



September 27, 2022

Josh Rosenstein, Legislative and Regulatory Specialist
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231

RE: CGCC-GCA-2022-02-R
Spousal Form Update

Dear Josh Rosenstein:

The Department of Justice, Bureau of Gambling Control (Bureau) has reviewed the California's Gambling Control Commission's (Commission) draft regulations, which were routed on August 12, 2022, regarding CGCC-GCA-2022-02-R: Spousal Form Update. We respectfully submit the following comments for consideration. Proposed modifications to the regulatory text are indicated with an underline or by strikeout.

**California Code of Regulations, Title 4, Division 18, Chapter 2. Licenses and Work Permits
Amend Section 12112. Initial License Applications; Required Forms – Subdivision (a)**

Application for Owner Category License [Form CGCC-CH2-05]

Page 1

The Bureau recommends amending the form field "Associated Owner Category Licensee" on page 1 of the application. Our proposal adds "Business Entity may include, but is not limited to, a corporation, sole proprietorship or partnership" underneath the existing text. This will assist the Bureau in identifying ownership structures associated with an owner category license.

The Bureau recommends adding a form field to include the name of an applicant's gambling establishment on page 1 of the application: "Gambling Establishment". This will provide the applicant clarity regarding application requirements for licensure.

Page 2

The Bureau recommends amending the definition of a "Cardroom Endorsee License" on page 2 of the application as follows: "An endorsed licensee is ~~any other type not covered above, such as:~~ an officer in a corporation, a shareholder, a limited partner in a partnership, any person who received any percentage share of the revenues earned, or any funding source. An endorsed license also includes, but is not limited to, a sole proprietor, LLC, corporation, partnership, trust, or business entity that operates a gambling establishment." This requirement will provide an applicant clarity regarding the definition of an endorsed license, which may include multiple business entities.

The Bureau recommends amending the following language on page 2 of the application: “Section 1: Application. B) The Bureau will provide a replacement badge to a licensee if the requestor has a current valid initial, renewal, temporary, or interim license or Commission work permit pursuant to the California Code of Regulations, Section 12108. Additionally, the requestor must submit a Badge Replacement Request, CGCC-CH2-01 form (New 11/21) to the Bureau and pay the application fee in the amount of \$8 Application Fee”. This will provide the applicant clarity regarding badge replacement requirements.

Page 3

The Bureau recommends adding language to “Section 3: Cardroom Business License Operations” of the application: “Please attach a current organization chart for the gambling establishment (cardroom) that includes the owner licensee, all endorsed licensees, and all key employees.” This will assist the Bureau in identifying ownership structures and changes that have been made to officer positions since the previous renewal.

The Bureau also proposes to add language on page 3 of the application: “Name of Proposed Games (This is only applicable for initial applications)”. This will provide the applicant clarity regarding application requirements for licensure.

Additionally, the Bureau suggests removing language from Section 3 of the application: “~~Indicate Endorsed Owners— Identify all individual officers (President, Secretary, Treasurer, and Chief Financial Officer), directors, shareholders, partners, members, etc. of the entity. For Trusts, identify the Trustor and any Trustees. For officers and directors corporations with no ownership interest, enter 0% in the ownership column. If a section does not apply, write “N/A” (not applicable). If additional space is needed, please use separate sheets of paper.~~” Endorsed Owner requirements are not applicable to cardroom business license operations.

The Bureau suggests renumbering Section 4 of the application to a new section: “Section ~~4~~ 6: Additional Required Items”.

The Bureau also recommends amending the following language follows: “~~Section 4: Additional Required Items. The following items must be submitted, as applicable, with this completed form. Provide copies of documents unless otherwise stated. Only documents that are dated and signed by the applicant will be accepted. Failure to provide required items may result in denial of your application. Pursuant to Business and Professions Code Section 19868, subdivision (a), the application package will not be deemed complete until all required forms, documentation, and fees have been completed and received by the State. Marked the box next to each attached item. Section 4: Entity Structure. Please attach a current organization chart for the entity indicating the names and titles of any officers, shareholders, partners, members, trustors, trustees etc. that are associated with the entity. This will assist the Bureau in identifying ownership structures and changes that have been made to officer positions since the previous license renewal.~~”

The Bureau suggests adding Section 5 for applicants to indicate their business affiliation: Section 5a - Entity Structure. Please attach a current organization chart for the entity indicating the names and titles of any officers, shareholders, partners, members that are associated with the entity. This will assist the Bureau in identifying ownership structures and changes that have been made to officer positions since the previous license renewal.

The Bureau also proposes to include additional language regarding business entities: “Section 5b - Entity Information. Please provide the information below for the entity structure indicated in”

section 5a. Identify all individual officers (President, Secretary, Treasure, and Chief Financial Officer), directors, shareholders, partners, members etc., of the entity. For Trusts, identify the Trustor and any Trustees. For officers and directors of corporations with no ownership interest, enter 0% in the ownership column. If a section does not apply, write "N/A" (not applicable). If additional space is needed, please use separate sheets of paper.” This will assist the Bureau in identifying changes that have been made to business entity operations since the previous license renewal.

Page 4

The Bureau recommends adding “Section 7: Designated Agent Information. Please indicate the name of the Designated Agent, relationship to the Applicant, and contact information. If this section does not apply, write “N/A” (not applicable).” This will assist the Bureau in identifying designated agents associated with the applicant.

The Bureau proposes to include Section 8 for applicants to include their contact information: “Section 8: Contact Information

1) Business Entity or Individual Name (Primary Owner); 2) Mailing Address; 3) Telephone Number and; 4) Email Address.” This proposal will ensure the Bureau has a means to contact the applicant during the application process.

The Bureau recommends renumbering Section 5 to Section 9: “Section 5 9. Declaration”. The Bureau also proposes to add a form field for an applicant to include their title/capacity under section 9: “Title/Capacity”. This will allow the Bureau to identify the title and capacity associated with an application.

Individual Owner/Principal Supplemental Information [Form CGCC-CH2-07]

Page 1

The Bureau recommends amending the form field “Title/Capacity” on page 1: “Title/Capacity Gambling Establishment/TPPPS”. This information is already required elsewhere and not necessary to be collected on this form.

The Bureau recommends amending the form field “Associated Owner Category Licensee” on page 1 by adding the following language underneath the text: “Business Entity”. This will assist the Bureau in identifying ownership structures associated with an owner category license.

The Bureau recommends amending the form field “Associated Endorsed Owner” on page 1. Our proposal adds the following language underneath the existing text: “Please identify the business entity structure or officers, directors, shareholders, partners, members etc., of the entity.” This will assist the Bureau in identifying ownership structures associated with an endorsed owner.

Pages 2 and 3

The Bureau proposes to remove the following language on page 2 along with the labeled boxes: “Relationship to Owner Category Licensee”. This information is already required elsewhere and not necessary to be collected on this form.

The Bureau proposes adding language to pages 2 and 3: “Section 2: Family/Cohabitant Information:

B) Current Spouse/Registered Domestic Partner. Occupation.

C) Former Spouse/Registered Domestic Partner. Occupation”.

This will assist the Bureau in identifying spouse/registered partner information associated with an application.

Page 5

The Bureau recommends removing the following language: “Section 4: Criminal Conviction/Pending, Current and Past Litigation and Arbitration. A) ~~If this applicant currently holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information was submitted and licensure granted.~~”

This language can be misused by applicants to avoid listing all information necessary for the Bureau to conduct a background check.

Page 7

The Bureau recommends removing the following language: “Section 5: Residences. A) ~~If this applicant currently holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information was submitted and licensure granted.~~”

The Bureau recommends removing the following language: “Section 6: Experience and Employment. ~~If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~”

This language can be misused by applicants to avoid listing all information necessary for the Bureau to conduct a background check.

Page 9

The Bureau recommends removing the following language: “Section 7: Licensing Information.

B) ~~If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~

C) ~~If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~”

This language can be misused by applicants to avoid listing all information necessary for the Bureau to conduct a background check.

Page 10

The Bureau recommends removing the following language: “Section 8: Business Interest – Gaming Related.

- A) ~~If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~
- C) ~~If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.”~~

This language can be misused by applicants to avoid listing all information necessary for the Bureau to conduct a background check.

The Bureau proposes to add the following language: “Section 8: Business Interest – Gaming Related. C) Have you been a member, shareholder, officer, manager, or director of any gaming related officer, manager, or director of any gaming related businesses within the past 10 years?”.”

This will ensure the Bureau has the ability to determine if an applicant’s background may prevent them from obtaining a license.

Page 11

The Bureau proposes to add the following language: “Section 9: Business Interest – Non-Gaming Related. Have you been a member, shareholder, officer, manager, or director of any gaming related officer, manager, or director of any gaming related businesses within the past 10 years?”.”

This will ensure the Bureau has the ability to determine if an applicant’s background may prevent them from obtaining a license.

The Bureau recommends removing the following language: “Section 9: Business Interest – Non-Gaming Related. ~~If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~

This language can be misused by applicants to avoid listing all information necessary for the Bureau to conduct a background check.

Pages 12 and 13

The Bureau recommends removing the following language: “Section 10: Personal Financial History.

- A) ~~If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~

~~B) If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~

~~C) If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~

~~D) If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~

~~E) If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~

~~F) If this applicant holds a valid license, this question need only be answered in a manner to update since the last time this form or another supplemental information form was submitted and licensure granted.~~

This language can be misused by applicants to avoid listing all information necessary for the Bureau to conduct a background check.

Page 15

The Bureau proposes to amend the following language: “Section 11: Additional Required Items. “Current balance sheet and income statement for yourself and your businesses for the most two recent calendar years.” This will ensure the Bureau has the ability to determine if an applicant’s background may prevent them from obtaining a license.

The Bureau recommends adding language to Section 11 of the Individual Owner/Principal: Supplemental Information CGCC-CH2-07 as follows: “Spousal Information, CGCC-CH2-12 – Provide Original.” The Bureau also proposes to add a box labeled “If the applicant’s spouse is licensed, or applying for licensure, proceed to and complete section 5.” The Spousal Information form is required for both the initial and renewal application filing for owners pursuant to the California Code of Regulations, Sections 12112 and 12114. The Bureau’s proposal provides the opportunity for an applicant and their spouse to review and complete the form if necessary.

Spousal Information [Form CGCC-CH2-12]

The Bureau recommends amending language on page 1 of the Spousal Information form: ~~Please note that if the Spouse is currently licensed or applying for undergoing licensure as an owner or an endorsed owner of an the associated owner category licensee in conjunction with the applicant, then this form does not need to be completed.~~ The Bureau suggests replacing this language with a box labeled “If the applicant’s spouse is licensed, or applying for licensure, proceed to and complete section 5.” The Spousal Information form is required for both the initial and renewal application filing for owners pursuant to the California Code of Regulations, Sections 12112 and 12114.

The Bureau also proposes to amend the form field “Associated Owner Category Licensee” on page 1. Our proposal adds the following language underneath the text: “Business Entity”. This will assist the Bureau in identifying ownership structures associated with owner category license.

The Bureau recommends adding a form field to include the name of the applicant’s gambling establishment on page 1: “Gambling Establishment”. This will provide the applicant clarity regarding application requirements for licensure.

The Bureau proposes to amend Section 1 of the Spousal Information form: “Section 1: Personal Information. ~~Mailing address if different than current residence~~ 1) Street Address; 2) Mailing Address.” This will allow an applicant’s spouse to submit a secondary address to the Bureau, which would be used as an alternate means to contact the applicant’s spouse during the application process as well as for future issues that may arise with their license.

Key Employee Supplemental Form [Form CGCC-CH2-08]

Page 11

The Bureau suggests removing the following language from Section 11: “~~Internal Revenue Service Request for Transcript of Tax Return (4506 T). Provide Original~~”. Applicants are not required to submit the Internal Revenue Service Request for Transcript of Tax Return during the initial application process. Therefore, this requirement should be removed from the Key Employee or TPPPS Supervisor: Supplemental Information form.

Thank you for considering our comments. Please contact Andreia McMillen at Andreia.McMillen@dca.ca.gov if you have any questions.

Sincerely,


YOLANDA MORROW
Bureau Director

For ROB BONTA
Attorney General



California Gaming Association

VIA EMAIL ONLY (jrosenstein@cgcc.ca.gov)

September 23, 2022

Joshua Rosenstein
Legislative and Regulatory Specialist
Legislation and Regulatory Affairs Division
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231

Re: Comments on Proposed Spousal Form Update Regulation - CGCC-GCA-2022-02-R

Dear Mr. Rosenstein,

On behalf of the California Gaming Association, whose membership includes the majority of active, licensed cardrooms and gaming tables in the state, please accept the following comments and proposed amendments pertaining to the California Gambling Control Commission's ("Commission") Proposed Spousal Form Update Regulation draft.

Spousal Information Form (CGCC-CH2-12)

The stated purpose behind the proposed regulation is to "correct some minor errors and inconsistencies in the Commission's licensing process, mostly focused around the Spousal Information form, CGCCCH2-12." (*Initial Statement of Reasons*, at 1.) One such change is to add a sixth Item to Section 2. This Section is meant to determine the non-applicant spouse's relationship to the business and whether that relationship requires the spouse to be licensed.

The form currently requires the spouse of an applicant to submit a complete application if the spouse marks Item 1 '*The owner category license or ownership interest in the owner category license is community property of the applicant and spouse.*' This is presumably due to California's status as a community property state, which gives each spouse equal interests in all property acquired during the marriage. (Fam. Code, § 760.) While this may have appeared *necessary* when the Commission considered the change as part of the update to its licensing regulations that went into effect on January 1, 2021, in fact, this change has led to the *unnecessary* licensure of spouses that have no involvement, directly or indirectly, in the decision-making process or management decisions of the business.

Government Code §11349, subdivision (a), defines “necessity” to mean:

- (a) ...the record of the rulemaking proceeding demonstrates by substantial evidence the need for a regulation to effectuate the purpose of the statute, court decision, or other provision of law that the regulation implements, interprets, or makes specific, taking into account the totality of the record. For purposes of this standard, evidence includes, but is not limited to, facts, studies, and expert opinion.

A community property interest does not automatically make a person an owner or provide them with control over the management of a business. While it is true that community property interest holders (“CPIH”) may be considered owners in certain circumstances, requiring the categorical licensure of all CPIHs without any regard to the actual rights and obligations of individual CPIHs does not effectuate the purpose of the Gambling Control Act (“GCA”) to license any persons having a significant involvement in the gambling operations of the business. (Bus. & Prof. Code §§ 19801(i).)

The Business and Professions Code contains various professional practice acts that limit the practice of a particular profession to licensed individuals.¹ The Corporations Code prohibits non-licensed individuals to receive the proceeds of or hold an interest in a professional corporation.² The licensing bureaus responsible for implementing these acts do not require licensees to hold their interests in their professional corporations as sole and separate property and permit spouses of licensees to maintain their community property interests *without* being licensed. This result neither undermines the public protections the Legislature intended in passing professional licensing schemes, nor frustrates the purpose of California’s community property laws that both spouses have an equal interest in all marital property. Instead of requiring the licensure of CPIH, these licensing bureaus use the authority contained in the individual practice acts and Family Code to ensure the public’s protection by prohibiting a non-licensed spouse from managing or controlling a regulated business during³ or after the marriage.⁴

¹ There are over 40 different licensing boards, agencies, and bureaus under the Business and Professions Code that grant and regulate professional practices.

² Corp. Code §13407. “Shares in a professional corporation or a foreign professional corporation qualified to render professional services in this state may be transferred only to a licensed person, to a shareholder of the same corporation, to a person licensed to practice the same profession in the jurisdiction or jurisdictions in which the person practices, or to a professional corporation, and any transfer in violation of this restriction shall be void, except as provided herein.”

³ During the marriage, Family Code § 1100(d) allows one spouse to have sole management or control of a business or an interest in a business that is all or substantially all community personal property. The managing spouse is subject to the general rules governing fiduciary relationships; however, written consent of the non-managing spouse is limited to transactions involving transfers of marital assets, including shares, membership interests, and other equity. (Fam. Code §§ 1100(b), (d), (e) and 721(b).)

⁴ Because ownership and control of regulated businesses are limited to licensed individuals, upon the death of a licensee, a surviving spouse is necessarily required to sell their interests to a licensed individual or business. Similarly, in the event of divorce, a non-licensed spouse is limited to a monetary award or other marital property offset that represents their community property interest in the business.

Joshua Rosenstein
September 23, 2022

Spouses with interests in a gambling enterprise should be treated the same as spouses of other licensees under the Business and Professions Code. The California Gaming Association respectfully requests that the Spousal Form be amended to only require the licensure of a CPIH that does not agree to the limitations on control outlined in the GCA and Commission regulations. The attached mock-up of the Spousal Form contains the following proposed changes:⁵

- Section 2 is amended to clarify that a CPIH is not required to submit an application unless specific conditions are met concerning the CPIH's ability to influence or otherwise control the gambling enterprise.⁶
- A new Section 4 is added for spouses that select Item 1 but do not select Items 2-4 in Section 2. The new Section 4 requires both the applicant and spouse to initial that they have read, understand, and agree to all of the statements contained in the Section pertaining to the non-licensed spouse's involvement in the business.⁷
- The current Section 4 is renumbered to new Section 5. The new Section 5 also contains an option to provide documentation that reflects the spouse's consent to be bound by the terms of a shareholder agreement or other governing document of a licensed business entity that limits the spouse's community property interest in the business.⁸

Thank you in advance for your consideration of these comments and proposed amendments. Please do not hesitate to contact me with questions or concerns regarding anything included in this letter.

Sincerely,



Joe Patterson
Executive Director

Attachment

⁵ The changes are highlighted in yellow to help distinguish them from the Commission's proposed amendments that are also in red.

⁶ Note that if the Commission approves CGA's requested changes, CPIH will still be required to submit a Livescan to confirm they are not disqualified from licensure under the GCA.

⁷ The Commission could also require both spouses to confirm their understanding of these limitations at the Commission meeting when the license application is considered.

⁸ Many gambling enterprises are operated by separate legal entities such as corporations and limited liability companies. The governing documents of these entities frequently limit the ability of a non-member spouse to have any control over the business or even receive their spouse's shares in the event of death or dissolution. For example, shareholder agreements or bylaws of a corporation typically contain limitations on the transferability of shares and contain mandatory buy-out provisions in the event of a shareholder's death. Shareholder agreements frequently require married shareholders to obtain spousal consent agreeing to these limitations and acknowledging that any interest they may have in the business — by community property laws or otherwise— will be governed by the terms of the shareholder agreement.

Spousal Information

CGCC-CH2-12 (Rev. 07/2203/24)

Page 1 of 3

BUREAU USE ONLY
BGC ID# _____



MAIL COMPLETED FORM TO:
 BUREAU OF GAMBLING CONTROL
 P.O. Box 168024
 Sacramento, CA 95816-8024
 (916) 830-1700

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE YOU COMPLETE THIS FORM

This form is used to provide information for spouses of individuals required to apply as an owner of an owner category licensee as defined by the Gambling Control Act (Act) and/or implementing administrative regulations, as applicable.

All responses must be truthful and complete. All responses are subject to verification and will be used to determine suitability under gambling laws and regulations. Any misrepresentation or failure to disclose required information or documentation may constitute cause for denial of the application or discipline of the licensee.

An applicant may be subject to administrative action for failing to provide all information, documentation, and assurances as required by the Act or requested by the California Gambling Control Commission (Commission) or the Bureau of Gambling Control (Bureau), or failing to reveal any material facts, or providing misleading or untrue information as to a material fact.

By filing an application, an applicant understands that pursuant to Business and Professions Code section 19828, the Bureau or Commission may make public any communication or publication from, or concerning an applicant's application or corresponding background investigation. By submitting this application, an applicant accepts any risks of adverse action, financial loss, or public notice which may result from any Commission or Bureau action taken with respect to the application, as the action is absolutely privileged and so shall not form a basis for imposing liability for defamation or constitute a ground for recovery in any civil action consistent with Business and Professions Code section 19828.

It is the responsibility of each applicant to obtain copies of, and be familiar with, the laws and regulations governing the applicant's license. As an applicant, it is your responsibility to ensure that you thoroughly understand the questions in this application. If you do not understand the questions, it is your responsibility to obtain appropriate, competent assistance in order to fully and accurately complete the application.

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 section and question number. Any corrections, changes, or other alterations must be initialed and dated by the applicant.

Please note that if the Spouse is currently licensed or applying for undergoing licensure as an owner or an endorsed owner of an the associated owner category licensee in conjunction with the applicant, then this form does not need to be completed.

Name of Applicant

Associated Owner Category Licensee

Check one of the following:

- The applicant is married or has a registered domestic partner, complete the remaining sections of the form as directed.
- The applicant is not married, proceed to and complete section 5.

 Name of Applicant's Spouse

Name of Applicant

Associated Owner Category Licensee

SECTION 1: PERSONAL INFORMATION

SPOUSE'S FULL NAME: LAST		FIRST	MIDDLE
MAILING ADDRESS IF DIFFERENT THAN CURRENT RESIDENCE (STREET, CITY, STATE, ZIP CODE)			
PRIMARY TELEPHONE NUMBER		EMAIL ADDRESS	
APPLICANT'S FULL NAME: LAST		FIRST	MIDDLE

SECTION 2: RELATIONSHIP OF SPOUSE TO BUSINESS

Check all boxes that appropriately describe the spouse's relationship to the owner category licensee.

1) THE OWNER CATEGORY LICENSE OR OWNERSHIP INTEREST IN THE OWNER CATEGORY LICENSE IS COMMUNITY PROPERTY OF THE APPLICANT AND SPOUSE.
NOTE: IF THIS ITEM IS SELECTED, AND ANY OF ITEMS 2-4 ARE ALSO SELECTED, THE SPOUSE IS REQUIRED TO SUBMIT A COMPLETE APPLICATION AS A CARDROOM ENDORSED OWNER OR TPPPS ENDORSED OWNER. IF THIS ITEM IS SELECTED BUT ITEMS 2) THROUGH 4) ARE NOT SELECTED, COMPLETE SECTION 4.

2) THE SPOUSE IS INVOLVED, DIRECTLY OR INDIRECTLY, WITH ANY MANAGEMENT DECISIONS, OF ANY NATURE, REGARDING THE OPERATION OF THE OWNER CATEGORY LICENSE.
NOTE: IF THIS ITEM IS SELECTED, THE SPOUSE IS REQUIRED TO SUBMIT A COMPLETE APPLICATION AS A CARDROOM ENDORSED OWNER OR TPPPS ENDORSED OWNER.

3) THE SPOUSE HAS DIRECT OR INDIRECT AUTHORITY OR INFLUENCE IN THE DECISION-MAKING PROCESS RELATED TO THE OPERATION OF THE OWNER CATEGORY LICENSE.
NOTE: IF THIS ITEM IS SELECTED, THE SPOUSE IS REQUIRED TO SUBMIT A COMPLETE APPLICATION AS A CARDROOM ENDORSED OWNER OR TPPPS ENDORSED OWNER.

4) THE SPOUSE IS ENGAGED IN ANY CONDUCT AS PART OF THE CARDROOM BUSINESS LICENSE OR TPPPS BUSINESS LICENSE FOR WHICH LICENSURE COULD BE REQUIRED PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTIONS 19850, 19851, 19853, 19854, 19912, OR 19984.
NOTE: IF THIS ITEM IS SELECTED, THE SPOUSE IS REQUIRED TO SUBMIT A COMPLETE APPLICATION AS A CARDROOM ENDORSED OWNER OR TPPPS ENDORSED OWNER.

5) THE OWNER CATEGORY LICENSE IS THE SOLE AND SEPARATE PROPERTY OF THE APPLICANT.
NOTE: IF ITEM 5) IS SELECTED BUT ITEMS 2) THROUGH 4) ARE NOT SELECTED, COMPLETE SECTION 3.

6) THE APPLICANT IS NOT AN OWNERSHIP INTEREST HOLDER. **(THIS INCLUDES IF THE APPLICANT IS A TRUSTOR OR TRUSTEE OF A TRUST THAT OWNS SHARES, BUT THEIR SPOUSE IS NOT A CO-TRUSTEE OR CURRENT BENEFICIARY.)**

SECTION 3: SOLE AND SEPARATE PROPERTY

To be completed only if ~~it has been indicated that the owner category license is the sole and separate property of the applicant under Section 2 item 5) is selected~~ and items 2) through 4) are not selected. Both the applicant and the spouse are required to read, understand, and initial agreement to the following items:

_____ Spouse	_____ Applicant	I ACCEPT THAT THE APPLICANT BEARS THE BURDEN OF ESTABLISHING THE INTEREST IN THE OWNER CATEGORY LICENSEE IS THE SOLE AND SEPARATE PROPERTY OF THE APPLICANT AND THAT EACH AND EVERY STATEMENT IN THIS SECTION IS TRUE. THAT INCLUDED AS PART OF THIS DECLARATION IS DOCUMENTATION OF A LEGAL NATURE SUFFICIENT TO SUBSTANTIATE THE DECLARATION.
_____ Spouse	_____ Applicant	THAT INCLUDED AS PART OF THIS DECLARATION IS DOCUMENTATION SUFFICIENT TO SUBSTANTIATE THIS DECLARATION UNDER SECTION 4. I HAVE READ THIS DOCUMENTATION AND DETERMINED THIS INFORMATION IS ACCURATE EITHER BASED ON THE ADVICE OF LEGAL COUNSEL, OR MY OWN ACCORD AFTER HAVING BEEN AFFORDED THE OPPORTUNITY TO SEEK THE ADVICE OF COUNSEL BUT WAIVED THAT OPPORTUNITY.
_____ Spouse	_____ Applicant	THE SPOUSE WILL NOT BE INVOLVED, DIRECTLY OR INDIRECTLY, WITH ANY MANAGEMENT DECISIONS, OF ANY NATURE, REGARDING THE OPERATION OF THE OWNER CATEGORY LICENSEE.
_____ Spouse	_____ Applicant	THE SPOUSE WILL HAVE NO DIRECT OR INDIRECT AUTHORITY OR INFLUENCE IN THE DECISION-MAKING PROCESS RELATED TO THE OPERATION OF THE OWNER CATEGORY LICENSEE.
_____ Spouse	_____ Applicant	THE SPOUSE WILL NOT BE ENGAGED IN ANY CONDUCT AS PART OF THE OWNER CATEGORY LICENSEE FOR WHICH LICENSURE COULD BE REQUIRED PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTIONS 19850, 19851, 19853, 19854, 19912, OR 19984 OR COMMISSION REGULATIONS.
_____ Spouse	_____ Applicant	IN THE EVENT OF THE SPOUSE INHERITING, RECEIVING A GIFT, OR OTHERWISE OBTAINING ANY OWNERSHIP INTEREST IN THE OWNER CATEGORY LICENSEE, THE SPOUSE WILL BE REQUIRED TO UNDERGO LICENSURE PRIOR TO RECEIVING ANY OWNERSHIP INTEREST OR REVENUES FROM THE BUSINESS.
_____ Spouse	_____ Applicant	ANY INVOLVEMENT BY THE SPOUSE IN ANY ACTIVITY OR CONDUCT FOR WHICH A FINDING OF SUITABILITY, A PERMIT, OR A LICENSE IS, OR MAY BE, REQUIRED PURSUANT TO THE ACT WITHOUT FIRST OBTAINING ANY REQUIRED FINDING OF SUITABILITY, PERMIT OR LICENSE MAY BE MAY BE USED AS GROUNDS FOR A DENIAL, OR SUBSEQUENT REVOCATION OF THE APPLICANT'S LICENSE.
_____ Spouse	_____ Applicant	THAT IF ANY STATEMENT IN THIS DECLARATION OF SOLE AND SEPARATE PROPERTY IS FALSE, THAT FACT MAY BE USED AS GROUNDS FOR A DENIAL, OR SUBSEQUENT REVOCATION OF THE APPLICANT'S LICENSE.

SECTION 4: DECLARATION OF LIMITED COMMUNITY PROPERTY INTEREST

To be completed only if Section 2 item 1 is selected and items 2) through 4) are not selected. Both the applicant and the spouse are required to read, understand, and initial agreement to the following items:

<hr/> Spouse	<hr/> Applicant	THE SPOUSE WILL NOT BE INVOLVED, DIRECTLY OR INDIRECTLY, WITH ANY MANAGEMENT DECISIONS, OF ANY NATURE, REGARDING THE OPERATION OF THE OWNER CATEGORY LICENSEE.
<hr/> Spouse	<hr/> Applicant	THE SPOUSE WILL HAVE NO DIRECT OR INDIRECT AUTHORITY OR INFLUENCE IN THE DECISION-MAKING PROCESS RELATED TO THE OPERATION OF THE OWNER CATEGORY LICENSEE.
<hr/> Spouse	<hr/> Applicant	THE SPOUSE WILL NOT BE ENGAGED IN ANY CONDUCT AS PART OF THE OWNER CATEGORY LICENSEE FOR WHICH LICENSURE COULD BE REQUIRED PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTIONS 19850, 19851, 19853, 19854, 19912, OR 19984 OR COMMISSION REGULATIONS.
<hr/> Spouse	<hr/> Applicant	THE SPOUSE WILL BE REQUIRED TO UNDERGO LICENSURE PRIOR TO RECEIVING REVENUES FROM THE BUSINESS OR ENGAGING IN ANY CONDUCT FOR WHICH LICENSURE COULD BE REQUIRED PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTIONS 19850, 19851, 19853, 19854, 19912, OR 19984 OR COMMISSION REGULATIONS.
<hr/> Spouse	<hr/> Applicant	ANY INVOLVEMENT BY THE SPOUSE IN ANY ACTIVITY OR CONDUCT FOR WHICH A FINDING OF SUITABILITY, A PERMIT, OR A LICENSE IS, OR MAY BE, REQUIRED PURSUANT TO THE ACT WITHOUT FIRST OBTAINING ANY REQUIRED FINDING OF SUITABILITY, PERMIT OR LICENSE MAY BE MAY BE USED AS GROUNDS FOR A DENIAL, OR SUBSEQUENT REVOCATION OF THE APPLICANT'S LICENSE.
<hr/> Spouse	<hr/> Applicant	THAT IF ANY STATEMENT IN THIS DECLARATION OF LIMITED COMMUNITY PROPERTY INTEREST IS FALSE, THAT FACT MAY BE USED AS GROUNDS FOR A DENIAL, OR SUBSEQUENT REVOCATION OF THE APPLICANT'S LICENSE.

SECTION 5: ADDITIONAL REQUIRED ITEMS

THE FOLLOWING ITEMS **MUST** BE SUBMITTED, AS APPLICABLE, WITH THIS COMPLETED FORM. PROVIDE COPIES OF DOCUMENTS UNLESS OTHERWISE STATED. ONLY DOCUMENTS THAT ARE DATED AND SIGNED BY THE APPLICANT AND/OR SPOUSE, AS APPLICABLE, WILL BE ACCEPTED. FAILURE TO PROVIDE REQUIRED ITEMS MAY RESULT IN DENIAL OF THE APPLICATION. PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19868, SUBDIVISION (A), THE APPLICATION PACKAGE WILL NOT BE DEEMED COMPLETE UNTIL ALL REQUIRED FORMS, DOCUMENTATION, AND FEES HAVE BEEN COMPLETED AND RECEIVED BY THE STATE. IF THE APPLICANT HAS SELECTED SECTION 2 ITEM 6), NO ADDITIONAL DOCUMENTS ARE NECESSARY UNLESS REQUIRED BY THE BUREAU OF GAMBLING CONTROL.

MARK THE BOX NEXT TO EACH ATTACHED ITEM.

THE SPOUSE MUST SUBMIT ONE OF THE FOLLOWING:

- IF A RESIDENT OF THE STATE OF CALIFORNIA, A REQUEST FOR LIVE SCAN SERVICE (BCIA 8016), INCLUDING THE ATI NUMBER; OR,
- IF NOT, A RESIDENT OF THE STATE OF CALIFORNIA, TWO APPLICANT FINGERPRINT CARDS, FD-258
- ANY PRENUPTIAL, POST NUPTIAL, OR DOMESTIC PARTNERSHIP AGREEMENT WHICH CONFIRMS THE CHARACTERIZATION OF THE APPLICANT'S INTEREST IN THE OWNER CATEGORY LICENSEE AS SOLE AND SEPARATE PROPERTY AND COMPLIES WITH FAMILY CODE SECTION 1615
- ANY DOCUMENTATION THAT REFLECTS THE APPLICANT'S ACQUISITION OF THE INTEREST IN THE OWNER CATEGORY LICENSEE AS SOLE AND SEPARATE PROPERTY THROUGH GIFT OR INHERITANCE
- ANY DOCUMENTATION THAT DEMONSTRABLY SHOWS THE ACQUISITION OF THE OWNER CATEGORY LICENSEE INTEREST TRACED TO SOLE AND SEPARATE PROPERTY OR FUNDS OF APPLICANT
- ANY COURT ORDERS CONCERNING THE OWNERSHIP CHARACTERIZATION OF THE OWNER CATEGORY LICENSEE INTEREST AS SOLE AND SEPARATE PROPERTY
- ANY DOCUMENTATION THAT REFLECTS THE SPOUSE'S CONSENT TO BE BOUND BY EVERY PROVISION OR RESTRICTION CONTAINED IN A GOVERNING DOCUMENT OF A BUSINESS ENTITY THAT LIMITS THE SPOUSE'S COMMUNITY PROPERTY INTEREST IN THE OWNER CATEGORY LICENSEE BUSINESS.

ADDITIONAL DOCUMENTATION MAY BE REQUIRED BY THE BUREAU OF GAMBLING CONTROL.

SECTION 5: DECLARATION

I declare under penalty of perjury under the laws of the State of California that the information in this form is true, accurate, and complete, and that this declaration is executed by me at _____.

City and State

Spousal Information

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APPLICANT'S NAME	APPLICANT'S SIGNATURE	DATE (MM/DD/YYYY)
SPOUSE'S NAME	SPOUSE'S SIGNATURE	DATE (MM/DD/YYYY)