or which arise out of, are attributable to, or are derived from controlled gambling.

(f) If an owner of a third-party provider of proposition player services or gambling business has his or her owner's license or registration revoked by the Commission pursuant to this chapter, the Commission may stay such revocation for a reasonable period of time to allow such person to sell or divest himself or herself of such person's ownership interest in the third-party provider of proposition player services or gambling business, provided that after the date on which the revocation is stayed by the Commission, such person shall not be entitled to, realize, or receive any profits, distributions, or payments that might directly or indirectly be due to such person or which arise out of, are attributable to, or are derived from the provision of proposition player services.

(g) For decisions concerning a gambling establishment, findings shall be made regarding the number of tables in operation at the establishment and the annual gross gaming revenue of the establishment.

(h) For decisions concerning an owner of a third-party provider of proposition player services, findings shall be made regarding the maximum number of tables for which proposition player services have been contracted at the gambling establishment where the violation was charged.

(i) Any order to pay the costs of investigation or prosecution of the case shall be fixed pursuant to Business and Professions Code section 19930, subdivision (d).

(j) For multiple violations, or for suspensions imposed by other jurisdictions based on the same violations, the decision shall state whether any Commission-imposed suspensions shall run consecutively or concurrently.

(k) Where a violation arises from a practice that is repeated many times an hour or day in the conduct of controlled games, each instance of the practice shall not be charged as a separate violation; however, the frequency and duration of the practice shall be treated as aggravating or mitigating factors.

Note: Authority cited: Sections 19824, 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19879, 19930 and 19984, Business and Professions Code; Section 11045, Government Code; and Section 10335, Public Contract Code.

§ 12556. Factors in Mitigation or Aggravation of Penalty.

Factors in mitigation may reduce a minimum penalty of suspension listed in this chapter, either in number of days suspended and/or in the proposal to stay a suspension for a period of probation and the payment of any monetary penalty. Factors in aggravation may increase a penalty or be taken into consideration in determining whether or not to allow a suspension to be stayed upon payment of a monetary penalty. If presented by complainant or respondent, the Commission shall consider the following factors in mitigation or aggravation of the penalty imposed:

(a) Violation of any previously imposed or agreed upon condition, restriction or directive.

(b) Whether or not the conduct was knowing, willful, reckless, or inadvertent.

(c) The extent to which respondent cooperated with the Bureau or Commission during the investigation of the violation.

(d) The extent to which respondent was honest with the Bureau or Commission during the investigation of the violation.

(e) The extent to which respondent is willing to reimburse or otherwise make whole any person who has suffered a loss due to the violation.

(f) Whether respondent has initiated remedial measures to prevent similar violations.

(g) The extent to which respondent realized an economic gain from the violation.

(h) Disciplinary history of respondent, repeated offenses of the same or similar nature, or evidence that the unlawful act was part of a pattern or practice, including the frequency or duration of any pattern or practice which violates applicable law.

(i) Any other aggravating factors, including any factors which the Commission determines to bear on the health, safety, or welfare of the public.

(j) The extent to which there was actual or potential harm to the public or to any patron.

(k) The extent to which an owner licensee or key employee of a gambling establishment, owner or supervisor of a third-party provider of proposition player services, or owner or supervisor of a gambling business exercised due diligence in management or supervision.

(l) If the violation was caused by an employee of a third-party provider of proposition player services or gambling business, the extent to which the owner licensee, licensee, or registrant knew or should have known of the employee's improper conduct; the level of authority of the employee involved and the extent to which the employee acted within the scope of his or her authority in committing the violation.

(m) If the violation was caused by a third-party provider of proposition player services or gambling business, the extent to which the owner licensee or gambling establishment knew or should have known of the improper conduct.

(n) If the violation was caused by an independent contractor of a gambling business, the extent to which the gambling business owner licensee, licensee, or registrant knew or should have known of the independent contractor's improper conduct; the level of authority of the independent contractor involved and the extent to which the independent contractor acted within the scope of his or her authority in committing the violation.

(o) If the violation was caused or committed by a third party, the extent to which the owner licensee, licensee, or registrant knew or should have known of the third party's improper conduct.

(p) Any relevant evidence offered by respondent in mitigation of the violation.

Note: Authority cited: Sections 19825, 19840 and 19930, Business and Professions Code. Reference: Sections 19825, 19920, 19930 and 19984, Business and Professions Code.

§ 12558. Disciplinary Guidelines for Holders of Work Permits.

Pursuant to Business and Professions Code, section 19914, the holder of a work permit shall be subject to a minimum penalty of a three-day suspension, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, up to a maximum penalty of revocation by the Commission if the Commission finds that the holder:

(a) Engaged in or committed a prohibited act specified in Business and Professions Code 19914, subdivision (a).

(b) Does not currently meet any criterion for eligibility or qualification.

(c) Violated or is in violation of any condition, limitation or directive previously imposed on the work permit.

(d) Violated or is in violation of any Commission or Bureau regulations, including those regulations regarding work permits in the California Code of Regulations, Title 4, Division 18, Chapter 2 (commencing with Section 12100).

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Section 19824, 19878, 19912, 19914, 19920 and 19930, Business and Professions Code.

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

(a) If the Commission finds that an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, Title 4, Section 12200, is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall be one day of suspension of proposition player services from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply and which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter.

(b) A license or registration granted by the Commission for an owner of a third-party provider of proposition player services, as that term is used in California Code of Regulations, Title 4, Section 12200, shall be subject to a minimum discipline of suspension of five days from either specified gambling

establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply, and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554 (d)(7) of this chapter, if the Commission finds that:

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

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

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

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

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

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

(7) The owner has provided proposition player services in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(9) or (b)(11),

(8) The owner has failed to fully disclose financial arrangements in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(15),

(9) The primary owner has failed to report cheating, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(18),

(10) The owner has purchased, leased, or controlled equipment in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (b)(21),

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

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

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

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

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

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

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

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

(19) The owner has granted rebates to patrons without full disclosure, in violation of California Code of Regulations, Title 4, Section 12200.7, subsection (c)(19),

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note: Authority cited: Sections 19825, 19840, 19841, 19930 and 19984, Business and Professions Code. Reference: Sections 19824 and 19930, Business and Professions Code.

§ 12562. Disciplinary Guidelines for Gambling Business Licensees or Registrants.

(a) If the Commission finds that an owner of a gambling business, as that term is used in California Code of Regulations, Title 4, Section 12220, is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the penalty shall be one day of suspension of gambling business services from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply and which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter.

(b) A license or registration granted by the Commission for an owner of a gambling business, as that term is used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum monetary penalty of $2500 and/or a discipline of suspension of five days from either specified gambling establishments or all gambling establishments, as the circumstances and factors in mitigation or aggravation apply, and a maximum discipline of revocation by the Commission if the Commission finds that:

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

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

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

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

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

(6) The owner has violated California Code of Regulations, Title 4, regarding annual fees for gambling businesses,

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

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

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

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

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

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

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

(14) The owner has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18, subsections (a), (b), (d), (e), (f), (l), or (m).

(c) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum monetary penalty of $100 and/or a suspension of three days and a maximum penalty of revocation if the Commission finds that:

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

(2) The supervisor, player, or other employee has engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling,

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

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

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

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

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

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

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

(10) The supervisor, player, or other employee has failed to comply with California Code of Regulations, Title 4, Section 12220.21.

(d) A supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to a minimum penalty of a monetary penalty of $300 and/or a suspension of five days and a maximum penalty of revocation if the Commission finds that:

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

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

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

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

(5) The supervisor, player, or other employee has conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1

(commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

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

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

(8) The supervisor, player, or other employee has committed any of the acts listed in California Code of Regulations, Title 4, Section 12220.18 subsections (c), (d), (f), (g), (h), (i), (j), or (k).

(e) A license or registration granted by the Commission for an owner of a gambling business, or for a supervisor, player, or other employee, as those terms are used in California Code of Regulations, Title 4, Section 12220, shall be subject to revocation if the Commission finds that:

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

(2) The owner, supervisor, player, or other employee no longer meets any criterion for eligibility, pursuant to California Code of Regulations, Title 4, Sections 12224 or 12220.11.

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19853(a)(3) and 19930, Business and Professions Code.

§ 12564. Disciplinary Guidelines for Manufacturers or Distributors.

A registration granted by the Commission for a manufacturer or distributor of gambling equipment shall be subject to suspension or revocation by the Commission if the Commission finds that the registrant has violated California Code of Regulations, Title 4, Section 12303, subsection (b).

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Section 19930, Business and Professions Code.

§ 12566. Disciplinary Guidelines for Gambling Establishments.

(a) If the Commission finds that a gambling establishment is out of compliance with any mandatory duty specified in or imposed by the Act or any Commission or Bureau regulation, or any local ordinance which directly affects the public health, safety, or welfare, which is not otherwise listed in these disciplinary guidelines, pursuant to Business and Professions Code section 19922, the penalty shall be one day of suspension, stayed upon the payment of a penalty,

within the guidelines of Business and Professions Code, sections 19930, subdivision (c), and 19943, subdivision (b), as follows:

(1) If the establishment has five tables or less and has an annual gross gaming revenue up to and including $10,000, the penalty shall be between $50 and $100, based upon the factors in mitigation and aggravation.

(2) If the establishment has ten tables or less or has an annual gross gaming revenue over $10,000, up to and including $200,000, the penalty shall be between $100 and $2000, based upon the factors in mitigation and aggravation.

(3) If the establishment has annual gross gaming revenue over $200,000, the penalty shall be between $250 and $5,000, based upon the factors in mitigation and aggravation.

(b) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for one day of normal business operation and a maximum discipline of suspension for 30 days of normal business operation, which may be stayed on terms and conditions and upon a monetary penalty of twenty-five percent of the average daily gross gaming revenue, not more than $10,000, but not less than $300, if the Commission finds that the establishment has violated any of the following but has not been disciplined by the Commission for such a violation previously:

(1) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was a monetary fine or citation,

(2) Failed to maintain adequate financing for chips in use or for player banks,

(3) [RESERVED]

(4) [RESERVED]

(5) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license or registration),

(6) Violated Business and Professions Code, section 19912 (failure to have valid work permit),

(7) [RESERVED]

(8) Violated Business and Professions Code, section 19924 (failure to maintain security controls),

(9) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,

(10) Provided false or incomplete financial data, in violation of California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting,

(11) Refused to allow Bureau or Commission inspection of records or information required to be maintained pursuant to California Code of Regulations,

Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting,

(12) Violated California Code of Regulations, Title 11, Section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises),

(13) Violated California Code of Regulations, Title 11, Section 2052 (failure to furnish information), or

(14) Violated California Code of Regulations, Title 11, Section 2070 (unsuitable gaming activities).

(c) A state gambling license for a gambling establishment granted by the Commission shall be subject to a minimum discipline of suspension for five days of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the establishment has:

(1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was the suspension or revocation of a license or privilege,

(3) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(4) Failed to maintain adequate financing for chips in use or for player banks, and has been disciplined by the Commission for such a violation previously,

(5) Failed to report the operation of unregistered gambling businesses when the owners or management of the establishment knew or should have known that these gambling businesses were operating in the establishment, and has been disciplined by the Commission for such a violation previously,

(6) Concealed or persistently did not disclose ownership, interest, or key employee status, pursuant to Business and Professions Code, sections 19850, 19851, 19853, 19854, 19855, 19883, or 19901,

(7) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license or registration), and has been disciplined by the Commission for such a violation previously,

(8) Violated Business and Professions Code, section 19912 (failure to have valid work permit), and has been disciplined by the Commission for such a violation previously,

(9) Violated Business and Professions Code, section 19921 (failure to exclude persons under 21 from access to gambling areas), and has been disciplined by the

Commission for such a violation previously, or violated Business and Professions Code, section 19941 (failure to prohibit persons under 21 from gambling, loitering, being employed in gambling areas, or using fraudulent identification to gamble, loiter, or be employed), unless the licensee provides the defense described in Business and Professions Code, section 19941, subdivision (c), or unless the licensee shows that the licensee has reasonably relied on picture identification which appears to be government issued, including determining that the identification looks real, there are no obvious alterations, the photograph and description reasonably match the person, and the person reasonably looks age 21 or over.

(10) Violated Business and Professions Code, section 19924 (failure to maintain security controls), and has been disciplined by the Commission for such a violation previously,

(11) Violated Business and Professions Code, section 19942 (willful failure to report or pay license fee),

(12) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982, and has been disciplined by the Commission for such a violation previously,

(13) Provided false or intentionally incomplete financial data, in violation of California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

(14) Refused to allow Bureau or Commission inspection of records or information required to be maintained pursuant to California Code of Regulations, Title 4, Chapter 7, Article 4 (commencing with Section 12400), regarding accounting and financial reporting, and has been disciplined by the Commission for such a violation previously,

(15) Violated California Code of Regulations, Title 11, Section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises), and has been disciplined by the Commission for such a violation previously,

(16) Violated California Code of Regulations, Title 11, Section 2052 (failure to furnish information), and has been disciplined by the Commission for such a violation previously, or

(17) Violated California Code of Regulations, Title 11, Section 2070 (unsuitable gaming activities), and has been disciplined by the Commission for such a violation previously.

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19823, 19824, 19850, 19851, 19853, 19854, 19855, 19875, 19878, 19883, 19901, 19912, 19920, 19921, 19922, 19923, 19924, 19930, 19941, 19942 and 19982, Business and Professions Code; and Department of Alcoholic Beverage Control v. Alcoholic Beverage Control Appeals Board (2004), 118 Cal. App. 4th 1429, 1444-1445.

§ 12568. Disciplinary Guidelines for Holders of Licenses, Findings of Suitability, or Approvals.

(a) A license for an individual or any finding of suitability or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to a minimum discipline of suspension for one day of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the holder has:

(1) Violated or is out of compliance with conditions, limitations, or orders or directives imposed by the Commission, either as part of an initial grant of license or registration, renewal of such, or pursuant to disciplinary action,

(2) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was a monetary fine or citation,

(3) Been convicted in any jurisdiction of any offense involving or relating to gambling, where the penalty imposed was a monetary fine,

(4) Engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling,

(5) Committed any act punishable as a crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property, or

(6) Engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling that is inimical to the health, welfare, or safety of the general public.

(b) A license, finding of suitability, or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to a minimum discipline of suspension for five days of normal scheduled work and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in Section 12554(d)(7) of this chapter, if the Commission finds that the holder has:

(1) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,

(2) Intentionally provided untruthful responses during an investigation by the Bureau, pursuant to Business and Professions Code, section 19827,

(3) Willfully interfered with the performance of Commission or Bureau duties, pursuant to Business and Professions Code, section 19944,

(4) Committed an act prohibited by Chapter 9 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, including but not limited to operation of a banked or percentage game (Penal Code, section 330), possession or sale of a slot machine (Penal Code, section 330b) or agreement for slot machine payout (Penal Code, section 330.1), bookmaking (Penal Code, section 337), and cheating (Penal Code, section 337x),

(5) Committed extortion (as that term is defined in Chapter 7 of Title 13 of Part 1 of the Penal Code, commencing with section 518),

(6) Committed loan-sharking (as that term is used in Civil Code section 1916-3, subdivision (b)),

(7) Conducted or negotiated illegal sales of controlled substances (as that term is used in Chapter 1 (commencing with section 11000) of Division 10 of the Health and Safety Code) or dangerous drugs (as that term is used in Business and Professions Code, section 4022),

(8) As an owner licensee, not taken reasonable steps to prevent the crimes listed in subsection (b), paragraphs (5) through and including (7), from occurring at the gambling establishment, when the owner licensee knew or should have known that these crimes were being committed,

(9) Committed bribery (as that term is used in Penal Code section 67 or 67.5),

(10) Committed money laundering (as that term is used in Chapter 10 of Title 7 of Part 1 of the Penal Code, commencing with section 186.9),

(11) Been convicted of a crime involving fiscal dishonesty, including but not limited to tax evasion (26 U.S.C. § 7201),

(12) Been convicted in any jurisdiction of any offense involving or relating to gambling, where the penalty imposed was more than a monetary fine, or

(13) Been found, by any administrative tribunal or court in a separate proceeding, to have violated or be in violation of any law involving or relating to gambling, where the penalty imposed was the suspension or revocation of a license or privilege.

(c) A state gambling license, finding of suitability, or approval granted by the Commission, other than a work permit, and an owner license for a gambling establishment if the owner licensee has committed a separate violation from any violations committed by the gambling establishment shall be subject to revocation by the Commission on any of the following grounds:

(1) If the Commission finds the holder to have been convicted of a felony or a crime of moral turpitude that would disqualify the holder from licensure,

(2) If the Commission finds the holder to have engaged in or committed a prohibited act specified in Business and Professions Code section 19863 (no more than one gambling establishment at racetrack),

(3) If the Commission finds the holder no longer meets any criterion for eligibility, qualification, suitability or continued operation, including those set

forth in Business and Professions code sections 19857, 19858, or 19880, as applicable, or

(4) If the Commission finds the holder currently meets any of the criteria for mandatory denial of an application set forth in Business and Professions Code sections 19859 or 19860.

Note: Authority cited: Sections 19825, 19840, 19841 and 19930, Business and Professions Code. Reference: Sections 19823, 19824, 19827, 19857, 19858, 19859, 19860, 19863, 19878, 19880, 19922, 19923, 19924, 19930, 19942 and 19944, Business and Professions Code.

§ 12572. Precedential Decisions.

Pursuant to Government Code section 11425.60, the Commission, at a noticed Commission meeting, may:

(a) Designate all or part of any adopted final decision reached by administrative adjudication as a precedential decision.

(b) Reverse in whole or in part the prior designation of a decision as a precedential decision.

Note: Authority cited: Section 19840, Business and Professions Code. Reference: Section 19930, Business and Professions Code; and Section 11425.60, Government Code.

APPENDIX A.: SUMMARY CHART OF DISCIPLINARY GUIDELINES

(See following pages)

State of California
California Gambling Control Commission
CGCC – 12554 (New 09-08)

Summary Chart of Disciplinary Guidelines

This is a summary – please refer to the regulatory text for a full explanation. In case of any conflicts, the regulatory text will prevail. Minimum and Maximum penalties may be affected by factors in mitigation or aggravation, pursuant to regulation 12556. If not otherwise listed, penalties may be stayed on the imposition of terms, conditions, or fines at the Commission's discretion, pursuant to regulation 12554, subsection (d).

Legend:
GGR = Average Daily Gross Gaming Revenue
TPPPPS = Third-Party Providers of Proposition Player Services

Type Of Offense	Type Of License	Minimum Penalty	Maximum Penalty	Regulation Reference (4 CCR)
Adequate Financing				
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(2), stay 12566(b); 12566(c)(4)
Badge Violations				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(5)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(5)
Bribery				
	TPPPPS - Owner	5 days	Revocation	12560(b)(17)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(6)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(11)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(6)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(9)
Campaign Finance violation				
	TPPPPS – Owner	5 days	Revocation	12560(b)(5)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(5)
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(9), stay 12566(b); 12566(c)(12)

Cheating				
	TPPPPS – Owner	5 days	Revocation	12560(b)(9), (13)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(2)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(7)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(2)
Conviction – law related to gambling				
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day or 5 days	Revocation	12568(a)(2), (3); 12568(b)(12),(13)
Conviction - Moral Turpitude Crimes				
	TPPPPS – Owner or Employee	Revocation	Revocation	12560(e)(1)
	Gambling Business - Owner	Revocation	Revocation	12562(e)(1)
	Gambling Business - Employee	Revocation	Revocation	12562(e)(1)
Dishonest controlled gaming activities				
	TPPPPS - Owner	5 days	Revocation	12560(b)(4)
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(2)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(4)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(2)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	12568(a)(4)
Extortion				
	TPPPPS - Owner	5 days	Revocation	12560(b)(14)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(3)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(8)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(3)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(5)
Failure to Pay Fees				
	TPPPPS – Owner (Annual Fees)	5 days	Revocation	12560(b)(6)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(6)
	Gambling Establishment	5 days	Revocation	12566(c)(11)
Fighting				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(6)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(6)

Summary Chart of Disciplinary Guidelines – CGCC – 12554 (New 09-06) Page 2 of 7.

Loan-sharking				
	TPPPPS - Owner	5 days	Revocation	12560(b)(15)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(4)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(9)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(4)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(6)
Misrepresenting material fact on application				
	TPPPPS - Owner	5 days	Revocation	12560(b)(3)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(1)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(3)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(1)
	Gambling Establishment	5 days	Revocation	12566(c)(3)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(1)
Money Laundering				
	TPPPPS - Owner	5 days	Revocation	12560(b)(18)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(7)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(12)
	Gambling Business - Employee	5 days	Revocation	
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(10)
Narcotics				
	TPPPPS - Owner	5 days	Revocation	12560(b)(16)
	TPPPPS - Employee	$300 and/or 5 days	Revocation	12560(d)(5)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(10)
	Gambling Business - Employee	$300 and/or 5 days	Revocation	12562(d)(5)
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(7)

Non-Qualification				
	Work Permitee	3 days	Revocation	12558(b)
	TPPPPS - Owner	Revocation	Revocation	12560(e)(1),(2)
	TPPPPS - Employee	Revocation	Revocation	12560(e)(1),(2)
	Gambling Business - Owner	Revocation	Revocation	12562(e)(1), (2)
	Gambling Business - Employee	Revocation	Revocation	12562(e)(1), (2)
	Gambling License, Finding of Suitability, Approval (not work permit)	Revocation	Revocation	12568(c)(1), (3), (4)
Property Damage				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(7)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(7)
Tips				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(8)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(8)
Unauthorized Practice				
	TPPPPS – Owner (12200)	5 Days	Revocation	12560(b)(22)
	Gambling Business– Owner (12220)	$2500 and/or 5 days	Revocation	12562(b)(13)
	Gambling Establishment	5 days	Revocation	12566(c)(5)
Unsuitable Gaming Activities				
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(14), stay 12566(b); 12566(c)(17)
Violation of Gambling Control Act				
	Work Permitee - 19914	3 days	Revocation	12558(a)
	Gambling Establishment – 19850, 19851, 19853, 19854, 19855, 19883, 19901 (ownership/key)	5 days	Revocation	12566(c)(6)
	Gambling Establishment – 19878	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(5), stay 12566(b); 12566(c)(7)
	Gambling Establishment – 19912 (work permit)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(6), stay 12566(b); 12566(c)(8)

Summary Chart of Disciplinary Guidelines – CGCC – 12554 (New 09-06) Page 4 of 7.

	Gambling Establishment – 19921 (failure to exclude)	5 days	Revocation	12566(c)(9)
	Gambling Establishment – 19924 (security controls)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(8), stay 12566(b); 12566(c)(10)
	Gambling Establishment – 19941 (under 21)	5 days	Revocation	12566(c)(9)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19817 (untruthful)	5 days	Revocation	12568(b)(2)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19944 (interference)	5 days	Revocation	12568(b)(3)
	Gambling License, Finding of Suitability, Approval (not work permit) – 19863 (racetrack)	Revocation	Revocation	12568(c)(2)
Violation of Chapter 9 and 10 of Penal Code				
	Gambling License, Finding of Suitability, Approval (not work permit)	5 days	Revocation	12568(b)(4)
Violation of any gambling law				
	TPPPPS – Owner	5 days	Revocation	12560(b)(2)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(2)
	Gambling Establishment	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(1), stay 12566(b); 12566(c)(2)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day; 5 days	Revocation	12568(a)(2), (3); 12568(b)(12), (13)
Violation of law – nexus				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(3)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(3)
	Gambling License, Finding of Suitability, Approval (not work permit) – crime of fiscal dishonesty	1 day; 5 days	Revocation	12568(b)(11)

Violation of Regulations			
Work Permitee	3 days	Revocation	12558(d)
TPPPPS – Owner (12200.7(b)(9), (11), (15), (18), (19), (21), (22), or (c), or 12200.9)	5 days	Revocation	12560(b)(7)-(12), (19)
TPPPPS – Owner (12200.13, or 12200.18 (a), (b), (d), (e), (f), (i), (j), (l), (m), or (n))	5 days	Revocation	12560(b)(20), (21)
TPPPPS - Employee (12220.18 and 12200.21)	$100 and/or 3 days	Revocation	12560(c)(8), (9)
TPPPPS – Employee (12200.7, 12200.18(b), (c), (d), (f), (g), (h), (i), (j), or (k))	$300 and/or 5 days	Revocation	12560(d)(8), (9)
Gambling Business - Owner (12220.18 a, b, d, e, f, l, m)	$2500 and/or 5 days	Revocation	12562(b)(14)
Gambling Business - Employee (12220.18 and 12200.21)	$100 and/or 3 days	Revocation	12562(c)(9), (10)
Gambling Business - Employee (12220.18 c, d, f, g, h, i, j, k)	$300 and/or 5 days	Revocation	12562(d)(8)
Manufacturers or Distributors (12303(b))	Suspension	Revocation	12564
Gambling Establishment (Accounting Regs)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR; or Revocation	12566(b)(10), (11), stay 12566(b); 12566(c)(13), (14)
Gambling Establishment – 11 CCR 2050 (Key on premises)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(12); stay 12566(b); 12566(c)(15)
Gambling Establishment – 11 CCR 2052 (Failure to furnish information)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(13); stay 12566(b); 12566(c)(16)
Gambling Establishment – 11 CCR 2070 (unsuitable gaming activities)	1 day/stay @ 25% GGR; or 5 days	30 days/stay @ 25% GGR ; or Revocation	12566(b)(14); stay 12566(b); 12566(c)(17)

Violation of Act, Regulations or Ordinances, or mandatory duties not listed				
	TPPPPS – Owner	1 day, stay	1 day	12560(a)
	Gambling Business - Owner	1 day, stay	1 day	12562(a)
	Gambling Establishment	1 day, stayed on monetary penalty	1 day	12566(a)
Violation of Conditions				
	Work Permitee	3 days	Revocation	12558(c)
	TPPPPS – Owner	5 days	Revocation	12560(b)(1)
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(1)
	Gambling Business - Owner	$2500 and/or 5 days	Revocation	12562(b)(1)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(1)
	Gambling Establishment	5 days	Revocation	12566(c)(1)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 days	Revocation	12568(a)(1)
Conduct inimical				
	TPPPPS - Employee	$100 and/or 3 days	Revocation	12560(c)(4)
	Gambling Business - Employee	$100 and/or 3 days	Revocation	12562(c)(4)
	Gambling License, Finding of Suitability, Approval (not work permit)	1 day	Revocation	12568(a)(6)
	Gambling License – Owner Licensee (not taking reasonable steps to prevent crimes)	5 days	Revocation	12568(b)(8)

§ 12590. Conflict of Interest Code.

The Political Reform Act (Government Code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearings, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of the California Gambling Control Commission (Commission).

Individuals holding designated positions shall file their statements of economic interests with the FPPC filing officer in the Commission who will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) With respect to the Commissioners and the Executive Director of the California Gambling Control Commission, the Commission shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission.

Note: Authority cited: Section 87300, Government Code. Reference: Sections 87300 and 87302, Government Code.

§ 12591. Separation from Commission Employment; Prohibited Activities; Designation of Commission Employees.

(a) Pursuant to Business and Professions Code, section 19981, subdivision (a), designated Commission employees shall not, for a period of 3 years following separation from employment, engage in specified activities for compensation. The designated Commission employees subject to the provisions of subdivision (a) of section 19981 include, without regard for their duties and responsibilities:

(1) All Deputy Directors.

(2) The Chief Counsel.

(3) All Staff Counsels.

(b) In addition to those Commission employees designated in subsection (a), the designated Commission employees subject to the provisions of subdivision (a) of section 19981 include the following if their duties and responsibilities involve activities related to administrative actions, or any action or proceeding related to

the issuance, conditioning or revocation of any permit, license, or approval, where that employee makes recommendations or decisions affecting the outcome:

(1) Staff Services Manager III.

(2) Staff Services Manager II.

(3) Staff Services Manager I.

(4) Associate Management Auditor.

(5) Associate Governmental Program Analyst.

(6) Staff Services Analyst.

(7) Any employee whose classification is not listed and whose duties and responsibilities involve activities related to administrative actions, or any action or proceeding related to the issuance, conditioning or revocation of any permit, license, or approval, where that employee makes recommendations or decisions affecting the outcome.

Note: Authority cited: Sections 19840, 19841 and 19981, Business and Professions Code. Reference: Section 19981, Business and Professions Code.

APPENDICES A. AND B.: LIST OF DESIGNATED POSITIONS AND ASSIGNED DISCLOSURE CATEGORIES

(See following pages)

APPENDIX A

CALIFORNIA GAMBLING CONTROL COMMISSION
CONFLICT OF INTEREST CODE

List of Designated Positions	Assigned Disclosure Categories
COMMISSIONERS	
Commissioners	1
EXECUTIVE	
Executive Director	1
Deputy Executive Director	1
Staff Services Manager, all levels	1
Research Program Specialist II	2, 3, 4
Senior Information System Analyst (Specialist)	2, 3
Staff Information System Analyst	2, 3
Administrative Assistant I/II	2
Executive Assistant	2
LEGAL DIVISION	
Chief Counsel	1
Staff Counsel , all levels	1
Associate Governmental Program Analyst	2, 4
Staff Services Analyst	2, 4
LEGISLATIVE & PUBLIC	
Deputy Director	1
Information Officer II	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2

SUPPORT SERVICES	
Deputy Director	1
Staff Services Manager, all levels	1
System Software Specialist II	1
Senior Programmer Analyst	2, 3
Associate Programmer Analyst	2, 3
Systems Software Specialist I	2, 3
Staff Programmer Analyst	2, 3
Associate Governmental Program Analyst	2, 4
Staff Services Analyst	2, 4
Senior Accounting Officer	2, 4
Associate Budget Analyst	4
Associate Information System	2, 3
Senior Personnel Specialist	2, 4
Accountant I	2, 4
Associate Personnel Analyst	4
Health and Safety Officer	4
LICENSING DIVISION	
Deputy Director	1
Staff Services Manager, all levels	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Management Services Technician	2
COMPLIANCE DIVISION	
Deputy Director	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Associate Management Auditor	2

Staff Services Management Auditor	2
Management Service Technician	2
Associate Information System Analyst (Specialist)	2, 3
TRIBAL AUDITS PROGRAM	
Supervising Management Auditor	1
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Associate Management Auditor	2
Staff Services Management Auditor	2
Management Service Technician	2
Consultant	*
TECHNICAL SERVICES	
Systems Software Specialist III (Supervisory)	1
Systems Software Specialist II	2, 3
Systems Software Specialist I	2, 3
Staff Services Manager, all levels	1
Associate Information Systems Analyst (Specialist)	2, 3
Associate Governmental Program Analyst	2
Staff Services Analyst	2
Management Services Technician	2
QUALITY ASSURANCE	
Staff Services Manager, all levels	1
Associate Management Auditor	2
Associate Governmental Program Analyst	2
Staff Services Analyst	2

Management Services Technician	2
CONSULTANTS	
Consultant	*

APPENDIX B

DISCLOSURE CATEGORY 1 – Full disclosure is required. Any officer, employee, or consultant in this category shall disclose all interest in real property in the State of California, as well as investments, business positions, and sources or income, including gifts, loans and travel payments.

DISCLOSURE CATEGORY 2 – Any officer, employee, or consultant in this category shall disclose investments, business positions, and sources of income including gifts, loans and travel payments, from any manufacturer or distributor of gambling equipment; manufacturer or distributor of card-minding devices; manufacturer or distributor of remote caller bingo equipment or supplies; holder of a finding of suitability issued pursuant to a tribal-state compact; Indian tribe; holder of a state gambling license, holder of a key employee license; holder of a work permit; holder of a third-party provider of proposition player services license; holder of a third-party provider of proposition player services registration; holder of a gambling business license; holder of a gambling business registration; applicant for a state gambling license; applicant for a key employee license; applicant for a work permit; applicant for licensure as a third- party provider of proposition player services; applicant for registration as a third-party provider of proposition player services; applicant for licensure as a gambling business; applicant for registration as a gambling business; applicant for registration as a manufacturer or distributor of gambling equipment; applicant for licensure as manufacturer or distributor of card-minding devices; applicant for licensure as manufacturer or distributor of remote caller bingo equipment or supplies; applicant for a finding of suitability under a tribal-state compact; or applicant for any other license, permit or approval provided for in the Gambling Control Act or the Remote Caller Bingo Act, any regulation adopted pursuant the Gambling Control Act or Remote Caller Bingo Act, or any tribal-state compact. Any person in this category shall also disclose any interest in real property in the State of California.

DISCLOSURE CATEGORY 3 – A designated employee in this category shall report all investments, business positions, and income, including gifts, loans, and travel payments, from sources that provide information technology systems including: hardware, software, equipment, or consulting services, of the type utilized at the Commission.

DISCLOSURE CATEGORY 4 – A designated employee in the category shall report all investments, business positions, and income, including gifts, loans, and travel payments, from sources that provides or provided within the previous two

years services, supplies, equipment, vehicles, machinery, leased facilities, including training or consulting services, of the type utilized by the Commission.

***CONSULTANT DISCLOSURE CATEGORY** – Consultants shall be placed in disclosure category 1, subject to the following limitation: the Executive Director may determine in writing that a particular consultant although a "designated position," has been hired to perform a range of duties that is limited in scope and, thus, is not required to fully comply with the disclosure requirements in this Code. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Director's determination is a public record and shall be retained for public inspection in the same manner and locations as this Conflict of Interest Code.