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1 CALIFORNIA GAMBLING CONTROL COMMISSION
2 SPECIFIC LANGUAGE OF PROPOSED REGULATIONS
3 APPROVAL OF TRANSACTIONS
4 CGCC-GCA-2022-0X-R
5

6 TITLE 4. BUSINESS REGULATIONS.

7 DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

8 CHAPTER 1. GENERAL PROVISIONS

9
10 ARTICLE 1. DEFINITIONS AND GENERAL PROCEDURES

11
12 § 12002. General Definitions.

13 Unless otherwise specified, the definitions in Business and Professions Code section
14 19805, supplemented by the definitions found in Chapter 10 of Title 9 of Part 1 of the
15 Penal Code (commencing with section 330), govern the construction of this division. As
16 used in this division:

17 ...

18 (d) “Affiliate” has the same meaning as defined in Business and Professions Code
19 section 19805, subdivision (a), and, for the purposes of this division includes the
20 following:

21 (1) Any business entity in which a specified person and that specified person’s
22 spouse or registered domestic partner, as applicable, control an individual or combined
23 ownership interest of 10 percent or more;

24 (2) A director, officer, general partner, managing member, or person in control of any
25 business in which the specified person and that specified person’s spouse or registered
26 domestic partner, as applicable, control an individual or combined ownership interest of
27 10 percent or more;

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

29 (4) A person who resides in the same home as a specified person and is:

30 (A) The father, mother, or sibling of the specified person or the specified person’s
31 spouse or registered domestic partner;

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- 1 (B) The child or grandchild of the specified person; or,
- 2 (C) The spouse or registered domestic partner of a child of the specified person; and,
- 3 (5) Any trust or 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 trustor of a revocable
- 5 trust, or in a similar fiduciary capacity.
- 6 (e)~~(d)~~ ...
- 7 (f)~~(e)~~ ...
- 8 (g)~~(f)~~ ...
- 9 (h)~~(g)~~ ...
- 10 (i)~~(h)~~ ...
- 11 (j)~~(i)~~ ...
- 12 (k)~~(j)~~ ...
- 13 (l)~~(k)~~ ...
- 14 (m)~~(l)~~ ...
- 15 (n)~~(m)~~ ...
- 16 (o)~~(n)~~ ...
- 17 (p)~~(o)~~ ...
- 18 (q)~~(p)~~ ...
- 19 (r)~~(q)~~ ...
- 20 (s)~~(r)~~ ...
- 21 (t)~~(s)~~ ...
- 22 (u)~~(t)~~ ...
- 23 (v)~~(u)~~ ...
- 24 (w)~~(v)~~ ...
- 25 (x)~~(w)~~ ...
- 26 (y)~~(x)~~ ...
- 27 (z)~~(y)~~ ...
- 28 (aa)~~(z)~~ ...
- 29 (ab)~~(aa)~~ ...
- 30 (ac)~~(ab)~~ ...

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1 (ad)~~(ae)~~ ...

2 (ae)~~(ad)~~ ...

3 (af)~~(ae)~~ ...

4 (ag)~~(af)~~ ...

5 (ah)~~(ag)~~ ...

6 (ai)~~(ah)~~ ...

7 (aj)~~(ai)~~ ...

8 (ak)~~(aj)~~ ...

9 (al)~~(ak)~~ ...

10 (am)~~(al)~~ ...

11 (an)~~(am)~~ ...

12 (ao) “Specified person” means any owner category licensee who is a natural person,
13 unless the natural person controls less than a 10 percent ownership interest and would not
14 otherwise require licensure.

15 (ap)~~(an)~~ ...

16 (aq)~~(ao)~~ ...

17 (ar)~~(ap)~~ ...

18 (as)~~(aq)~~ ...

19 (at)~~(ar)~~ ...

20 (au)~~(as)~~ ...

21 (av)~~(at)~~ ...

22 (aw)~~(au)~~ ...

23 (ax)~~(av)~~ ...

24 (ay)~~(aw)~~ ...

25 (az)~~(ax)~~ ...

26 (ba)~~(ay)~~ ...

27 (bb)~~(az)~~ ...

28 Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853 and 19854,
29 Business and Professions Code. Reference: Sections 19800, 19805, 19811, 19816, 19853 and
30 19984, Business and Professions Code.

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ARTICLE 2. PROCEDURES FOR HEARINGS AND MEETINGS ON APPLICATIONS

§ 12054. Consideration at a Commission Meeting.

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

...

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

...

(12) Determine that an unlicensed person requires licensure, or that a licensee requires additional licensure. If the Commission determines that any license applications are required, the Commission may elect to withhold taking action on the transaction until all required license applications have been acted upon.

...

Note: Authority cited: Sections 19811, 19823, 19824, 19840, and 19841, Business and Professions Code. Reference: Sections 19816, 19823, 19824, 19869, 19870, 19871, 19876 and 19876.5, Business and Professions Code.

§ 12068. Decisions Requiring Resignation or Divestiture.

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

...

(e) Where the decision does not specify a time for removal and there is no other controlling statutory or regulatory timeframe under paragraph (2) of subsection (a), paragraph (2) of subsection (b), or paragraph (2) of subsection (d), the denied applicant ~~specified person~~ must be removed no later than 60 days after the effective date of the decision.

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

ARTICLE 4. FEES

§ 12090. Schedule of Fees Required for Applications, Approvals, and Registrations.

9 An applicant or licensee must submit the completed form and fee amount pursuant to
10 this table with their completed application. The Bureau may request additional
11 background investigation deposits pursuant to other statutes or regulations.

Form Number	Form Name	Fee Type and Amount
...
CGCC-CH3-02
<u>CGCC-CH5-XX</u>	<u>Transaction Review Request Form</u>	<u>Transaction Review Request:</u> <ul style="list-style-type: none">• <u>Processing Fee: \$###.##</u>• <u>Deposit: \$###.##</u>•
CGCC-CH7-07

12 Note: Authority cited: Sections 19841, 19876, 19915, 19951 and 19984, Business and
13 Professions Code. Reference: 19841, 19876, 19915, 19951 and 19984, Business and Professions
14 Code.

CHAPTER 3. CONDITIONS OF OPERATION FOR TPPPS BUSINESSES

ARTICLE 1. GENERAL PROVISIONS

~~§ 12256. Transfers and Sales.~~

20 ~~(a) If any TPPPS owner type licensee wishes to sell in whole or in part any~~
21 ~~ownership interest to any unlicensed person, the TPPPS owner type licensee must first~~
22 ~~notify the Commission in writing to request approval of the transaction. The transferee~~
23 ~~must apply for and be approved as a TPPPS owner licensee. Evidence of the transferor's~~
24 ~~agreement to transfer the interest and, if applicable, the proposed articles of~~
25 ~~incorporation, must accompany the application for licensing.~~

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1 ~~(b) The effective date of the sale must be at least 90 calendar days after receipt of the~~
2 ~~application for a TPPPS owner license, or such other shorter time period as will be set by~~
3 ~~the Executive Director with the agreement of the applicant.~~

4 ~~(c) Evidence of the final execution of a transfer or sale of an interest to a licensed~~
5 ~~person must be submitted in writing to the Commission within ten calendar days of the~~
6 ~~final transaction.~~

7 ~~(d) The TPPPS business licensee must notify the Bureau in writing within ten~~
8 ~~calendar days of any change to its ownership structure.~~

9 ~~Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code.~~
10 ~~Reference: Section 19826, and 19984, Business and Professions Code~~

CHAPTER 5. ACCOUNTING AND TRANSACTION APPROVALS

ARTICLE 1. Definitions and General Provisions~~Accounting and Financial~~ ~~Reporting~~

§ 12311. Definitions.

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

20 (b) As used in this chapter:

21 ...

22 (7) “Security interest” means an interest or collateral in property that secures the
23 payment or performance of an obligation or a judgment.

24 (8) “Transaction” means any business activity that establishes or modifies any rights,
25 powers, privileges, obligations, duties, or liabilities in which goods, services, or monies
26 are exchanged, or any transfer or assignment of an interest through a gift. For purposes of
27 this definition, “rights” does not include a one-time purchase of goods unless the
28 purchase includes a warranty beyond that of implied merchantability.

29 Note: Authority cited: Sections 19811, 19824, 19840, 19841 and 19984, Business and
30 Professions Code. Reference: Sections 19805, 19840, 19841, 19853 and 19984, Business and
31 Professions Code.

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1 **§ 12311.2. General Provisions.**

2 (a) A licensee must maintain all documents such as contracts, invoices, purchase
3 orders, receipts, purchase correspondence, or confirmations, which document the
4 transaction.

5 (b) In addition to the requirements of subsection (c) of Section 12003:

6 (1) Any request to inspect, copy, or audit any document provided for in subsection
7 (a) must be made in writing. Additionally, the period specified in the request to produce
8 records may not be less than 10 business days unless the Bureau has determined there are
9 exigent circumstances. This provision does not apply to requests made by a Bureau
10 representative who is physically present at the secure location where records are stored,
11 pursuant to subsection (b) of Section 12003.

12 (2) All writings and supporting documentation required to be maintained by this
13 article must be made available to any law enforcement agency or federal, state, or local
14 regulator. A request made pursuant to this provision may only be made by an agency or
15 regulator under all of the following circumstances:

16 (A) The request is related to a specific topic or area;

17 (B) The Bureau previously communicated to the licensee that the agency or regulator
18 making the request is working in conjunction with the Bureau on the specific topic or
19 area cited in the request.

20 (d) A transaction is considered effective on the contract date, the date specified in the
21 contract, or the date that any cash, property, credit, guaranty, benefit, service, or security
22 is received or exchanged, whichever occurs first.

23 (e) A TPPPS contract is exempt from this article.

24 (f) Unless otherwise required by statute, regulation, or the Commission, transactions
25 conducted with an institutional investor, as defined in subdivision (w) of Business and
26 Professions Code section 19805, do not require licensure of the institutional investor.

27 (g) Patron chip transactions, extension of credit to patrons, player's banks, and patron
28 check cashing are exempt from this article.

29 (h) No licensee, nor any of their affiliates, may enter into, or cause any other person
30 to enter into, any agreement that limits contact with or restricts information that can be

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1 provided to officials or employees of the Commission, the Bureau, the Department of
2 Justice, or any federal, state, or local agency with applicable enforcement or licensing
3 authority.

4 (i) Licensees may not structure, or conduct, any transaction in a manner that
5 interferes with, obscures, or discourages full disclosure of any transaction or that evades
6 any requirements of any local ordinance or regulation, or any state or federal statute or
7 regulation.

8 (j) A licensee does not have a right to an evidentiary hearing pursuant to Section
9 12056 if the Commission withholds taking action on a transaction pursuant to paragraph
10 (12) of subsection (a) of Section 12054.

11 Note: Authority cited: Sections 19805, 19811, 19823, 19824, 19826, 19840, 19841, 19853, 19866,
12 19870, 19901, 19902, 19904 and 19984, Business and Professions Code. Reference: Sections
13 19823, 19824, 19841, 19866, 19870, 19901, 19902, 19904 and 19984, Business and Professions
14 Code.

16 § 12312. Record Retention and Maintenance; ~~General Provisions.~~

17 ~~Each licensee must:~~

18 (a) Notwithstanding Section 12003, Maintain all records required by this
19 ~~chapter~~article must be maintained for a minimum of seven years.

20 (b) Each licensee must:

21 ~~(1)(b)~~ ...

22 ~~(2)(e)~~ ...

23 ~~(A)(1)~~ ...

24 ~~(B)(2)~~ ...

25 ~~(C)(3)~~ ...

26 ~~(D)(4)~~ ...

27 ~~(3)(d)~~ ...

28 ~~(4)(e)~~ Keep a general ledger, which documents all accounting transactions completed
29 and posted to accounts listed in the chart of accounts referred to in paragraph (3) of
30 subsection (b) ~~subsection (d)~~ of this section. General accounting records ~~must~~shall be
31 maintained on a double-entry system of accounting with recorded transactions supported

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1 by detailed subsidiary records including, but not limited to, ledgers, invoices, purchase
2 orders, and other source documents.

3 Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19853 and 19984, Business and
4 Professions Code. Reference: Sections 19826, 19841, 19857 and 19984, Business and Professions
5 Code.
6

ARTICLE 2. ACCOUNTING AND FINANCIAL REPORTING.

§ 12313. Financial Statements and Reporting Requirements

10 (a) Each licensee must prepare financial statements covering all financial activities of
11 that ~~cardroom business licensee or TPPPS business~~ licensee, as applicable, for each fiscal
12 year, in accordance with generally accepted accounting principles, unless otherwise
13 provided in this section. If a ~~cardroom owner type~~ licensee (or a person or entity that has
14 an interest, control, or common control with the licensee) owns or operates lodging, food,
15 beverage, or any other non-gambling operation at the gambling establishment, the
16 financial statements must reflect the results of the gambling operation separately from
17 those non-gambling operations.

18 ...

19 (f) Maintain fiscal year accounting on a calendar year basis ending December 31 of
20 every year.

21 Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853 and 19984,
22 Business and Professions Code. Reference: Sections 19841, 19857 and 19984, Business and
23 Professions Code.
24

§ 12316. Unclaimed or Abandoned Property.

26 (a) A cardroom business licensee must establish written policies and procedures
27 which comply with California's Unclaimed Property Law (Code ~~of Civil Procedure~~,
28 section 1500 et seq.), regarding unclaimed chips, cash, and cash equivalents left at a
29 gaming table or in any player's bank or safe deposit box that has been deemed inactive by
30 the terms of the cardroom business licensee's policies and procedures, un-deposited
31 checks issued by the cardroom business licensee to a patron, and un-deposited checks
32 drawn on a cardroom business licensee's account.

33 ...

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1 Note: Authority cited: Sections 19811, 19840, 19841 and 19920, Business and Professions
2 Code. Reference: Sections 19801 and 19841, Business and Professions Code; and Title 10,
3 Chapter 7 (Commencing with section 1500), Code of Civil Procedure.
4

ARTICLE 3. TRANSACTION REQUIREMENTS.

§ 12322. General Requirements and Conditions.

5
6
7
8 The following provisions or conditions are required in transaction documents(s), as
9 applicable:

10 (a) All transactions requiring prior approval pursuant to this article must contain a
11 provision that the licensee is subject to the provisions of the Act and the regulations of
12 the Commission and the Bureau.

13 (b) A transaction to sell or lease real property or an interest in real property when the
14 Commission required the purchaser or lessee to be approved or licensed for a reason
15 associated with the property must contain a provision regarding responsibility for
16 payment of any fees due pursuant to any subsequent deficiency determination made
17 under the Act.

18 (c) A transaction for the sale of any ownership interest in a cardroom business
19 licensee must include a provision for the handling of any outstanding gaming chips
20 consistent with Business and Professions Code section 19906.

21 (d) A transaction for the sale of any ownership interest in a licensee, in whole or in
22 part, must contain a provision that requires any proceeds derived from the continued
23 operation that would otherwise be payable to a new owner(s) to be held in an escrow
24 account and not disbursed until the new owner(s) have been approved by the Commission
25 for a license. This provision does not prevent the payment of any taxes, operating
26 expenses, preexisting obligations, preexisting dependent support, payments for debts
27 related to the purchase of any ownership interest in a licensee, or any other distribution of
28 proceeds that is approved by the Commission.

29 (e) Any lease between a licensee and a landlord must contain an acknowledgement
30 that the landlord is familiar with subsection (d) of Section 12326 and will assist the
31 licensee with complying with the requirements of the Act, Commission regulations, and

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1 Bureau regulations, to the extent any requirements are triggered by, or result from, the
2 lease.

3 (f) Any document whose purpose is to represent an ownership interest in a licensee
4 must include the legend provided in paragraph (1) in the body of the document or as an
5 attachment to the document.

6 (1) THIS CERTIFICATE REPRESENTS INTERESTS IN AN ENTITY THAT
7 HOLDS A LICENSE PURSUANT TO THE GAMBLING CONTROL ACT OF THE
8 STATE OF CALIFORNIA (BUSINESS AND PROFESSIONS CODE, SECTION 19800
9 ET SEQ.) AND REGULATIONS PROMULGATED THEREUNDER. THE
10 CERTIFICATE AND THE INTEREST IT REPRESENTS MAY NOT BE
11 TRANSFERRED, ASSIGNED, SOLD, PLEDGED, HYPOTHECATED, OR
12 DISPOSED OF WITHOUT THE PRIOR APPROVAL OF THE CALIFORNIA
13 GAMBLING CONTROL COMMISSION OR ITS SUCCESSOR.

14 (2) In a situation in which the Commission has already approved the transaction and
15 the only change to the transaction document involves adding this legend, Commission
16 approval is not required.

17 (g) All transactions requiring prior approval pursuant to this article cannot specify a
18 closing date, or include any provision that allows for any party to the transaction to
19 perform any duty or obligation, confer any benefit, or receive any right, benefit, service,
20 privilege, compensation, interest, or assignment of interest prior to the approval of the
21 transaction by the Commission.

22 Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19840, 19841, 19892, 19900,
23 19901, and 19984, Business and Professions Code. Reference: Sections 19823, 19824, 19841,
24 19855, 19857, 19866, 19870, 19900, 19901, 19902, 19903, 19904, 19906, and 19984, Business
25 and Professions Code.

27 **§ 12324. Reporting Requirements.**

28 (a) All transactions conducted by an owner category licensee must be reported
29 annually to the Bureau. In a calendar year when a renewal application is required to be
30 submitted, as provided in Section 12114, the report must be submitted with the renewal
31 application. In a year when a renewal application is not required to be submitted, the
32 report must be submitted in the month the renewal application is ordinarily due.

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1 (b) The report of transactions must include a summary of each transaction still in
2 effect and transactions, including those no longer in effect, with an effective date after the
3 date of the last submitted report. If there are no applicable transactions, the report must
4 include a statement to that effect.

5 (c) The summary of each transaction must include the following:

6 (1) The earliest date any party performed his, her, or its duties or obligations, or
7 received any right, power, benefit, service, privilege, compensation, interest, or
8 assignment of interest pursuant to the transaction;

9 (2) The names of the parties;

10 (3) The purpose of the transaction;

11 (4) A description of any goods or services exchanged, or any rights, powers, benefits,
12 services, privileges, obligations, duties, compensation, liabilities, interest, or assignment
13 of interest modified as part of the transaction;

14 (5) The total aggregate value associated with the transaction;

15 (6) Any affiliates other than those who are solely affiliates of the reporting licensee,
16 if any;

17 (7) The name of any employee category licensee who is performing services beyond
18 those reasonably related to the employee's position or classification, the services
19 performed, and the aggregate earnings for these additional services during the year; and,

20 (8) Any Bureau identification number previously issued to the transaction, if
21 applicable.

22 (9) For any transaction that has been reported to the Bureau pursuant to this section
23 within the last 12 months, the report may instead include only the information required
24 pursuant to paragraphs (2) and (4), the license number associated with the previous
25 report, and the page number and location where the transaction can be found in the
26 previous report.

27 (d) The following transactions do not need to be included in the annual report:

28 (1) Any payments to a government entity;

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1 (2) Any payments to or services from a utility company that is providing standard
2 and publicly available services such as electrical power, gas, phone, internet, storm
3 drainage, water, municipal waste management, cable television, and satellite television;

4 (3) Any payments to or services from a publicly traded company that is providing
5 standard and publicly available services; and,

6 (4) Any payments to or services from an insurance company that is providing
7 standard and publicly available services.

8 (e) The Bureau must review the documents submitted under this section for
9 compliance with the Act, Commission and Bureau regulations, and any specific
10 conditions applicable to the licensee.

11 (f) A bankruptcy filing by a licensee does not relieve that licensee of the reporting
12 requirements in this section.

13 Note: Authority cited: Sections 19805, 19811, 19823, 19824, 19826, 19840, 19841, 19853, 19866,
14 19870, 19901, 19902, 19904 and 19984, Business and Professions Code. Reference: Sections
15 19823, 19824, 19841, 19866, 19870, 19901, 19902, 19904 and 19984, Business and Professions
16 Code.

18 **§ 12326. Commission Approval of Transactions.**

19 Licensees must submit the following transactions to the Bureau for review and must
20 receive approval from the Commission before any party to the transaction performs his,
21 her, or its duties or obligations, confers any benefit, or receives any right, power, benefit,
22 service, privilege, compensation, interest, or assignment of interest:

23 (a) The sale, assignment, transfer, pledge, or other disposition, in whole or in part, of
24 any ownership interest in a licensee, or any business wherein gambling is involved, even
25 if outside of the United States, including, but not limited to, sale of corporate stock,
26 interest in a partnership, or membership interest in a limited liability company;

27 (b) The sale, assignment, transfer, pledge, or other disposition of an option to
28 purchase any ownership interest in a licensee;

29 (c) The transfer of possession, ownership, or title of a security interest provided for in
30 subdivision (a) of Business and Professions Code section 19900;

31 (d) The sale, lease, interest, transfer, assignment, encumbrance, or other disposition
32 of any real property associated with a licensee when the Commission has previously

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1 required the owner of that real property to be licensed or approved for a reason associated
2 with the property;

3 (e) Any transaction in which a licensee obtains a secured or an unsecured loan from
4 any private individual(s) or entity for any funds to be or that are used towards the
5 purchase of a licensee. This provision does not apply to loans from an institutional
6 investor;

7 (f) Any transaction agreement between a licensee, or an affiliate of a licensee, and a
8 person, or a person who is acting as an agent on behalf of a person, who has been denied
9 a license by the Commission, has had a license suspended or revoked by the Commission,
10 or within one year of the effective date has had an application for Commission approval
11 withdrawn with prejudice;

12 (g) Employment by a licensee or affiliate of a licensee of any person who has been
13 denied a license by the Commission, has had a license suspended or revoked by the
14 Commission, or within one year has had an application for Commission approval
15 withdrawn with prejudice. This provision does not apply if the Commission has permitted
16 employment of the individual under a local work permit or Commission work permit;

17 (h) The creation of any trust or estate that permits a person to take part in the
18 operation of a licensee, or that provides payment to a person, bypass trust, or subtrust
19 from the profits of a licensee; and/or,

20 (i) Any transaction that materially amends or modifies any transaction previously
21 approved by the Commission. An amendment is considered material if the amendment
22 grants, denies, expands, or diminishes any rights or obligations under the transaction.

23 Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19840, 19841, 19892, 19900, 19901,
24 and 19984, Business and Professions Code. Reference: Sections 19805, 19823, 19824, 19841,
25 19853, 19857, 19858, 19866, 19870, 19878, 19900, 19901, 19902, 19903, 19904 and 19984,
26 Business and Professions Code.
27

§ 12328. Transactions and License Requirements.

28 Any licensee submitting a transaction requiring review and approval pursuant to
29 Section 12326, or including one or more persons involved in the transaction who are not
30 licensed but will be required to be licensed pursuant to the Act or Commission
31 regulations, must submit the following to the Bureau:
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1 (a) A completed Transaction Review Request Form, CGCC-CH5-XX (New XX/23),
2 which is attached in Appendix A to this chapter, and the applicable processing fee and
3 deposit required in Section 12090;

4 (b) Complete copies of all documents and agreements related to, and intended to
5 effectuate, the proposed transaction;

6 (c) Any application(s) for licensure, as applicable.

7 Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19900, 19901, 19905, 19951
8 and 19984, Business and Professions Code. Reference: Sections 19823, 19824, 19826, 19841,
9 19866, 19901, 19905 and 19984, Business and Professions Code.

§ 12330. Required License Maintenance.

10
11 (a) Licensees must continue to apply for renewal of required licenses while a
12 transaction is being considered. Nothing in this subsection requires the licensee to remain
13 in operation for the duration of the approval period.

14
15 (b) If the seller or transferor maintains a security interest in the licensee, the seller or
16 transferor may choose to maintain a valid license as a security interest holder endorsed on
17 the purchaser's or transferee's license, if not otherwise required by the Commission.

18 Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19840, 19841, 19901 and 19984,
19 Business and Professions Code. Reference: Sections 19823, 19824, 19841, 19855, 19866, 19870,
20 19901, 19902, 19904 and 19984, Business and Professions Code.

§ 12332. Processing Timelines for Transaction Requests.

21
22 (a) A request for the review of a transaction must be processed within the following
23 timeframes:

24
25 (1) The Bureau must notify the requestor in writing within 10 calendar days after the
26 receipt of a request, that the request or a resubmitted request is complete and accepted for
27 initial processing, or that a request or a resubmitted request is deficient and identify what
28 specific additional information is required. For the purposes of this section, "complete
29 request" means a request including complete and final versions of all required documents
30 pursuant to Section 12328.

31 (2) If the licensee does not provide the additional information required to complete
32 any request within 30 calendar days of receipt of notice that the request is deficient
33 pursuant to paragraph (1), the transaction request will be deemed abandoned and no

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1 further action will be taken on the request by the Bureau or the Commission. If a
2 transaction request is deemed abandoned, the licensee may resubmit a complete request,
3 which will be treated as a new request for approval under this section.

4 (3) Within 90 calendar days of receiving a complete request or within 180 calendar
5 days of receiving a request if the request is accompanied by a license application, the
6 Bureau must submit the transaction to the Commission for consideration, including any
7 appropriate recommendation related to the transaction and stating whether any licensure,
8 registration, or a finding of suitability may be necessary. Upon the submission of a
9 transaction to the Commission, the Bureau must send a copy of any recommendations it
10 provided to the Commission, to the licensee.

11 (4) The Bureau may request further information or documents as needed. The
12 Bureau's review period is suspended until the Bureau has received all requested
13 information or documents. This request is subject to paragraph (2).

14 (b) Notice that the transaction has been scheduled at a Commission meeting must be
15 provided within 60 calendar days after submittal of the transaction to the Commission by
16 the Bureau, except that the Commission may notify the licensee, in writing, that
17 additional time, not to exceed 30 days, is needed.

18 Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19901 and 19984, Business
19 and Professions Code. Reference: Sections 19823, 19824, 19826, 19841, 19857, 19901 and
20 19984, Business and Professions Code.

CHAPTER 10. DISCIPLINE, HEARINGS, AND DECISIONS.

§ 12560. Disciplinary Guidelines for Third-Party Proposition Player Services Licensees.

26 (a) If the Commission finds that a TPPPS owner type licensee, is out of compliance
27 with any mandatory duty specified in or imposed by the Act or any Commission or
28 Bureau regulation, which is not otherwise listed in these disciplinary guidelines, the
29 ~~penalty discipline~~ will be one day of suspension of proposition player services ~~for from~~
30 either a specified cardroom business licensee or all cardroom business licensees, as the
31 circumstances and factors in mitigation or aggravation apply and which may be stayed on

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1 terms and conditions and any monetary penalty as described in paragraph (7) of
2 subsection (d) of Section 12554.

3 (b) A TPPPS owner type licensee will be subject to a minimum discipline of
4 ~~suspension of~~ five calendar days of suspension from performing proposition player
5 services for ~~from~~ either a specified cardroom business licensee or all cardroom business
6 licensees, as the circumstances and factors in mitigation or aggravation apply, and a
7 maximum discipline of revocation, which may be stayed on terms and conditions and any
8 monetary penalty as described in paragraph (7) of subsection (d) of Section 12554 of this
9 chapter, if the Commission finds that:

10 ...

11 (23) The TPPPS owner type licensee has failed to provide information or
12 documentation required by California Code of Regulations, Title 4, Chapter 5, Article 3
13 (commencing with Section 12322), or failed to reveal any fact material to approval, or
14 has supplied information that is untrue or misleading as it pertains to the review and
15 approval of transactions.

16 ~~(24)(23)~~...

17 ~~(25)(24)~~...

18 ~~(26)(25)~~...

19 ~~(27)(26)~~...

20 ~~(28)(27)~~...

21 ~~(29)(28)~~...

22 ...

23 Note: Authority cited: 19825, 19840, 19841, 19930, and 19984, Business and Professions
24 Code. Reference: Sections 19824 and 19930, Business and Professions Code.

25

26 **§ 12566. Disciplinary Guidelines for Cardroom Owner Type Licenses.**

27 ...

28 (c) A cardroom business licensee will be subject to a minimum discipline of
29 suspension for five days of normal business operation and a maximum discipline of
30 revocation, which may be stayed on terms and conditions and any monetary penalty as

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1 described in paragraph (7) of subsection (d) of Section 12554, if the Commission finds
2 that the cardroom business licensee~~establishment~~ has:

3 ...

4 (18) Failed to provide information or documentation required by California Code of
5 Regulations, Title 4, Chapter 5, Article 3 (commencing with Section 12322), or failed to
6 reveal any fact material to approval, or has supplied information that is untrue or
7 misleading as it pertains to the review and approval of transactions.

8 Note: Authority cited: 19825, 19840, 19841, and 19930, Business and Professions Code.
9 Reference: Sections 19823, 19824, 19850, 19851, 19853, 19854, 19855, 19875, 19878, 19883,
10 19901, 19912, 19920, 19921, 19922, 19923, 19924, 19930, 19941, 19942, and 19982, Business
11 and Professions Code; and Department of Alcoholic Beverage Control v. Alcoholic Beverage
12 Control Appeals Board (2004), 118 Cal. App. 4th 1429, 1444-1445.

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Transaction Review Request Form

CGCC-CH5-0XX (New XX/23)

Page 1 of 2

BUREAU USE ONLY
BGC ID# _____



MAIL COMPLETED FORM AND DEPOSIT TO:

BUREAU OF GAMBLING CONTROL

P.O. Box 168024

Sacramento, CA 95816-8024

(916) 227-3584

COMMERCIAL/EXPRESS DELIVERIES ONLY

BUREAU OF GAMBLING CONTROL

2450 Del Paso Road, Suite 100

Sacramento, CA 95834

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE YOU COMPLETE THIS FORM

All information must be typed or printed legibly in blue or black ink. If the space available is insufficient, attach a separate sheet(s) of paper and precede each answer with the applicable section number. Please review California Code of Regulations, Title 4, Chapter 5 (commencing with Section 12311) prior to submitting a transaction for review. A check or money order made payable to: Bureau of Gambling Control, must be submitted with this application. Failure to provide the requested information may result in the abandonment or denial of this transaction request.

SECTION 1: BUSINESS INFORMATION

CARDROOM BUSINESS LICENSEE TPPPS BUSINESS LICENSEE CARDROOM ENDORSEE LICENSEE TPPPS ENDORSEE LICENSEE

NAME OF OWNER CATEGORY LICENSEE	LICENSE NUMBER
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MAILING ADDRESS (STREET, CITY, STATE, ZIP CODE)

PRIMARY TELEPHONE NUMBER	ALTERNATE TELEPHONE NUMBER	FAX NUMBER
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SECTION 2: BRIEFLY EXPLAIN THE PURPOSE OF THE TRANSACTION

Information provided must include all compensation or services and the party(ies) providing them. If additional space is needed, please continue on a separate sheet(s) of paper and attach to this request form.

SECTION 3: ADDITIONAL REQUIRED ITEMS

THE FOLLOWING ITEMS MUST BE SUBMITTED WITH THIS COMPLETED FORM, AS APPLICABLE. PROVIDE COPIES OF DOCUMENTS UNLESS OTHERWISE STATED. FAILURE TO PROVIDE THE REQUESTED INFORMATION MAY RESULT IN THE ABANDONMENT OR DENIAL OF YOUR TRANSACTION REQUEST.

MARK THE BOX NEXT TO EACH ATTACHED ITEM.

- THE NON-REFUNDABLE PROCESSING FEE AND DEPOSIT REQUIRED IN TITLE 4, CCR, SECTION 12090, PAYABLE TO THE BUREAU OF GAMBLING CONTROL.
- AN ATTACHMENT THAT IDENTIFIES THE NAMES, ADDRESSES, AND CONTACT NUMBER OF ALL PARTIES TO THE TRANSACTION.
- AN ATTACHMENT THAT IDENTIFIES ANY OWNERSHIP INTEREST OR AFFILIATION OF ALL PARTIES TO THE TRANSACTION TO ANY CARDROOM BUSINESS LICENSEE OR TPPPS BUSINESS LICENSEE FOR WHICH THEY ARE NOT ALSO LICENSED.
- IF THE TRANSACTION INVOLVES LENDING ACTIVITY FROM A PERSON THAT IS NOT AN INSTITUTIONAL INVESTOR, DOCUMENTS SUFFICIENT TO SHOW THE SOURCES OF ALL MONEY USED TO FUND THE LENDING ACTIVITY.
- IF THE TRANSACTION INCLUDES A PARTY WHO HAS BEEN DENIED A LICENSE, HAS A SUSPENDED OR REVOKED LICENSE, OR HAS AN APPLICATION THAT WAS WITHDRAWN WITH PREJUDICE WITHIN THE PAST ONE YEAR FROM THE DATE THE REQUEST FOR WITHDRAWAL WAS GRANTED, AN ATTACHMENT THAT IDENTIFIES THE FOLLOWING:
 - FOR EMPLOYMENT ONLY: A COPY OF ANY PROPOSED EMPLOYMENT ARRANGEMENT OR AGREEMENT, ANY TERMS AND CONDITIONS, THE EMPLOYEE'S DUTIES AND RESPONSIBILITIES, AND A JOB DESCRIPTION.
 - A DETAILED EXPLANATION AS TO WHY THE SPECIFIED DUTIES AND OBLIGATIONS, PRODUCTS, OR SERVICES CANNOT BE PROVIDED BY, OR ARE NOT OTHERWISE AVAILABLE FROM, PERSONS OR ENTITIES WHO HAVE NOT HAD A LICENSE DENIED, SUSPENDED, OR REVOKED, , OR WITHIN ONE YEAR OF A WITHDRAWAL WITH PREJUDICE WITH RESPECT TO THEIR LICENSES OR APPLICATIONS.

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

SECTION 4: 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

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 requestor/licensee is a corporation, LLC, or joint venture.*
- *By an authorized partner, if requestor/licensee is a general partnership or limited partnership.*
- *By the owner, if requestor/licensee is a sole proprietor.*
- *By an authorized trustor or trustee, if requestor/licensee is a trust.*