

CALIFORNIA GAMBLING CONTROL COMMISSION
SPECIFIC LANGUAGE OF PROPOSED REGULATIONS
THIRD-PARTY PROVIDERS PROPOSITION PLAYER SERVICES; CONTRACTS
CGCC-GCA-2015-0X-R

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:

* * * *

(d) “Affiliate” means “affiliate” as defined in Business and Professions Code section 19805 and, for the purposes of this division includes, but is not limited to, the following:

(1) A person, business, trust or estate who controls, or is controlled by, or is under common control with, a specified person.

(2) A director, officer, general partner, managing member, or controlling person of a specified person;

(3) A spouse or registered domestic partner of a specified person;

(4) A father, mother, or sibling, of either a specified person or a specified person’s spouse or registered domestic partner, or a child or grandchild of a specified person, or a spouse or registered domestic partner of a child or sibling of a specified person, who either:

(A) Resides in the same home as the specified person; or,

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1 (B) Is a director, officer, general partner, or managing member of any business in which the
2 specified person has an ownership interest;

3 (5) Any trust or other estate in which a specified person, or a specified person’s spouse or
4 registered domestic partner is a beneficiary, or serves as trustee or in a similar fiduciary capacity;
5 or,

6 (6) Any business entity in which a specified person and that specified person’s spouse or
7 registered domestic partner have a combined ownership interest of 10 percent or more.

8 (e) “BCII” means the Bureau of Criminal Identification and Information in the California
9 Department of Justice.

10 (~~f~~g) * * * *

11 (~~g~~h) * * * *

12 (~~h~~i) * * * *

13 (~~i~~j) * * * *

14 (~~j~~k) * * * *

15 (~~k~~l) * * * *

16 (~~l~~m) * * * *

17 (~~m~~n) * * * *

18 (~~n~~o) * * * *

19 (~~o~~p) * * * *

20 (~~p~~q) * * * *

21 (~~q~~r) * * * *

22 (~~r~~s) * * * *

23 (~~s~~t) * * * *

24 (~~t~~u) * * * *

25 (~~u~~v) * * * *

26 (~~v~~w) * * * *

27 (~~w~~x) * * * *

28 (~~x~~y) * * * *

29 (z) “Specified person” means any natural person who meets one of the following conditions:

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

5 (2) Is an owner pursuant to subparagraph (B) of paragraph (9) of subsection (b) of Section
6 12200, with the exception of any natural person who holds less than a 10 percent ownership
7 interest and would not be required to be licensed for any other reason.

8 (3) Is an owner pursuant to subparagraph (B) of paragraph (17) of subsection (b) of Section
9 12220, with the exception of any natural person who holds less than a 10 percent ownership
10 interest and would not be required to be licensed for any other reason.

11 (yaa) * * * *

12 (zab) * * * *

13 (aac) * * * *

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

17
18 **CHAPTER 2.1. THIRD PARTY PROVIDERS OF PROPOSITION PLAYER SERVICES: CONTRACTS;**
19 **REGISTRATION; LICENSING.**

20
21 **ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.**

22
23 **§ 12200. Definitions.**

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

27 (b) As used in this chapter:

28 ...

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

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1 ~~(3)~~(4) “Badge” means a form of identification issued by the Commission identifying a
2 registrant or licensee.

3 ~~(5)~~[RESERVED]

4 ~~(6)~~[RESERVED]

5 ~~(7)~~[RESERVED]

6 ~~(8)~~[RESERVED]

7 ~~(9)~~[RESERVED]

8 ~~(4)~~(10) “Funding source” means any person that provides financing, including but not limited
9 to loans, advances, any other form of credit, chips, or any other representation or thing of value,
10 to an owner-registrant or owner-licensee, other than individual registrants under Subsection (d)
11 of Section 12201 or individual licensees. “Funding source” does not include any federally or
12 state chartered lending institution or any of the following entities that in the aggregate owns at
13 least one hundred million dollars (\$100,000,000) of securities of issuers that are not affiliated
14 with the entity:

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

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

21 (C) Any investment company registered under the federal Investment Company Act of 1940
22 (15 U.S.C. sec. 80a-1 et seq.).

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

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

28 (F) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934
29 (15 U.S.C. sec. 78a et seq.).

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

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1 paragraph ~~(10)~~.

2 ~~(11)[RESERVED]~~

3 (5)~~(12)~~ “License” means a license issued by the Commission pursuant to Article 3 of this
4 chapter.

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

- 7 1. Primary owner,
- 8 2. Owner,
- 9 3. Supervisor, and
- 10 4. Player.

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

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

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

21 (6)~~(13)~~ ...

22 (7)~~(14)~~ ...

23 (8)~~(15)~~ ...

24 (9)~~(16)~~ ...

25 (10)~~(17)~~ ...

26 (11)~~(18)~~ ...

27 (12)~~(19)~~ ...

28 ~~(20) “Proposition player contract” or “contract” means a written contract, the terms of which
29 have been reviewed and approved by the Bureau, between the holder of a state gambling license~~

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1 ~~and a primary owner acting as an independent contractor for the provision of third-party~~
2 ~~proposition player services in the gambling establishment.~~

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

6 ~~(13)(22) ...~~

7 ~~(14)(23) ...~~

8 ~~(15)(24) ...~~

9 ~~(16)(25) ...~~

10 ~~(17)(26) ...~~

11 ~~(18)(27) ...~~

12 ~~(19)(28) “Third-party proposition player services” or “proposition player services” means~~
13 ~~services provided in and to the house under any written, oral, or implied agreement with the~~
14 ~~house, which services include play as a participant in any controlled game that has a rotating~~
15 ~~player-dealer position as permitted by Penal Code section 330.11. “Proposition player services”~~
16 ~~also includes the services of any supervisors, as specified in paragraph ~~(17)(26)~~ of this~~
17 ~~subsection.~~

18 ~~(20)(29) ...~~

19 ~~(21)(30) ...~~

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

23 § 12270~~0~~.7. Proposition Player Contract Criteria.

24 **Note: This Section has been moved. Relevant proposed changes have been included under**
25 **the new section number.**

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

29 § 12274~~00~~.9. Review and Approval of Proposition Player Contracts.

30 **Note: This Section has been moved. Relevant proposed changes have been included under**
31 **the new section number.**

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

3

4 **§ 1227600.10A. Expedited Review and Approval of Proposition Player Contracts.**

5 **Note: This Section has been moved. Relevant proposed changes have been included under**
6 **the new section number.**

7 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
8 19951 and 19984, Business and Professions Code.

9

10 **§ 1227800.10B. Review and Approval of Amendments to Proposition Player Contracts.**

11 **Note: This Section has been moved. Relevant proposed changes have been included under**
12 **the new section number.**

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

15

16 ~~**§ 12200.10C. Submission of Contract or Amendment to Commission.**~~

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

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

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

28

29 ~~**§ 12200.11. Extension of Proposition Player Contracts.**~~

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

32 ~~(1) A completed Application for Contract Approval to Provide Proposition Player Services~~

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~~(BGC APP-030 (Rev. 04/13)), referenced in 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 is complete and that the contract appears to qualify for approval, but in no event more than 75 days from receipt of the application, the Bureau shall submit the contract 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.~~

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

~~§ 12280.21.~~ **Compliance.**

Note: This Section has been moved. Relevant proposed changes have been included under the new section number.

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

ARTICLE 2. REGISTRATION.

§ 12204. Ineligibility for Registration.

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

...

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

7 ..

8 (g) The applicant has violated one or more of the prohibitions set forth in paragraphs ~~(10)(5),~~
9 ~~(11), or (20)~~ of subsection (b) ~~of Section 12200.7~~ or ~~paragraphs (1) and (3) of~~ subsection (c) of
10 Section ~~122700.7, or paragraphs (3) or (5) of subsection (b) of Section 12280.~~

11 (h) The applicant has failed to comply with one or more of the requirements set forth in
12 paragraphs ~~(8), (9), (15), (16), (17), (18) and (21)~~ of subsection (b) of Section ~~12274200.7,~~
13 Section 12278, or ~~in paragraph (2) of~~ subsections ~~(e)(e)~~ or ~~subsection (g)(e)~~ of Section ~~122800.7.~~

14 ...

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

17

18 **ARTICLE 3. LICENSING.**

19 **§ 12218.8. License Renewals.**

20 ...

21 (c) The Bureau may conduct an investigation of a primary owner and each owner whose
22 name is required to be endorsed upon the license of the primary owner; and any licensed
23 supervisor, player, or other employee identified in the notice issued by the Bureau. Within 15
24 days of receipt of a notice issued by the Bureau, those identified in the notice must submit a
25 supplemental package pursuant to paragraph (18) of subsection (b) of Section 12200~~(b)(27)~~ and
26 a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the
27 anticipated investigation and processing costs, in accordance with Business and Professions
28 Code sections 19867 and 19984.

29 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
30 19823, 19824, 19851, 19867, 19876, 19951 and 19984, Business and Professions Code.

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§ 12218.11. Ineligibility for Licensing.

...

(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.

...

(h) The applicant has violated one or more of the prohibitions set forth in paragraphs ~~(10)(5); (11); or (20)~~ of subsection (b) ~~of Section 12200.7 or paragraphs (1) and (3) of~~ subsection (c) of Section 122700.7, or paragraphs (3) or (5) of subsection (b) of Section 12280.

(i) 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 1227400.7, Section 12278, or ~~in paragraph (2) of~~ subsections ~~(e)(e) or subsection (g)(e)~~ of Section 122800.7.

...

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

CHAPTER 3. PLAYING BOOKS AND TPPPS CONTRACTS.

§ 12250. Definitions.

(a) Except as otherwise provided in subsection (b), the definitions in Business and Professions Code section 19805, and Sections 12002, 12200, and 12220 of this division, shall govern the construction of this chapter.

(b) For the purposes of this chapter, the following definitions apply:

(1) ...

(2) “Authorized player” means an individual who is associated with one or more primary owner, and whose registration or license authorizes play in a controlled game on behalf of a

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1 primary owner and includes the primary owner, all other owners, all supervisors, and all
2 proposition players.

3 (3)~~(2)~~ ...

4 (4) “Derivative party,” shall mean:

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

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

7 (5)~~(3)~~ ...

8 (6)~~(4)~~ ...

9 (7)~~(5)~~ ...

10 (8)~~(6)~~ ...

11 (9)~~(7)~~ ...

12 (10)~~(8)~~ ...

13 (11) “Proposition player contract” or “contract” means a written contract, the terms of which
14 have been reviewed and approved by the Bureau, between a gambling enterprise and a primary
15 owner for the provision of third-party proposition player services in a gambling establishment.

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

19 (13)~~(9)~~ ...

20 (14)~~(10)~~ ...

21 (15)~~(11)~~ ...

22 (16)~~(12)~~ ...

23 Note: Authority cited: Sections 19840, 19841, 19853 and 19984, Business and Professions Code. Reference:
24 Sections 19805, 19841, 19853 and 19984, Business and Professions Code.

25

26

27 ARTICLE 1: PLAYING BOOKS

28

29 **§ 12251. General Provisions.**

30 (a) Nothing in this article~~chapter~~ shall prohibit a licensee from using more stringent
31 standards, or from having other applications or programs accessible from a terminal with access
32 to the playing book system. Programs performing processes other than playing book functions

1 may be a separate application, but any program with access to the electronic playing book
2 database must be approved by the Bureau. The licensee is responsible to ensure that there is no
3 data leakage or data contamination between the playing book database and an unauthorized
4 source.

5 ...

6 Note: Authority cited: Sections 19840, 19841, 19853 and 19984, Business and Professions Code. Reference:
7 Sections 19826, 19841, 19853 and 19984, Business and Professions Code.

8

9 **§ 12259. Approval of Electronic Playing Book Systems.**

10 (a) ...

11 ...

12 (2) Certification from an independent gaming test laboratory that the electronic playing book
13 system, including the software, the database, and a playing book device prototype, meets the
14 requirements of this [article](#)~~chapter~~. The certification shall identify which technical test standard
15 was used, if any. If no technical test standard was used, a statement to that effect must be
16 included in the certification.

17 ...

18 (c) Security or system replacements or upgrades require certification of continued
19 compliance with the requirements of this [article](#)~~chapter~~ by an independent gaming test laboratory
20 and Bureau approval.

21 ...

22 Note: Authority cited: Sections 19840, 19841, 19853 and 19984, Business and Professions Code. Reference:
23 Sections 19826, 19841, 19853 and 19984, Business and Professions Code.

24

25 **ARTICLE 2: TPPPS CONTRACTS**

26

27 **§ 122700.7. Proposition Player Contract Criteria.**

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

32 (b) Each proposition player contract shall ~~specifically require all of the following to be~~

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

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

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

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

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

6 (3) The specific name and Bureau-assigned Gambling Establishment Game Approval

7 (GEGA) number or other Bureau game designation of the Bureau-approved ~~gaming~~

8 ~~activities~~controlled game for which proposition player services may be provided.

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

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

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

17 ~~(7)~~(6) The hours of operation during which~~that~~ proposition player services will be provided.

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

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

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

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

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

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

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

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

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

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

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

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

29 ~~(19) That the criteria for granting any rebates by proposition players to patrons be fully~~
30 ~~disclosed in the contract; and that neither the house nor any employee of the house shall have~~

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1 any role in rebates. ~~If there are no criteria for granting rebates, a statement to that effect shall be~~
2 ~~included.~~

3 ~~(10)(20)That any tipping arrangements shall be specified in the contract and that percentage~~
4 ~~tips shall not be given. If tipping by the TPPPS will be allowed, and if allowed, the ~~If there are~~~~
5 ~~no tipping arrangements agreed upon, a statement to that effect shall be included.~~

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

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

15 (c) *NOTE: SEE THE ATTACHED OPTIONS 1, 2, 3, AND 4.*

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

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

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

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

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

8 9 § 1227400.9. Review and Approval of Initial and Renewal Proposition Player Contracts.

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

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

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

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

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

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

28 (C) NOTE: SEE THE ATTACHED OPTIONS 1 AND 3.

29 (D) NOTE: SEE THE ATTACHED OPTIONS 1 AND 3.

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

31 (2) The Bureau shall not approve or renew a proposition player contract if the contract

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1 provides for any of the following:

2 (A) The conduct of controlled gambling in a manner that is inimical to the public health,
3 safety, or welfare.

4 (B) The creation or enhancement of the potential for unsuitable, unfair, or illegal practices,
5 methods, or activities in the conduct of controlled gambling or in the carrying on of the business
6 and related financial arrangements.

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

11 - - -

12 ***Option 6: Cross-banking and associated banking are prohibited.***

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

18 (E) The inclusion of a derivative party of the TPPPS, a derivative party of the gambling
19 enterprise, where the derivative parties share ownership in a third entity, which is a gambling
20 enterprise, a TPPPS, or a gambling business

21

22 ***Option 7: Associated banking is prohibited.***

23 (D) The inclusion of a derivative party of the TPPPS, a derivative party of the gambling
24 enterprise, where the derivative parties share ownership in a third entity, which is a gambling
25 enterprise, a TPPPS, or a gambling business.

26 - - -

27 ~~(2) Prior to December 7, 2003, each primary owner providing proposition player services at a~~
28 ~~gambling establishment on the date that these regulations originally became effective (November~~
29 ~~6, 2003) shall submit an Application for Contract Approval Provider of Proposition Player~~
30 ~~Services (BGC-APP-030 (Rev. 04/13)), which is hereby incorporated by reference.~~

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

2 ~~(1)(A)~~ A completed Application for Contract Approval to Provide Proposition Player
3 Services, ~~(BGC-APP-030 (Rev. 0X4/1513))~~, which is hereby incorporated by reference.

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

6 ~~(C)(2)~~ An executed copy of the contract that specifically addresses all of the requirements of
7 Section 122700.7.

8 ~~(D)(3)~~ A playing book form that specifically addresses all of the requirements of Section
9 12200.13.

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

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

17 ~~(6)~~ NOTE: SEE THE ATTACHED OPTIONS 1 AND 3.

18 ~~(7)~~ NOTE: SEE THE ATTACHED OPTIONS 1 AND 3.

19 ~~(8)~~ A full disclosure of any financial arrangements, relationships or transactions within 3
20 years prior to the term of the contract for any purpose between the TPPPS, any derivative party
21 or any affiliate of a specified person of the TPPPS, and the gambling enterprise, any derivative
22 party or any affiliate of a specified person of the gambling enterprise covered by the proposition
23 player contract.

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

25 ~~(c)~~ A complete application for renewal contract approval shall include all of the requirements
26 of an initial application, provided in subsection (b), except paragraph (3), and shall instead
27 include three completed playing book forms for non-consecutive sessions of play that were
28 completed within the 30-day period preceding the submittal of the application. The application
29 shall be submitted to the Bureau no later than 90 days prior to the date that the current contract is
30 scheduled to expire.

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

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

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

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

24 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
25 19951 and 19984, Business and Professions Code

27 § 1227600.10A. Expedited Review and Approval of Proposition Player Contracts.

28 (a) In lieu of the procedure specified in Section 1227400.9, the Bureau shall provide an
29 expedited review process of an application for contract approval if all of the following conditions
30 exist:

31 (1) Proposition player services were provided in the gambling establishment at any time

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1 during the 60 days preceding the application pursuant to a contract with a different TPPPS that
2 was previously approved by the Bureau and that has been terminated in whole or in part; or,

3 ~~(2) The proposed contract is between the house and a different primary owner than the~~
4 ~~previous contract under which proposition player services were provided in the gambling~~
5 ~~establishment. The current contract has 120 days or less remaining and the new contract is with~~
6 the same provider.

7 (3) *NOTE: SEE THE ATTACHED OPTIONS 1, 2, 3, AND 4.*

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

10 (5) All of the applicable requirements of subsection (a) of Section 12274 have been satisfied.

11 (b) If an application for contract approval is submitted as an expedited contract request and
12 the Bureau determines that it does not meet the criteria in subsection (a), the primary owner or
13 designee and the gambling enterprise~~house~~ shall be notified within three business days of the
14 Bureau's determination~~decision~~. Any contract that is not processed through the expedited
15 review and approval process shall be treated as a new contract request and reviewed and
16 approved or disapproved as otherwise provided by subsection (a) of Section 12274~~200.9(a)~~.

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

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

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

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

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

26 ~~(5) A \$1000 nonrefundable application fee.~~ A completed application in accordance with
27 subsection (b) of Section 12274;

28 ~~(2)(6) An expedited processing fee of \$150 and a sum of money that, in the judgment of the~~
29 ~~Chief of the Bureau, will be adequate to pay the anticipated processing costs in accordance with~~
30 ~~Business and Professions Code section 19867.; and,~~

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1 (3) A notice of termination that shows the requirement of paragraph (1) of subsection (a) has
2 been met.

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

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

8 § 1227800.10B. Review and Approval of Amendments to Proposition Player Contracts.

9 (a) Any amendment to the terms of an approved proposition player contract, except as
10 otherwise provided for in subsection (b), requires review and approval prior to the changes
11 becoming effective. A Rrequests ~~to~~for review and approvale of an amendment to a proposition
12 player contract shall be submitted with an ~~application for approval~~ (see Application for Contract
13 Approval to Provide Proposition Player Services, BGC-APP-030, referenced in subsection (b) of
14 Section 12274200.9(a)(3)(A)) along with an executed copy of the amended contract, a ~~five~~
15 ~~hundred dollar~~ (\$500) nonrefundable application fee, and the applicable deposit ~~as~~ required by
16 Title 11, California Code of Regulations, Section 2037. The Bureau may require an additional
17 sum to be deposited to pay the final costs of the review and approval or disapproval of the
18 amendment. Any money received as a deposit in excess of the costs incurred in the review and
19 approval or disapproval of the amendment shall be refunded and an itemized accounting shall be
20 provided to the primary owner or the primary owner's designee. The Bureau shall provide a
21 copy of its notice of approval or disapproval of an amended proposition player contract to the
22 Commission

23 (b) No amendment ~~changing any of the contract terms referred to in Section 12200.7, other~~
24 ~~than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term~~
25 ~~of a proposition player contract without the prior written approval of the Bureau. If any~~
26 ~~amendment is made to a proposition player contract term specified in paragraphs (3), (4), and (6)~~
27 ~~of subsection (b) of Section 12200.7, shall be made to a proposition player contract unless the~~
28 amended contract continues to satisfy all of the applicable requirements of subsection (a) of
29 Section 12274. Amendments to the following contract provisions do not require prior approval
30 by the Bureau, but both parties to the contract shall notify the ~~Commission and~~ Bureau, in
31 writing, of the amendment within ten ~~(10)~~ days of the execution thereof by the parties to the

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1 contract.;

2 (1) Any contract provision not referenced in or required by regulation.

3 (2) The names of the derivative parties and the affiliates of the specified persons as identified
4 in subparagraphs (B) and (C) of paragraph (1) of subsection (b) of Section 12270.

5 (3) NOTE: SEE THE ATTACHED OPTIONS 1, 2, 3, AND 4.

6 (4) NOTE: SEE THE ATTACHED OPTIONS 1, 2, 3, AND 4.

7 Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Sections
8 19951 and 19984, Business and Professions Code.

9

10 § 12280.21. Compliance.

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

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

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

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

26 (4) No more than one proposition player, or owner or supervisor acting as a player, from any
27 specific TPPPS shall simultaneously play at any one table.

28 (5) No proposition player, or owner or supervisor acting as a player, shall provide services at
29 multiple tables at the same time.

30 (c) A TPPPS shall pay the same collection rate as any other participant for the same level of
31 participation as provided in the Bureau-approved collection rate being utilized during the play of

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1 a controlled game.

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

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

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

16 (g)(1) If a contract allows for tipping, but does not specify any fixed arrangement, any
17 TPPPS policy related to tipping by the TPPPS or its employees must be included as an
18 addendum to the contract.

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

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

22 (4) No tipping arrangement or policy may include the tipping of any gambling enterprise
23 employee during a shift in which that employee exercises any supervisory responsibility or any
24 authority to make discretionary decisions that affect the results of any game that is included in
25 the contract pursuant to paragraph (3) of subsection (b) of Section 12270.

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

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

1 (i) The gambling enterprise is responsible for ensuring that proposition player services are
2 provided only in compliance with laws and regulations pertaining to controlled gambling.

3 (j) Any financial arrangements, relationships or transactions entered into during the term of a
4 contract for any purpose between a TPPPS, any derivative party or any affiliate of a specified
5 person of a TPPPS, and a gambling enterprise, any derivative party or any affiliate of a specified
6 person of a gambling enterprise covered by a proposition player contract shall be reported to the
7 Bureau within ten days of the execution thereof by the parties to the financial arrangement,
8 relationship or transaction. This subsection does not supersede or supplant any other
9 requirement under the Act or regulations.

10 (k) Neither a TPPPS, nor any of its owners or employees, shall offer or grant any rebate to
11 any person.

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

14
15 **CHAPTER 10. DISCIPLINE, HEARINGS, AND DECISIONS.**

16 **§ 12560. Disciplinary Guidelines for Third-Party Providers of Proposition Player Services**
17 **Licensees or Registrants.**

18 ...

19 (b) ...

20 ...

21 (7) The owner has provided proposition player services in violation of California Code of
22 Regulations, Title 4, Section 122800.7, subsection (b)~~(9)~~(2) or (b)~~(11)~~(4),

23 (8) The owner has failed to fully disclose financial arrangements in violation of California
24 Code of Regulations, Title 4, Section 127200.7, subsection ~~(b)(15)~~(a)(3)(H),

25 (9) The primary owner has failed to report cheating, in violation of California Code of
26 Regulations, Title 4, Section 122800.7, subsection ~~(b)(f)~~(18),

27 (10) The owner has purchased, leased, or controlled equipment in violation of California
28 Code of Regulations, Title 4, Section 122800.7, subsection ~~(b)(h)~~(21),

29 (11) The owner has failed to have the proposition player contract approved, in violation of
30 California Code of Regulations, Title 4, Section ~~12200.7, subsection (b)(22), or Section~~
31 1227400.9,

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1 (12) The owner has authorized or provided payment to or receipt by the gambling
2 establishment, in violation of California Code of Regulations, Title 4, Section 1227000.7,
3 subsection (c),

4 ...

5 (19) The owner has offered or granted rebates to patrons ~~without full disclosure~~, in violation
6 of California Code of Regulations, Title 4, Section ~~12200.7, subsection (c)~~(19) 12280, subsection
7 (k),

8 ...

9 (c) ...

10 ...

11 (10) The supervisor, player, or other employee has failed to comply with California Code of
12 Regulations, Title 4, Section 122800.21.

13 (d) ...

14 ...

15 (8) The supervisor, player, or other employee has offered or granted rebates to patrons
16 ~~without full disclosure~~, in violation of California Code of Regulations, Title 4, Section ~~12200.7,~~
17 ~~subsection (19)~~ 12280, subsection (k),

18 ...

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

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

21 ///

OPTION 1

1 *NOTE: UNLESS OTHERWISE PROPOSED HERE, THIS OPTION INCLUDES ANY CHANGES PREVIOUSLY*
2 *PROPOSED.*

3
4 **§ 122700.7. Proposition Player Contract Criteria.**

5 ...

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

16 (1)(2) All payments from the TPPPS to the gambling enterprise shall be of a fixed amount.
17 A gambling enterprise will be considered to have an interest, whether direct or indirect, in the
18 funds wagered, lost, or won if the~~In no event may a~~ proposition player contract provides for any
19 payment to the gambling enterprise based on a percentage or fraction of the registrant's or
20 licensee's gross profits or wagers made within the gambling establishment or the number of
21 players. ~~All payments shall be fixed and shall only be made for services and facilities requested~~
22 ~~by, and provided to, the registrant or licensee, and for a reasonable share of the cost of~~
23 ~~advertising with respect to gaming at the gambling establishment in which the registered or~~
24 ~~licensed owner participates.~~

25 (2) The contract shall include a detailed list of anything with an associated payment that is
26 provided for in the contract, such as those provided for in paragraphs (3) and (4).

27 (3) Any payments for services or facilities shall not exceed the established value of the
28 services or facilities.

29 (4) Any payments or reimbursements for advertising or equipment, including but not limited
30 to surveillance cameras and monitors, cards, shuffling machines, and dice, shall not exceed a
31 proportionate share of the actual cost of the advertising or equipment that is directly related to

1 the benefit received by the TPPPS.

2 ~~(5)(3) No contract provision shall authorize any payments for services or facilities that are~~
3 ~~substantially disproportionate to the value of the services or facilities provided.~~ No contract shall
4 include any charge, direct or indirect, for the value of an exclusive right to conduct proposition
5 play within all or a portion of the gambling establishment.

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

8 (7) No payment may be included in the contract for any gambling enterprise expense that
9 predates the effective date of the contract.

10 ...

11
12 **§ 1227400.9. Review and Approval of Initial and Renewal Proposition Player Contracts.**

13 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (a) OR PARAGRAPH (1), THEY ARE*
14 *PROVIDED ONLY FOR REFERENCE.*

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

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

23 ...

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

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

30 ...

1 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (b), IT IS PROVIDED ONLY FOR*
2 *REFERENCE.*

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

5 (6) The methodology used to establish the value of the services and facilities provided to the
6 TPPPS by the gambling enterprise, and the methodology used to determine the proportionate
7 share of the actual cost of advertising and equipment directly related to the benefits received by
8 the TPPPS.

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

12 ...
13
14 **§ 1227600.10A. Expedited Review and Approval of Proposition Player Contracts.**

15 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (a), IT IS PROVIDED ONLY FOR*
16 *REFERENCE.*

17 (a) In lieu of the procedure specified in Section 1227400.9, the Bureau shall provide an
18 expedited review process of an application for contract approval if all of the following conditions
19 exist:

20 ...

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

24 ...

25
26 **§ 1227800.10B. Review and Approval of Amendments to Proposition Player Contracts.**

27 ...

28 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (b), PARAGRAPHS (1) AND (2),*
29 *THEY ARE PROVIDED ONLY FOR REFERENCE.*

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

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1 ~~than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term~~
2 ~~of a proposition player contract without the prior written approval of the Bureau. If any~~
3 ~~amendment is made to a proposition player contract term specified in paragraphs (3), (4), and (6)~~
4 ~~of subsection (b) of Section 12200.7, shall be made unless the amended contract continues to~~
5 satisfy all of the applicable requirements of subsection (a) of Section 12274. Amendments to the
6 following contract provisions do not require prior approval by the Bureau, but both parties to the
7 contract shall notify the ~~Commission and~~ Bureau in writing of the amendment within ten ~~(10)~~
8 days of the execution thereof by the parties to the contract.;

9 (1) Any contract provision not referenced or required by regulation.

10 (2) The names of the derivative parties and the affiliates of the specified persons as identified
11 in subparagraphs (B) and (C) of paragraph (1) of subsection (b) of Section 12270.

12 (3) The contract terms referred to in paragraphs (3) through (8), inclusive, of subsection (b)
13 of Section 12270.

14 (4) The payment amount provided in paragraph (4) of subsection (c) of Section 12270. Any
15 change to this contract term, when noticed to the Bureau, must include copies of any purchase
16 orders or other documentation of the actual costs and if for advertising, copies of the
17 advertisements.

18 ///

OPTION 2

1 *NOTE: UNLESS OTHERWISE PROPOSED HERE, THIS OPTION INCLUDES ANY CHANGES PREVIOUSLY*
2 *PROPOSED.*

3
4 **§ 122700.7. Proposition Player Contract Criteria.**

5 ...

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

16 ~~(1)(2) All payments from the TPPPS to the gambling enterprise shall be of a fixed amount.~~
17 ~~A gambling enterprise will be considered to have an interest, whether direct or indirect, in the~~
18 ~~funds wagered, lost, or won if the~~In no event may a~~ proposition player contract provides for any~~
19 ~~payment to the gambling enterprise based on a percentage or fraction of the registrant's or~~
20 ~~licensee's gross profits or wagers made within the gambling establishment or the number of~~
21 ~~players. ~~All payments shall be fixed and shall only be made for services and facilities requested~~~~
22 ~~by, and provided to, the registrant or licensee, and for a reasonable share of the cost of~~
23 ~~advertising with respect to gaming at the gambling establishment in which the registered or~~
24 ~~licensed owner participates.~~

25 ~~(2) The amount of any payment(s) from the TPPPS to the gambling enterprise in a calendar~~
26 ~~year shall not exceed the total yearly operating expenses of the gambling enterprise as reported~~
27 ~~to the Bureau in the most recent annual financial statement submitted pursuant to Section 12403~~
28 ~~at the time of contract submittal multiplied by the TPPPS table ratio. At its discretion, if the~~
29 ~~Bureau determines that within the yearly operating expenses is included a substantially~~
30 ~~disproportionate expense of the gambling enterprise that is associated with a person, business,~~
31 ~~trust or estate affiliated with a specified person of the gambling enterprise, the Bureau may~~

1 require that cost to be deducted from the total yearly operating expenses for the purpose of this
2 paragraph.

3 (3) TPPPS table ratio shall be the following:

4 (A) The total collection fees collected in the previous calendar year in all controlled games
5 where a TPPPS provided services.

6 (B) The total collection fees in the previous calendar year in all controlled game offered by
7 the gambling enterprise.

8 (C) The amount pursuant to subparagraph (A) divided by the amount pursuant to
9 subparagraph (B).

10 (D) The amount pursuant to subparagraph (C) divided by 2.

11 ~~(4)(3) No contract provision shall authorize any payments for services or facilities that are~~
12 ~~substantially disproportionate to the value of the services or facilities provided.~~ No contract shall
13 include any charge, direct or indirect, for the value of an exclusive right to conduct proposition
14 play within all or a portion of the gambling establishment.

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

17 ...

18

19 **§ 1227600.10A. Expedited Review and Approval of Proposition Player Contracts.**

20 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (a), IT IS PROVIDED ONLY FOR*
21 *REFERENCE.*

22 (a) In lieu of the procedure specified in Section 1227400.9, the Bureau shall provide an
23 expedited review process of an application for contract approval if all of the following conditions
24 exist:

25 ...

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

29 ...

1 § 1227800.10B. Review and Approval of Amendments to Proposition Player Contracts.

2 ...

3 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (b), PARAGRAPHS (1) AND (2),*
4 *THEY ARE PROVIDED ONLY FOR REFERENCE.*

5 (b) No amendment ~~changing any of the contract terms referred to in Section 12200.7, other~~
6 ~~than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term~~
7 ~~of a proposition player contract without the prior written approval of the Bureau. If any~~
8 ~~amendment is made to a proposition player contract term specified in paragraphs (3), (4), and (6)~~
9 ~~of subsection (b) of Section 12200.7, shall be made unless the amended contract continues to~~
10 satisfy all of the applicable requirements of subsection (a) of Section 12274. Amendments to the
11 following contract provisions do not require prior approval by the Bureau, but both parties to the
12 contract shall notify the ~~Commission and~~ Bureau in writing of the amendment within ten ~~(10)~~
13 days of the execution thereof by the parties to the contract:

14 (1) Any contract provision not referenced or required by regulation.

15 (2) The names of the derivative parties and the affiliates of the specified persons as identified
16 in subparagraphs (B) and (C) of paragraph (1) of subsection (b) of Section 12270

17 (3) The contract terms referred to in paragraphs (3) through (8), inclusive, of subsection (b)
18 of Section 12270.

19 ...

OPTION 3

1 *NOTE: UNLESS OTHERWISE PROPOSED HERE, THIS OPTION INCLUDES ANY CHANGES PREVIOUSLY*
2 *PROPOSED.*

3
4 **§ 122700.7. Proposition Player Contract Criteria.**

5 ...

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

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

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

27 ...

28

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§ 1227400.9. Review and Approval of Initial and Renewal Proposition Player Contracts.

NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (a) OR PARAGRAPH (I), THEY ARE PROVIDED ONLY FOR REFERENCE.

(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:~~

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

...

(C) There shall be no payment between the TPPPS and the gambling enterprise.

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

...

NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (b), IT IS PROVIDED ONLY FOR REFERENCE.

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

...

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

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

...

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§ 1227600.10A. Expedited Review and Approval of Proposition Player Contracts.

NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (a), IT IS PROVIDED ONLY FOR REFERENCE.

(a) In lieu of the procedure specified in Section 1227400.9, the Bureau shall provide an expedited review process of an application for contract approval if all of the following conditions exist:

...

(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.

...

§ 1227800.10B. Review and Approval of Amendments to Proposition Player Contracts.

...

NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (b), PARAGRAPHS (1) AND (2), THEY ARE PROVIDED ONLY FOR REFERENCE.

(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), and (6) of subsection (b) of Section 12200.7, shall be made unless the amended contract continues to satisfy all of the applicable requirements of subsection (a) of Section 12274. Amendments to the following contract provisions do not require prior approval by the Bureau, but~~ 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:

(1) Any contract provision not referenced or required by regulation.

(2) The names of the derivative parties and the affiliates of the specified persons as identified in subparagraphs (B) and (C) of paragraph (1) of subsection (b) of Section 12270

(3) The contract terms referred to in paragraphs (3) through (8), inclusive, of subsection (b) of Section 12270.///

OPTION 4

1 *NOTE: UNLESS OTHERWISE PROPOSED HERE, THIS OPTION INCLUDES ANY CHANGES PREVIOUSLY*
2 *PROPOSED.*
3

4 **§ 122700.7. Proposition Player Contract Criteria.**

5 ...

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

16 ~~(1)(2) All payments from the TPPPS to the gambling enterprise shall be of a fixed amount.~~
17 ~~A gambling enterprise will be considered to have an interest, whether direct or indirect, in the~~
18 ~~funds wagered, lost, or won if the~~In no event may a proposition player contract provides for any
19 payment to the gambling enterprise based on a percentage or fraction of the registrant's or
20 licensee's gross profits or wagers made within the gambling establishment or the number of
21 players. ~~All payments shall be fixed and shall only be made for services and facilities requested~~
22 ~~by, and provided to, the registrant or licensee, and for a reasonable share of the cost of~~
23 ~~advertising with respect to gaming at the gambling establishment in which the registered or~~
24 ~~licensed owner participates.~~

25 (2) The contract shall include a detailed list of anything that is provided for in the contract.

26 (3) Any payment shall not be more than \$X per the maximum number of tables, for which
27 service will be provided by the TPPPS pursuant to paragraph (4) of subsection (b).

28 ~~(4)(3) No contract provision shall authorize any payments for services or facilities that are~~
29 ~~substantially disproportionate to the value of the services or facilities provided. No contract shall~~
30 include any charge, direct or indirect, for the value of an exclusive right to conduct proposition
31 play within all or a portion of the gambling establishment.

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1 (5) No payment other than the collection fee for play~~;~~ shall be required for play at any table,
2 including, without limitation, reservation of a seat.

3 ...

4 5 § 1227600-10A. Expedited Review and Approval of Proposition Player Contracts.

6 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (a), IT IS PROVIDED ONLY FOR*
7 *REFERENCE.*

8 (a) In lieu of the procedure specified in Section 1227400-9, the Bureau shall provide an
9 expedited review process of an application for contract approval if all of the following conditions
10 exist:

11 ...

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

15 ...

16 17 § 1227800-10B. Review and Approval of Amendments to Proposition Player Contracts.

18 ...

19 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (b), PARAGRAPHS (1) AND (2),*
20 *THEY ARE PROVIDED ONLY FOR REFERENCE.*

21 (b) No amendment ~~changing any of the contract terms referred to in Section 12200.7, other~~
22 ~~than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term~~
23 ~~of a proposition player contract without the prior written approval of the Bureau. If any~~
24 ~~amendment is made to a proposition player contract term specified in paragraphs (3), (4), and (6)~~
25 ~~of subsection (b) of Section 12200.7, shall be made unless the amended contract continues to~~
26 satisfy all of the applicable requirements of subsection (a) of Section 12274. Amendments to the
27 following contract provisions do not require prior approval by the Bureau, but both parties to the
28 contract shall notify the ~~Commission and~~ Bureau in writing of the amendment within ten ~~(10)~~
29 days of the execution thereof by the parties to the contract.:

30 (1) Any contract provision not referenced or required by regulation.

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1 (2) The names of the derivative parties and the affiliates of the specified persons as identified
2 in subparagraphs (B) and (C) of paragraph (1) of subsection (b) of Section 12270.

3 (3) The contract terms referred to in paragraphs (3) through (8), inclusive, of subsection (b)
4 of Section 12270.

5 ///

6

OPTION 5

DRAFT

1 *NOTE: UNLESS OTHERWISE PROPOSED HERE, THIS OPTION INCLUDES ANY CHANGES PREVIOUSLY*
2 *PROPOSED.*

3 4 § 12272. Bid Submittal and Review.

5 (a) The gambling enterprise shall create two review bodies which shall, for the purposes of
6 the bid submittal and review process be segregated from each other except as otherwise provided
7 in this section. These two bodies shall each be made up of one or more individuals as specified
8 by the gambling enterprise. The two review bodies shall be:

9 (1) The review committee; and,

10 (2) The selection committee.

11 (b) The review committee has the responsibility of preparing the request for bid, reviewing
12 any submitted bids, conducting all communications with any TPPPS involving bids or bid review
13 and preparing all documentation for the selection committee.

14 (c) The selection committee has the responsibility of selecting the bid.

15 (d) The bid request shall include, at a minimum, all of the following:

16 (1) The information required by paragraphs (3) through (7), inclusive, of subsection (b) of
17 Section 12270.

18 (2) A request that the TPPPS provide any desired items related to paragraphs (8) through
19 (10), inclusive, of subsection (b) of Section 12270.

20 (3) A request for a contract amount, consistent with subsection (c) of Section 12270.

21 (d) The review committee shall provide a bid request to every licensed or registered TPPPS.

22 (e) The review committee shall prepare the document(s) for the selection committee's
23 review. These documents shall not contain any information or identifiers through which a
24 member of the selection committee could determine the TPPPS' identity. Using these
25 documents, the selection committee shall select a TPPPS.

26 27 § 12274~~00~~.9. Review and Approval of Initial and Renewal Proposition Player Contracts.

28 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (a) OR PARAGRAPH (1), THEY ARE*
29 *PROVIDED ONLY FOR REFERENCE.*

30 (a) ~~(1)~~ Proposition player services shall not be provided except pursuant to a written
31 proposition player contract approved in advance by the Bureau. Provision of proposition player

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1 services by any person subject to registration or licensing under this chapter, or engagement of
2 proposition player services by the holder of a state gambling license, without a contract as
3 required by this section is a violation of this section. ~~The Bureau shall approve a proposition
4 player contract only if all the following requirements have been satisfied:~~

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

7 ...

8 (F) The contract has been properly bid and selected pursuant to the requirements of Section
9 12272

10 ...

11 *NOTE: THIS OPTION DOES NOT INCLUDE CHANGES TO SUBSECTION (b), IT IS PROVIDED ONLY FOR*
12 *REFERENCE.*

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

14 ...

15 (10) All documents related to the bidding and review of the contract, including at a minimum
16 all of the following:

17 (A) The gambling enterprise's request for bid;

18 (B) Any provided bids;

19 (C) An affidavit, signed by the member(s) of the selection committee, stating that any
20 information provided to the contract selection committee was without TPPPS identifiers.

21 (D) Any information related to improper communications between the TPPPS and the
22 selection committee, as identified in paragraph (2) of subsection (a) of Section 12272;

23 ///

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



DEPARTMENT OF JUSTICE
BUREAU OF GAMBLING CONTROL

INSTRUCTIONS TO PRIMARY OWNER

APPLICATION FOR CONTRACT APPROVAL TO
PROVIDE PROPOSITION PLAYER SERVICES

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

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

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

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

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

For Regular Mail Delivery:

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

For Commercial/Personal Delivery:

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

Application for Contract Approval to Provide Proposition Player Services



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

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

APPLICATION FOR CONTRACT APPROVAL TO PROVIDE PROPOSITION PLAYER SERVICES

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

Attach additional sheet(s), if necessary.

1. INDICATE THE TYPE OF CONTRACT APPROVAL REQUEST (check one)		
<input type="checkbox"/> NEW	<input type="checkbox"/> AMENDMENT	<input type="checkbox"/> EXTENSION OF SERVICES (RENEWAL)
		<input type="checkbox"/> EXPEDITE
2. BUSINESS ENTITY OR INDIVIDUAL NAME (<i>Primary Owner</i>)		3. TELEPHONE NUMBER ()
4. MAILING ADDRESS (<i>street, city, state, zip code</i>)		
5. FAX NUMBER ()	6. E-MAIL ADDRESS	7. WEBSITE ADDRESS
8. FULL NAME OF GAMBLING ESTABLISHMENT NAMED AS A PARTY TO THE CONTRACT		
9. ADDRESS OF GAMBLING ESTABLISHMENT (physical location - street, city, state, zip code)		
10. IDENTIFY THE LEGAL BUSINESS STRUCTURE OF THE PRIMARY OWNER (check all that apply)		
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Limited Liability Partnership
<input type="checkbox"/> Corporation	<input type="checkbox"/> General Partnership	<input type="checkbox"/> Parent
<input type="checkbox"/> Publicly Traded Corporation	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Subsidiary <input type="checkbox"/> Other
11. LIST THE NAME AND ADDRESS (physical location - street, city, state, zip code) OF ANY OTHER GAMBLING ESTABLISHMENTS TO WHICH THIS PRIMARY OWNER PROVIDES PROPOSITION PLAYERS.		

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

PRINTED NAME OF PRIMARY OWNER/DESIGNEE	SIGNATURE OF PRIMARY OWNER/DESIGNEE	DATE
--	-------------------------------------	------

Appointment of Designated Agent for Owners and Proposition Players

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



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

APPOINTMENT OF DESIGNATED AGENT FOR OWNERS AND PROPOSITION PLAYERS

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

(Type or Print clearly in ink.)

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

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

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

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

Applicant/Licensee Printed Name* _____ Title _____

Applicant/Licensee Signature* _____ Date _____

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

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

OPTIONS 1, 2 AND 4

Application for Contract Approval to Provide Proposition Player Services

BGC-APP 030 (Rev. 0X/2015)
Page 2 of 2

BUREAU USE ONLY
BGC ID# _____



MAIL COMPLETED FORM AND FEE TO:
BUREAU OF GAMBLING CONTROL
 P.O. Box 168024
 Sacramento, CA 95816-8024
 (916) 227-3584

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE YOU COMPLETE THIS FORM

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

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

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

SECTION 2: PRIMARY OWNER INFORMATION			
FULL NAME OF PRIMARY OWNER (BUSINESS ENTITY OR SOLE PROPRIETOR)			
MAILING ADDRESS (STREET, CITY, STATE, ZIP CODE)			
PRIMARY TELEPHONE NUMBER	FAX NUMBER	EMAIL ADDRESS	WEBSITE

SECTION 3: GAMBLING ENTERPRISE/ESTABLISHMENT INFORMATION	
FULL NAME OF GAMBLING ENTERPRISE (PARTY TO THE CONTRACT)	FULL NAME OF GAMBLING ESTABLISHMENT
PHYSICAL ADDRESS (STREET, CITY, STATE, ZIP CODE)	

SECTION 4: CONTRACT INFORMATION

A) IF REQUESTING AN EXPEDITED REVIEW, PROVIDE THE FOLLOWING INFORMATION AND ATTACH A COPY OF THE TERMINATION NOTICE FOR THE THIRD-PARTY PROVIDER NOTICED BELOW:

NAME OF PROVIDER WHOSE CONTRACT WAS TERMINATED WITHIN 60 DAYS PRECEDING THIS APPLICATION	DATE SERVICES CEASE(D) AT THE GAMBLING ESTABLISHMENT (MM/DD/YYYY)
--	---

B) IF REQUESTING APPROVAL OF AN AMENDED CONTRACT, PROVIDE THE EFFECTIVE DATE OF THE AMENDMENT AND EXPLAIN THE PURPOSE FOR EACH CHANGE BELOW:

--

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

--

SECTION 5: ARRANGEMENTS, RELATIONSHIPS AND TRANSACTIONS

Identify all arrangements, relationships and/or transactions, for any purpose, with any affiliate of the gambling enterprise.

--

SECTION 6: DECLARATION

I declare under penalty of perjury under the laws of the State of California that I have personally completed this form and know that the contents thereof, and that information contained herein, including all corrections, changes and other alterations, are true, accurate, and complete, and that this declaration is executed by me at _____.

PRINTED NAME	SIGNATURE	CAPACITY	DATE (MM/DD/YYYY)
--------------	-----------	----------	-------------------

This form must be signed by the appropriate person identified below:
- By an authorized officer, if applicant/licensee is a corporation, LLC, or joint venture.
- By an authorized partner, if applicant/licensee is a general partnership or limited partnership.
- By the owner, if applicant/licensee is a sole proprietor.

PRIVACY NOTICE

THE INFORMATION PRACTICES ACT OF 1977 (CIVIL CODE SECTION 1798.17) AND THE FEDERAL PRIVACY ACT (PUBLIC LAW 93-579) REQUIRE THAT THIS NOTICE BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM INDIVIDUALS. INFORMATION REQUESTED ON THIS FORM IS REQUIRED BY THE STATE OF CALIFORNIA, DEPARTMENT OF JUSTICE, DIVISION OF LAW ENFORCEMENT, BUREAU OF GAMBLING CONTROL (BUREAU), PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTIONS 19984. THE BUREAU USES THIS INFORMATION TO APPROVE CONTRACTS FOR THIRD-PARTY SERVICES. FAILURE TO PROVIDE MANDATORY INFORMATION MAY RESULT IN THE DENIAL OF THE CONTRACT. PERSONAL INFORMATION SHOULD ONLY BE PROVIDED IN THE SPACES INDICATED. THE BUREAU IS RESPONSIBLE FOR MAINTENANCE OF THE COMPLETED FORM.

IN ADDITION, ANY PERSONAL INFORMATION COLLECTED BY STATE AGENCIES IS SUBJECT TO THE LIMITATIONS IN THE INFORMATION PRACTICES ACT AND STATE POLICY. THE INFORMATION YOU PROVIDE MAY ALSO BE DISCLOSED IN THE FOLLOWING CIRCUMSTANCES: 1) TO ANOTHER GOVERNMENT AGENCY AS REQUIRED BY STATE OR FEDERAL LAW; OR, 2) IN RESPONSE TO A COURT OR ADMINISTRATIVE ORDER, A SUBPOENA, OR A SEARCH WARRANT. PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19821, SUBDIVISION (C), THIS FORM IS EXEMPT FROM THE CALIFORNIA PUBLIC RECORDS ACT.

THE DEPARTMENT OF JUSTICE'S GENERAL POLICY IS AVAILABLE AT: <http://oag.ca.gov/privacy-policy>. YOU MAY REVIEW THE RECORDS MAINTAINED BY THE BUREAU THAT CONTAIN YOUR PERSONAL INFORMATION, AS PERMITTED BY THE INFORMATION PRACTICES ACT. FOR QUESTIONS REGARDING THIS NOTICE OR ACCESS TO YOUR RECORDS, YOU MAY CONTACT THE BUREAU AT (916) 227-3584.

OPTION 3

Application for Contract Approval to Provide Proposition Player Services

BGC-APP 030 (Rev. 0X/2015)
Page 2 of 2

BUREAU USE ONLY
BGC ID# _____



MAIL COMPLETED FORM AND FEE TO:
BUREAU OF GAMBLING CONTROL
 P.O. Box 168024
 Sacramento, CA 95816-8024
 (916) 227-3584

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE YOU COMPLETE THIS FORM

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

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

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

SECTION 2: PRIMARY OWNER INFORMATION			
FULL NAME OF PRIMARY OWNER (BUSINESS ENTITY OR SOLE PROPRIETOR)			
MAILING ADDRESS (STREET, CITY, STATE, ZIP CODE)			
PRIMARY TELEPHONE NUMBER	FAX NUMBER	EMAIL ADDRESS	WEBSITE

SECTION 3: GAMBLING ENTERPRISE/ESTABLISHMENT INFORMATION	
FULL NAME OF GAMBLING ENTERPRISE (PARTY TO THE CONTRACT)	FULL NAME OF GAMBLING ESTABLISHMENT
PHYSICAL ADDRESS (STREET, CITY, STATE, ZIP CODE)	

SECTION 4: CONTRACT INFORMATION

A) IF REQUESTING AN EXPEDITED REVIEW, PROVIDE THE FOLLOWING INFORMATION AND ATTACH A COPY OF THE TERMINATION NOTICE FOR THE THIRD-PARTY PROVIDER NOTICED BELOW:

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

SECTION 5: ARRANGEMENTS, RELATIONSHIPS AND TRANSACTIONS

Identify all arrangements, relationships and/or transactions, for any purpose, with any affiliate of the gambling enterprise.

SECTION 6: DECLARATION

I declare under penalty of perjury under the laws of the State of California that I have personally completed this form and know that the contents thereof, and that information contained herein, including all corrections, changes and other alterations, are true, accurate, and complete, and that this declaration is executed by me at _____.

City and State

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

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