

1 *Changes to the current CCR text are shown in strikeout/underline style.*

2 **Title 4, California Code of Regulations, Division 18**

3 **Chapter 2.1. Third-Party Providers of Proposition Player**  
4 **Services: Registration; Licensing**

5 **Article 1. Definitions and General Provisions**

6 **Article 2. Registration**

7 **Article 3. Licensing**

8 **Chapter 2.2 Gambling Businesses: Registration; Licensing**

9 **Article 1. Definitions and General Provisions**

10 **Article 2. Registration**

11 **Article 3. Licensing**

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13 **Chapter 2.1. Third-Party Providers of Proposition Player**  
14 **Services: Registration; Licensing**

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23		.....

1 **Article 1. Definitions and General Provisions**

2 **Section 12200. Definitions.**

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

6 (b) As used in this chapter:

7 (1) “Additional Badge” means a badge issued by the Commission  
8 pursuant to Section 12200.6 which authorizes an individual registrant  
9 or licensee to be simultaneously employed by more than one primary  
10 owner.

11 ~~(1)~~ (2) “Applicant” means ~~the~~ an applicant for registration or licensing  
12 under this chapter, including in the case of an owner that is a  
13 corporation, partnership, or any other business entity, all  
14 persons whose registrations or licenses are required to be  
15 endorsed upon the primary owner’s registration or license  
16 certificate.

17 ~~(2)~~ (3) “Authorized player” means an individual associated with a  
18 particular primary owner whose badge authorizes play in a  
19 controlled game on behalf of the primary owner, including the  
20 primary owner, all other owners, all supervisors, and all  
21 players. ~~“Authorized player” does not include funding sources.~~  
22 Only authorized players may perform the functions of a  
23 supervisor or player.

- 1           (3) (4)       “Badge” means a form of identification issued by the  
2                               Commission identifying a registrant or licensee. ~~A badge  
3                               authorizing play in a controlled game shall be of a distinctly  
4                               different color than a badge that identifies a registrant or  
5                               licensee, but does not authorize play.~~
- 6           (4) (5)       “Bureau” means the Bureau of Criminal Identification and  
7                               Information of the California Department of Justice.
- 8           (5) (6)       “Commission” means the California Gambling Control  
9                               Commission.
- 10          (6) (7)       “Deadly weapon” means any weapon, the possession or  
11                               concealed carrying of which is prohibited by Penal Code  
12                               section 12020.
- 13          (7) (8)       “Division” means the Division of Gambling Control in the  
14                               California Department of Justice. Information that this chapter  
15                               requires to be sent to the Division shall be submitted in writing  
16                               to the Sacramento office of the Division.
- 17          (8) (9)       “Executive Director” means the Executive Director of the  
18                               Commission ~~or such other person as may be designated by the  
19                               Commission.~~
- 20          (9) (10)      “Funding source” means any person that provides financing,  
21                               including but not limited to loans, advances, any other form of  
22                               credit, chips, or any other representation or thing of value, to an  
23                               owner-registrant or owner-licensee, other than individual  
24                               registrants under Subsection (d) of Section 12201 or individual  
25                               licensees. “Funding source” does not include any federally or

1 state chartered lending institution or any of the following  
2 entities that in the aggregate owns at least one hundred million  
3 dollars (\$100,000,000) of securities of issuers that are not  
4 affiliated with the entity:

- 5 (A) Any federally-regulated or state-regulated bank or savings  
6 association or other federally- or state-regulated lending  
7 institution.
- 8 (B) Any company that is organized as an insurance company, the  
9 primary and predominant business activity of which is the  
10 writing of insurance or the reinsuring of risks underwritten by  
11 insurance companies, and that is subject to supervision by the  
12 Insurance Commissioner of California, or a similar official or  
13 agency of another state.
- 14 (C) Any investment company registered under the federal  
15 Investment Company Act of 1940 (15 U.S.C. sec. 80a-1 et  
16 seq.).
- 17 (D) Any retirement plan established and maintained by the United  
18 States, an agency or instrumentality thereof, or by a state, its  
19 political subdivisions, or any agency or instrumentality of a  
20 state or its political subdivisions, for the benefit of its  
21 employees.
- 22 (E) Any employee benefit plan within the meaning of Title I of the  
23 federal Employee Retirement Income Security Act of 1974 (29  
24 U.S.C. sec. 1001 et seq.).
- 25 (F) Any securities dealer registered pursuant to the federal  
26 Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.).  
27

1 (G) Any entity, all of the equity owners of which individually meet  
2 the criteria of this paragraph ~~(9)~~ (10).

3 ~~(10)~~ (11) “Gambling Control Act” or “Act” means Chapter 5  
4 (commencing with Section 19800) of Division 8 of the  
5 Business and Professions Code.

6 ~~(11)~~ (12) “License” means a license issued by the Commission pursuant  
7 to article 3 of this chapter.

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

- 10 1. ~~primary~~ Primary owner,
- 11 2. ~~owner~~ Owner if issued a playing badge,
- 12 3. ~~supervisor~~ Supervisor, and
- 13 4. ~~player~~ Player.

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

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

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

1                    a proposition player contract.

2        ~~(12)~~ (13) “Licensee” means a person having a valid license.

3        ~~(13)~~ (14) "Organization chart" means a chart that identifies the names  
4                    and titles of all owners, as defined in section 12200~~(b)~~(14)  
5                    supervisors, and any persons having significant influence over  
6                    the operation of the entity or provision of proposition player  
7                    services; the percentage of ownership, if any, held by each  
8                    identified individual or entity; ~~and~~ the reporting relationship for  
9                    each identified individual or entity; and the job title and number  
10                    of persons in each of the job titles that report to each individual  
11                    or entity identified on the organization chart.

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

20        ~~(14)~~ (16) “Owner” includes all of the following:

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

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



1 (C) Any funding source.

2 ~~(15)~~ (17) "Playing Book" means a record documenting each session of  
3 play by a third-party proposition player.

4 ~~(16)~~ "Preference" ~~means and is limited to both of the following if~~  
5 ~~sanctioned by house rule or otherwise directed by the house or~~  
6 ~~its employees.~~

7 ~~— (A) Any priority in the continuous and systematic rotation of the~~  
8 ~~deal, as required by Penal Code section 330.11, such that a~~  
9 ~~registrant becomes entitled by reason of the priority to occupy~~  
10 ~~the player dealer position more often than other players.~~  
11 ~~Nothing in this paragraph precludes the house from assigning a~~  
12 ~~particular seat to a registrant.~~

13 ~~— (B) Any advantage to the registrant over other players in the~~  
14 ~~placement of wagers.~~

15 ~~(17)~~ (18) "Primary Owner" means the owner specified in subparagraph  
16 (A) of paragraph ~~(14)~~ (16) of this subsection.

17 ~~(18)~~ (19) "Proposition player" or "player" means an individual other than  
18 an owner or a supervisor who provides third-party proposition  
19 player services in a controlled game.

20 ~~(19)~~ (20) "Proposition player contract" or "contract" means a written  
21 contract, the terms of which have been reviewed and approved  
22 by the Division, between the holder of a state gambling license  
23 and a primary owner acting as an independent contractor for the

1 provision of third-party proposition player services in the  
2 gambling establishment.

3 ~~(20)~~(21) “Rebate” means a partial return by an authorized proposition  
4 player of chips or money to a patron who has lost the chips or  
5 money to the authorized player through play in a controlled  
6 game at a gambling establishment.

7 ~~(21)~~(22) "Registrant" means a person having a valid registration.

8 ~~(22)~~(23) “Registration” means a registration issued by the Commission  
9 pursuant to this chapter.

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

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

20 (C) A primary owner ~~issued a playing badge~~ and an owner ~~issued a~~  
21 ~~playing badge~~ may also perform the functions of a supervisor or  
22 player, and the holder of a supervisor’s registration ~~or license~~  
23 may also perform the functions of a player. No registrant, other  
24 than an owner ~~issued a playing badge~~, supervisor, or player,

1 may possess, direct, or otherwise control currency, chips, or  
2 other wagering instruments used for play in the performance of  
3 a proposition player contract. ~~An individual registered or~~  
4 ~~licensed as an “other employee” may not function as a player~~  
5 ~~unless and until that individual applies for and obtains a~~  
6 ~~registration or a license as a player.~~

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

12 ~~(23)~~(25) “Session of play” as used in Section 12200.13 (“Playing  
13 Book”) means a continuous workshift of third-party proposition  
14 player services provided by an individual proposition player.

15 ~~(24)~~(26) “Supervisor” means an individual who, in addition to any  
16 supervisory responsibilities, has authority, on behalf of the  
17 primary owner, to provide or direct the distribution of currency,  
18 chips, or other wagering instruments to players engaged in the  
19 provision of third-party proposition player services in a  
20 gambling establishment.

21 ~~(25)~~(27) “Supplemental information package” means all of the  
22 documentation and deposits required by each of the following  
23 forms (which are hereby incorporated by reference) to be  
24 submitted to the Commission in response to a summons issued  
25 by the Division pursuant to Section ~~12200.25~~12205.1:

1           ~~(A)~~ Primary owners as defined in Section 12200(b)(17), shall  
2           complete the form Level IV Supplemental Information-  
3           Providers of Proposition Players and Funding Sources (DGC-  
4           APP. 035, New 06/04 for a level IV investigation.

5           ~~(B)~~ (A) Owners, as defined in Section 12200(b)(14), that are a natural  
6           person shall complete the form Level III Supplemental  
7           Information-Individual (DGC-APP. 034A, New 06/04 08/04)  
8           for a level III investigation.

9           ~~(C)~~ (B) Owners, as defined in Section 12200(b)(14), that are not a  
10          natural person shall complete the form Level III Supplemental  
11          Information-Business (DGC-APP. 034B, New 06/04 08/04) for  
12          a level III investigation.

13          ~~(D)~~ (C) Supervisors, as defined in Section 12200(b)(24), shall complete  
14          the form Level II Supplemental Information (DGC-APP. 033,  
15          New 06/04 08/04) for a level II investigation.

16          ~~(E)~~ (D) Other employees and players, as defined in Section  
17          12200(b)(11)(B) and 12200(b)(18), shall complete the form  
18          Level I Supplemental Information (DGC-APP. 032, New 06/04  
19          08/04) for a level I investigation.

20          ~~(26)~~ (28) "Third-party proposition player services" or "proposition player  
21          services" means services provided in and to the house under  
22          any written, oral, or implied agreement with the house, which  
23          services include play as a participant in any controlled game  
24          that has a rotating player-dealer position as permitted by Penal  
25          Code section 330.11. "Proposition player services" also

1 includes the services of any supervisors, as specified in  
2 paragraph ~~(24)~~ (26) of this subsection.

3 ~~(27)~~ (29) “TPP” means “third party proposition.” This abbreviation is  
4 used in Section 12200.3 and in prescribing titles to be used on  
5 registrant and licensee badges, for example, “TPP Player  
6 Registrant.”

7 (30) “Transfer Badge” means a badge issued by the Commission  
8 pursuant Section 12200.6 which authorizes an individual  
9 registrant or licensee to work for a subsequent primary owner  
10 after having ceased to work for an initial primary owner.

11 **Authority:** Sections 19840, 19841, and 19984, Business and  
12 Professions Code

13 **Reference:** Sections 19805 and 19984, Business and Professions  
14 Code

15 **Section 12200.1. Certificate.**

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

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

20 **Authority:** Sections 19840, 19841, and 19984, Business and  
21 Professions Code

22 **Reference:** Section 19984, Business and Professions Code

1 **Section 12200.3. Badge.**

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

8 (b) A badge authorizing play in a controlled game shall be of a distinctly  
9 different color than a badge which identifies a registrant or licensee,  
10 but does not authorize play. If an individual ceases to be employed by  
11 or affiliated with a particular primary owner, that individual shall  
12 surrender his or her badge to the primary owner. The primary owner  
13 shall notify the Commission and the Division in writing within ~~10~~ ten  
14 (10) days of the change in status using the Change in Status Form for  
15 a Third Party Proposition Player Services Registration (CGCC-441,  
16 ~~New 6/04~~ Rev. 09/04), which is hereby incorporated by reference;  
17 with this form, the primary owner shall submit the registrant's or  
18 licensee's badge. ~~Any primary owner receiving a badge from an~~  
19 ~~individual formerly employed by or affiliated with the primary owner~~  
20 ~~shall return the badge to the Commission within 10 days of receiving~~  
21 ~~the badge from the holder.~~

22 (b)(c) The words “TPP PLAYER REGISTRANT,” “NON-PLAYER TPP  
23 REGISTRANT,” “TPP PLAYER LICENSEE,” OR “NON-PLAYER  
24 TPP PLAYER LICENSEE” in capital letters shall be prominently  
25 displayed on the front of the badge. The first name of the registrant or  
26 licensee shall appear on the front of the badge. The full name of the

1 registrant or licensee shall be printed on the reverse side of the badge,  
2 together with the registrant's or licensee's category of registration or  
3 licensing as an owner, supervisor, player, or other employee.

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

11 ~~(d)~~ (e) Upon renewal of each registration and upon issuance of each  
12 registration or license, authorized players shall be issued a badge of  
13 one color; individuals not authorized to play shall be issued a badge of  
14 a distinctly different color. Any non-player badge issued prior to July  
15 1, 2004, shall be re-issued upon renewal pursuant to subsection (b), so  
16 that each registrant receives either a player or non-player badge.

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

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

1           **Authority:** Sections 19840, 19841, and 19984, Business and  
2           Professions Code

3           **Reference:** Section 19984, Business and Professions Code

4  
5    **Section 12200.5.           Replacement of Badge.**

6  
7    (a)           Upon ~~application~~ submission of a request, the Executive Director ~~or~~  
8           ~~other person designated by the Commission~~ shall issue a replacement  
9           badge if all of the following conditions are met:

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

11           (2)       The ~~application~~ request is complete and has been submitted on the  
12           form Request for Replacement Third Party Proposition Player  
13           Services Badge (CGCC-438, ~~New 06/04~~ Rev. 09/04), which is hereby  
14           incorporated by reference.

15           (3)       The ~~applicant~~ requester has supplied all of the following to the  
16           Commission:

17           ~~(A)    A two by two inch color passport style photograph taken no~~  
18           ~~more than 30 days before submission to the Commission of the~~  
19           ~~badge replacement or transfer request.~~

20           ~~(B)~~ (A)    A nonrefundable twenty-five dollar (\$25.00) fee, payable to the  
21           Commission.

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



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

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

7 (c)           Upon issuance of the replacement badge, the previously  
8                           issued badge for that third-party proposition services provider  
9                           shall become void and shall not be used.

10 (d)           Replacement badges shall be issued by the Commission within  
11                           seven (7) days of receipt of a complete ~~application~~ request.

12                           **Authority:** Sections 19840, 19841, and 19984, Business and  
13                           Professions Code

14                           **Reference:** Section 19984, Business and Professions Code

15  
16 **Section 12200.6.        Transfer or Reinstatement of Player**  
17                           **Registration or License; Issuance of Additional**  
18                           **Badge.**

19  
20 (a)           Upon ~~application~~ submission of a request, the Executive Director ~~or~~  
21                           ~~other person designated by the Commission~~ shall issue a player  
22                           transfer badge, reinstatement badge, or additional badge if all of the  
23                           following conditions are met:

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

25           (2)    The ~~application~~ request is complete and has been submitted on the  
26                           form ~~Request for Transfer of Third Party Proposition Player Services~~

1 Registration/License Request for an  
2 Additional/Transfer/Reinstatement Third Party Proposition Player  
3 Services Registration/License (CGCC-439, New 06/04 Rev. 09/04),  
4 which is hereby incorporated by reference.

5 (3) The ~~applicant~~ requester has supplied all of the following to the  
6 Commission:

7 (A) ~~A two by two inch color passport style photograph taken~~  
8 ~~no more than 30 days before submission to the~~  
9 ~~Commission of the badge transfer request.~~

10 (B) (A) A nonrefundable \$250.00 one hundred and twenty-five dollar  
11 (\$125) fee payable to the Commission.

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

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

18 (c) Upon issuance of the transfer badge, the previously issued badge  
19 for that third-party proposition services provider shall become void  
20 and shall not be used.

21 (d) Transfer, additional, and reinstatement badges shall be issued by the  
22 Commission within seven (7) days of receipt of a complete  
23 ~~application~~ request.

24 **Authority:** Sections 19840, 19841, and 19984, Business and  
25 Professions Code

26 **Reference:** Section 19984, Business and Professions Code

1 **Section 12200.7. Proposition Player Contract Criteria.**

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

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

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

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

12 (3) The specific name of the Division-approved gaming activities for  
13 which proposition player services ~~will~~ may be provided.

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

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

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

21 (7) A detailed description of the location, applicable security measures,  
22 and purpose of any currency, chips, or other wagering instruments that

1 will be stored, maintained, or kept within the gambling establishment  
2 by or on behalf of the primary owner.

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

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

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

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

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

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

20 (14) Any agreement between the primary owner and the house for owners  
21 or supervisors to inspect or receive a copy of surveillance recordings  
22 of tables at which proposition player services are provided under the  
23 contract during the times the services are provided, as necessary for  
24 business purposes.

- 1 (15) A full disclosure of any financial arrangements entered into during the  
2 term of the contract for any purpose between the house and any  
3 registrant or licensee covered by the proposition player contract. If  
4 there is no financial consideration that passes under the contract, a  
5 statement to that effect shall be included.
- 6 (16) That any legal dispute between the primary owner and the house,  
7 including any exclusion of a registered or licensed owner, player, or  
8 supervisor covered by the contract ~~from~~ with the house shall be  
9 reported in writing within ten (10) days by the primary owner and the  
10 house to both the Commission and the Division.
- 11 (17) That the primary owner and the house shall report in writing within  
12 ten (10) days to both the Commission and the Division the identity of  
13 any registrant whose activities are covered by the proposition player  
14 contract and who is arrested in the gambling establishment by a peace  
15 officer, who is removed from the gambling establishment by a peace  
16 officer or the house, or who is involved in a patron dispute regarding  
17 his or her activities in the gambling establishment that is the subject of  
18 a report to a peace officer and that results in removal of one or more  
19 individuals.
- 20 (18) That any cheating reported to the house by a registrant or licensee  
21 shall be reported in writing within ~~5~~ five (5) days of the incident by  
22 the primary owner and the house to the Commission and Division.
- 23 (19) That the criteria for granting any rebates by proposition players to  
24 patrons be ~~spelled out~~ fully disclosed in the contract; and that neither  
25 the house nor any employee of the house shall have any role in

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

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

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

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

20 (c) (1) Except as expressly authorized by this subsection (c), a proposition  
21 player contract shall not include any provision authorizing payment to  
22 or receipt by the house, or a designee thereof, of any share of the  
23 profits or revenues of a registrant or a licensee. Any payments made  
24 by a registrant or licensee to the house for a purpose determined by  
25 agreement with the house shall be specifically authorized by the

1 proposition player contract. All payments shall be specified in the  
2 contract. The contract shall identify the total charge for each of the  
3 following categories: services, facilities, and advertising. In addition,  
4 the contract shall include a detailed list, excluding specific costs, of  
5 the items provided or received in each of these categories.

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

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

22 (d) The proposition player contract shall not contain any provision that  
23 limits contact with officials or employees of the Commission or  
24 Division. The proposition player contract shall prohibit an owner or  
25 the house from retaliating against any registrant or licensee on account

1 of contact with an official or employee of the Commission or Division  
2 or any other public official or agency.

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

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

14 (g) A primary owner may contract with more than one gambling  
15 establishment at the same time; a gambling establishment may  
16 contract with more than one primary owner at the same time. This  
17 subsection is not intended to prohibit a contract in which a gambling  
18 establishment and a primary owner agree that one primary owner shall  
19 be the exclusive provider of proposition player services to that  
20 gambling establishment.

21 **Authority:** Sections 19840, 19841, and 19984, Business and  
22 Professions Code.

23 **Reference:** Section 19984, Business and Professions Code



1 **Section 12200.9. Review and Approval of Proposition Player**  
2 **Contracts.**

3 (a) (1) On and after April 30, 2004, proposition player services shall not be  
4 provided except pursuant to a written proposition player contract  
5 approved in advance by the Division. Provision of proposition player  
6 services by any person subject to registration or licensing under this  
7 chapter, or engagement of proposition player services by the holder of  
8 a state gambling license, without a contract as required by this section  
9 is a violation of this section. The Division shall approve a proposition  
10 player contract only if all the following requirements have been  
11 satisfied:

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

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

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

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

1 (2) Prior to December 7, 2003, each primary owner providing proposition  
2 player services at a gambling establishment on the date that these  
3 regulations originally became effective (November 6, 2003) shall  
4 submit an Application for Contract Approval Provider of Proposition  
5 Player Services (DGC-APP.030, rev. 09/03) which is hereby  
6 incorporated by reference.

7 (3) A complete application for contract approval shall include all of the  
8 following:

9 (A) A completed Application for Contract Approval to Provide  
10 Proposition Player Services (DGC-APP.030, rev. ~~06/04~~ 08/04),  
11 which is hereby incorporated by reference.

12 (B) A completed Appointment of Designated Agent for Owners and  
13 Proposition Players (DGC-APP.031, rev. ~~06/04~~, 08/04), which  
14 is hereby incorporated by reference.

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

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

19 (E) A five hundred dollar (\$500) nonrefundable application fee.

20 (F) ~~A \$1200~~ The deposit as required by Title 11, California Code  
21 of Regulations, section 2037(a)(2)(A). The Division may  
22 require an additional sum to be deposited to pay the final costs  
23 of the review and approval or disapproval of the contract. Any  
24 money received as a deposit in excess of the costs incurred in  
25 the review and approval or disapproval of the contract will be  
26 refunded and an itemized accounting will be provided to the  
27 primary owner, or primary owner's designee.

1           (4) The Division shall notify the applicant, in writing, within ten working  
2           days of receiving the application that the application or resubmitted  
3           application is complete or incomplete. If an application is incomplete,  
4           the Division shall request, in writing, any information, fees, or  
5           documentation needed to complete the application. Unless extended  
6           by the Division for further investigation up to 90 days or with the  
7           consent of the applicant, review and approval or disapproval of a  
8           proposition player contract shall be completed within 90 days of  
9           receiving a completed application and notice thereof shall be sent via  
10          United States mail to the applicant or the applicant's designee within  
11          ~~40~~ ten (10) days of the Division's decision. Notice of disapproval of  
12          the contract or amendments shall specify the cause.

13          ~~(b)(1) In lieu of the procedure specified in subsection (a), the Division shall~~  
14          ~~provide an expedited review process of an application for contract approval if all of~~  
15          ~~the following conditions exist:~~

16          ~~(A) Proposition player services were provided in the gambling establishment at~~  
17          ~~any time during the 30 days preceding the application pursuant to a contract that~~  
18          ~~was previously approved by the Division and that has been terminated.~~

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

22          ~~(C) The terms of the proposed contract are substantially identical to the contract~~  
23          ~~previously approved by the Division under which proposition player services were~~  
24          ~~provided in the gambling establishment at any time during the 30 days preceding~~  
25          ~~the application.~~

26          ~~(2) If an application for contract approval is submitted as an expedited contract~~  
27          ~~request and the Division determines that it does not meet the criteria, the primary~~  
28          ~~owner or designee and the house shall be notified within one business day of the~~  
29          ~~Division's decision. Any contract that is not processed through the expedited~~  
30          ~~review and approval process shall be treated as a new contract request and~~  
31          ~~reviewed and approved or disapproved as otherwise provided by subsection (a).~~

1       ~~(3) The Division shall complete the expedited review and approval of a contract~~  
2 ~~within three business days of receiving all of the following:~~

3       ~~(A) A completed Application for Contract Approval to Provide Proposition~~  
4 ~~Player Services (DGC APP.030, rev. 06/04), which is hereby incorporated by~~  
5 ~~reference.~~

6       ~~(B) A completed Appointment of Designated Agent for Owners and Proposition~~  
7 ~~Players (DGC APP.031, rev. 06/04), which is hereby incorporated by reference.~~

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

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

12       ~~(E) A five hundred dollar (\$ 500) nonrefundable application fee.~~

13       ~~(F) An expedited processing fee of \$ 550.~~

14       ~~(c)(1) As soon as is practicable after determining that any application for~~  
15 ~~approval of a proposition player contract or amendment is complete and that the~~  
16 ~~contract or amendment appears to qualify for approval, but in no event less than 75~~  
17 ~~days from receipt of a complete application package, the Division shall submit the~~  
18 ~~contract or amendment to the Commission for review and comment. The~~  
19 ~~Commission shall provide the Division with comments, if any, within 15 days of~~  
20 ~~receipt of the contract or amendment. This paragraph does not apply to expedited~~  
21 ~~approval under subsection (b).~~

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

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

29 ~~(e)~~ (c) The term of any proposition player contract shall not exceed one year and  
30       shall not be extended or renewed without the prior approval of the Division.  
31       No amendment changing any of the contract terms referred to in Section  
32       12200.7, other than paragraphs (3), (4), and (6) of subsection (b) thereof,

1 may become effective during the term of a proposition player contract  
2 without the prior written approval of the Division. If any amendment is  
3 made to a proposition player contract term specified in paragraphs (3), (4),  
4 or (6) of subsection (b) of Section 12200.7, both parties to the contract shall  
5 notify the Commission and Division in writing of the amendment within 10  
6 days of the execution thereof by the parties to the contract.

7 ~~(f) Requests to review and approve an amendment to a proposition player contract~~  
8 ~~shall be submitted with an application for approval along with an executed~~  
9 ~~copy of the contract, a five hundred dollar (\$ 500) nonrefundable application~~  
10 ~~fee, and a four hundred and fifty dollar (\$ 450) deposit as required by Title~~  
11 ~~11, California Code of Regulations, section 2037(a)(2)(B). The Division~~  
12 ~~may require an additional sum to be deposited to pay the final costs of the~~  
13 ~~review and approval or disapproval of the amendment. Any money received~~  
14 ~~as a deposit in excess of the costs incurred in the review and approval or~~  
15 ~~disapproval of the amendment shall be refunded and an itemized accounting~~  
16 ~~shall be provided to the primary owner or the primary owner's designee.~~

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

21 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
22 Code

23 **Reference:** Sections 19951 and 19984, Business and Professions Code

24 **Section 12200.10A. Expedited Review and Approval of Proposition**  
25 **Player Contracts.**

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

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

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

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

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

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

25            (1) A completed Application for Contract Approval to Provide  
26            Proposition Player Services (DGC-APP.030, rev. 08/04), which  
27            is hereby incorporated by reference.

1           (2) A completed Appointment of Designated Agent for Owners and  
2                     Proposition Players (DGC-APP.031, rev. 08/04), which is  
3                     hereby incorporated by reference.

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

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

8           (5) A five hundred dollar (\$500) nonrefundable application fee.

9           (6) An expedited processing fee of one hundred and fifty dollars  
10                    (\$150) and a sum of money that, in the judgment of the Director  
11                    of the Division, will be adequate to pay the anticipated  
12                    processing costs in accordance with Business and Professions  
13                    Code section 19867.

14           **Authority:** Sections 19840, 19841, and 19984, Business and  
15                    Professions Code

16           **Reference:** Sections 19951 and 19984, Business and Professions  
17                    Code

18  
19    **Section 12200.10B. Review and Approval of Amendments to**  
20                    **Proposition Player Contracts.**

21    (a) Requests to review and approve an amendment to a proposition player  
22                    contract shall be submitted with an application for approval (see  
23                    Section 12200.9(a)(3)(A)) along with an executed copy of the  
24                    contract, a five hundred dollar (\$500) nonrefundable application fee,

1           and a four hundred and fifty dollar (\$450) deposit as required by Title  
2           11, California Code of Regulations section 2037(a)(2)(B). The  
3           Division may require an additional sum to be deposited to pay the  
4           final costs of the review and approval or disapproval of the  
5           amendment. Any money received as a deposit in excess of the costs  
6           incurred in the review and approval or disapproval of the amendment  
7           shall be refunded and an itemized accounting shall be provided to the  
8           primary owner or the primary owner's designee.

9           (b) No amendment changing any of the contract terms referred to in  
10           Section 12200.7, other than paragraphs (3), (4), and (6) of subsection  
11           (b) thereof, may become effective during the term of a proposition  
12           player contract without the prior written approval of the Division. If  
13           any amendment is made to a proposition player contract term  
14           specified in paragraphs (3), (4), or (6) of subsection (b) of Section  
15           12200.7, both parties to the contract shall notify the Commission and  
16           Division in writing of the amendment within ten (10) days of the  
17           execution thereof by the parties to the contract.

18           **Authority:** Sections 19840, 19841, and 19984, Business and  
19           Professions Code

20           **Reference:** Sections **19951** and 19984, Business and Professions  
21           Code





1 (2) A five hundred dollar (\$500) application fee.

2 (3) An executed copy of the contract.

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

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

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

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

23 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
24 Code

1           Reference: Sections 19951 and 19984, Business and Professions Code

2

3   **Section 12200.13.     Playing Book.**

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

17   (b)   ~~Playing books~~ The playing book shall be prepared and maintained as  
18         follows:

19        (1)   ~~Playing book forms~~ The playing book form shall be reviewed and  
20             approved or disapproved during the review of the contract by the  
21             Division.

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

- 1 (A) Sequential numbers. Any unused form shall be voided and  
2 maintained in the playing book.
- 3 (B) ~~Specify the name~~ The name of the gambling establishment  
4 where play occurred.
- 5 (C) The date and approximate time when play occurred.
- 6 (D) Beginning and ending balances.
- 7 (E) Individual identification of All ~~all~~ fills and credits affecting the  
8 balance. ~~shall be individually identified.~~
- 9 (F) The printed full name and badge number of the proposition  
10 player, which includes owners, supervisors, and/or players.
- 11 (G) The table number assigned by the gambling establishment.
- 12 (H) The specific name of the Division-approved gaming activity.
- 13 (I) The name of the primary owner.
- 14 (3) The form for each session of play shall be time-stamped, dated, and  
15 signed under penalty of perjury by the person who prepared it and  
16 shall include a declaration in the following form: "I declare under  
17 penalty of perjury under the laws of the State of California that the  
18 foregoing is true and correct."
- 19 **Authority:** Sections 19840, 19841, and 19984, Business and  
20 Professions Code
- 21 **Reference:** Section 19984, Business and Professions Code

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**Section 12200.14. Organization Chart and Employee Report.**

- (a) No later than September 1, 2004, each registered or licensed primary owner shall submit a current organization chart and a listing of all employees by name and title to the Division and the Commission. The listing of employees shall be submitted on the form Third Party Proposition Player Services Employee Report (CGCC-440, ~~New 06/04~~ Rev. 09/04), which is hereby incorporated by reference.
- (b) Upon renewal of the registration or license ~~and six months thereafter~~, each registered or licensed primary owner shall submit an updated organization chart and a listing of all employees by name and title to the Division and the Commission.
- (c) The primary owner shall notify the Division and the Commission in writing within ten (10) days of any change to its ownership structure.

**Authority:** Sections 19840, 19841, and 19984, Business and Professions Code

**Reference:** Section 19984, Business and Professions Code

**Section 12200.15. Transfers and Sales.**

- (a) ~~No individual who is an owner shall in any manner transfer any interest in the proposition player services operation to any person, firm, or corporation, until the proposed transferee or transferees have made application for and obtained registration or licensing as an owner from the Commission. Applications for a transfer of the interest shall be made by the transferee applying for registration or licensing under this regulation. If any registered or licensed owner wishes to sell in whole or in part any ownership interest to~~

1 any unregistered or unlicensed person, the owner must first notify the  
2 Commission in writing to request approval of the transaction. The transferee  
3 must apply for and be approved as a TPP registrant or licensee. Evidence of  
4 the transferor's agreement to transfer the interest and, if applicable, the  
5 proposed articles of incorporation, shall accompany the application for  
6 registration or licensing.

7 ~~(b) The proposed articles of incorporation, and the sales and transfer agreement~~  
8 ~~shall be submitted to the Commission for approval prior to submission of~~  
9 ~~any application.~~

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

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

16 ~~(d) The primary owner shall notify the Division and the Commission in writing~~  
17 ~~within ten days of any change to the organization chart.~~

18 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
19 Code

20 **Reference:** Section 19984, Business and Professions Code

## 21 **Section 12200.16. Inspections and Investigations.**

22 (a) When requested by a representative of the Division, a registrant or licensee  
23 shall immediately permit the Division representative, in accordance with the

1 request, to inspect, copy, or audit all requested documents, papers, books,  
2 and other records of the registrant or licensee related to the provision of  
3 proposition player services. If the records are maintained in electronic form  
4 and the registrant or licensee is requested to do so, the registrant or licensee  
5 shall provide a printed copy in English pursuant to this section within 24  
6 hours of the request.

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

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

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

19 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
20 Code

21 **Reference:** Section 19984, Business and Professions Code

1 **Section 12200.17. Emergency Orders.**

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

4 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
5 Code

6 **Reference:** Sections 19984 and 19931, Business and Professions Code

7

8 **Section 12200.18. Revocation.**

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

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

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

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

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



- 1 (e) The registrant or licensee failed or refused to comply with the requirements  
2 of Section 12200.14 (Organization Chart and Employee Report).
- 3 (f) The registrant or licensee concealed or refused to disclose any material fact  
4 in any inquiry by the Division or the Commission.
- 5 (g) The registrant or licensee committed, attempted, or conspired to commit any  
6 embezzlement or larceny against a gambling licensee or proposition player  
7 registrant or ~~upon~~ on the premises of a gambling establishment.
- 8 (h) The registrant or licensee has been lawfully excluded from being present  
9 upon the premises of any licensed gambling establishment for any reason  
10 relating to cheating or any violation of the Gambling Control Act by the  
11 registrant or licensee.
- 12 (i) The registrant or licensee buys or sells chips ~~outside the cage~~ other than to or  
13 from the house, except for exchanging with a patron chips of one  
14 denomination for chips of another denomination.
- 15 (j) The registrant or licensee lends money or chips to gambling establishment  
16 patrons, except for exchanging with a patron chips of one denomination for  
17 chips of another denomination.
- 18 (k) The registrant or licensee made wagers that were not specifically authorized  
19 by the game rules approved by the Division.
- 20 ~~(k)(l)~~ The primary owner or any other Any owner knowingly permitted one or  
21 more of the owner's supervisors or players to commit any act described in  
22 subsections (a) to ~~(j)~~ (k), inclusive.

1 ~~(l)(m)~~ The primary owner or any other Any owner knew, or failed to implement  
2 reasonable oversight procedures that would have apprised the owner, that  
3 one or more of the registrants or licensees was in violation of one or more  
4 provisions of this chapter or of the Gambling Control Act and failed or  
5 refused to take action to prevent the recurrence of the violation or violations.

6 (n) The registrant or licensee provided proposition player services to a gambling  
7 establishment without a Division-approved contract on and after April 30,  
8 2004.

9 **Authority:** Sections 19840, 19941, and 19984, Business and Professions  
10 Code

11 **Reference:** Section 19984, Business and Professions Code

12

13 **Section 12200.20. Annual Fee.**

14

15 (a) (1) No later than September 1 of each year, beginning September 1, 2004,  
16 each registered ~~or licensed~~ primary owner shall submit to the Commission  
17 the annual fee set forth in subsection (c) of this section, based on the total  
18 number of registrations or licenses affiliated with the ~~that~~ primary owner on  
19 the immediately preceding August ~~15~~ 1. The payment due September 1,  
20 ~~2004~~ of each year shall be based on the total number of registrations  
21 affiliated with the primary owner on August ~~15, 2004~~ 1 that same year.

22 (2) For each licensed primary owner, the annual fee shall be assessed  
23 based upon the total number of licenses affiliated with the primary owner  
24 120 days prior to the renewal due date.

25 (b) Within 30 days of approval of any request to convert a registration to a  
26 license, the Commission shall notify the licensee of any additional fees owed

1 for the term of the license granted, allowing pro rata credit on a monthly  
2 basis for any annual fee paid in connection with a registration that has not  
3 expired.

4 (c) The annual fee shall be computed ~~based on the following schedule~~  
5 ~~reflecting the total number of registrants or licenses affiliated with a~~  
6 ~~particular primary owner on the date of assessment~~ as follows:

Category	Number of Registrants or Licenses	Fee Per Registrant or Licensee
A	<del>1-5</del>	\$2800
B	<del>6-35</del>	\$3050
C	<del>36-175</del>	\$3300
D	<del>176-400</del>	\$3550
E	<del>401-900</del>	\$3800
F	<del>901-1200</del>	\$4050
G	<del>1201 or more</del>	\$4300

7  
8 (1) Beginning September 1, 2004, each primary owner shall pay the  
9 annual sum of two thousand fifty dollars (\$2050) per registrant or licensee.  
10 This fee shall be retroactive to September 1, 2004. Any overpayment of fees  
11 previously paid that cannot be applied against an installment payment which  
12 is due shall be credited against the following year's annual fee obligation,  
13 unless the primary owner no later than February 1, 2005 submits a written  
14 refund request to the Executive Director.

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

19 (3) Beginning September 1, 2006, and thereafter, each primary owner  
20 shall pay the annual sum of two thousand eight hundred (\$2800) per

1 registrant or licensee, less any applicable credit that may apply from  
2 subsection (c)(1) of this section.

3 (d) (1) The annual fee for each registered primary owner may be paid in  
4 installments. The primary owner must submit a written request to the  
5 Executive Director to make installment payments prior to August 1 of that  
6 same year. Upon ~~advance-written~~ approval by the Executive Director,  
7 installment payments submitted prior to ~~conversion-to~~ licensure shall be  
8 ~~permitted~~ made as follows: one-third of the annual fee to be submitted no  
9 later than September 1, one-third no later than December 1, and the balance  
10 no later than March 1.

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

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

22 (f) (1) Following assessment of the annual fee, if the primary owner  
23 increases the number of its registrants or licensees above the number upon  
24 which the annual fee assessment was based, the primary owner shall submit  
25 to the Commission both the required application fee for the additional  
26 registrants or licensees, and the additional per player annual fee set forth in  
27 subsection (c) of this section. No new badges ~~will~~ shall be issued until ~~the~~

1 ~~additional fees per player~~ all fees required by this subsection have ~~has~~ been  
2 received by the Commission.

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

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

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

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

15 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
16 Code

17 **Reference:** Sections 19951 and 19984, Business and Professions Code

18  
19 **Section 12200.21. Compliance.**

20 (a) Registrants and licensees shall comply with game rules approved by the  
21 Division, including but not limited to, the rules regarding player-dealer  
22 rotation and table wagering. ~~No registrant or licensee shall be accorded any~~  
23 ~~preference by the house over other players; provided that a proposition~~  
24 ~~player contract may, at any table assigned for play by the contracted~~  
25 ~~registrant or licensee, preclude players of any other registrant or licensee~~  
26 ~~under this chapter or chapter 2.2 of this title from playing at that table during~~

1 ~~the periods of play assigned by the proposition player contract for the~~  
2 ~~contracted registrant or licensee. A proposition player contract may,~~  
3 ~~concerning any table assigned for play by the contracted registrant or~~  
4 ~~licensee, contain a provision precluding players of any other registrant or~~  
5 ~~licensee under this Chapter or Chapter 2.2 of this Division from playing at~~  
6 ~~that table during the periods of play assigned by the proposition player~~  
7 ~~contract for the contracted registrant or licensee. The house is not precluded~~  
8 ~~from assigning a seat at the table to a registrant or licensee.~~

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

12 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
13 Code

14 **Reference:** Section 19984, Business and Professions Code

## 15 **Article 2. Registration**

### 16 **Section 12200.25. Transition to Licensing.**

- 17 (a) ~~The Division shall summon persons registered as primary owners, owners,~~  
18 ~~supervisors, players, and other employees for the purpose of applying for~~  
19 ~~licenses under this chapter. The Division shall summon primary owners,~~  
20 ~~owners, supervisors, players, and other employees as expeditiously as~~  
21 ~~possible in light of available program resources. The registration of any~~  
22 ~~registrant that fails or refuses to submit a Request for Conversion of a Third~~  
23 ~~Party Proposition Player Services Registration to a License (CGCC 437,~~  
24 ~~new 06/04)(see section 12218(c)) including any fees to the Commission~~

1       ~~within 30 days of receiving a summons from the Division shall expire by~~  
2       ~~operation of law on the following day. Prior to and during review of a~~  
3       ~~request to convert a registration to a license, a registration shall remain valid~~  
4       ~~and may be renewed by the registrant as necessary, upon application and~~  
5       ~~approval of renewal of registration as provided in Section 12203.~~

6       ~~(b) If the registration expires by operation of law, the former registrant shall~~  
7       ~~submit a new request to convert a registration to a license and a new~~  
8       ~~nonrefundable application fee.~~

9       ~~(c) The transition from registration to licensing for applications approved prior to~~  
10       ~~April 30, 2004, shall be completed no later than July 1, 2007.~~

11       ~~(d) A request to convert a registration to a license shall require only payment of~~  
12       ~~a sum of money that, in the judgment of the Director of the Division, will be~~  
13       ~~adequate to pay the anticipated investigation and processing costs, in~~  
14       ~~accordance with Business and Professions Code sections 19867 and~~  
15       ~~19984(c).~~

16       ~~(e) If a license is issued, it will to expire as provided in Section 12218.13 (Term~~  
17       ~~of License).~~

18       **Authority:** Sections 19840, 19841, and 19984, Business and Professions Code

19       **Reference:** Section 19984, Business and Professions Code

20  
21       **Section 12201. Registration.**

22       (a) On and after March 31, 2004, in addition to the requirements of Section  
23       12200.9(a)(1), no person may provide proposition player services or obtain a  
24       badge, as required by Section 12200.3, without a current valid registration  
25       issued by the Commission.

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

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

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

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

16 ~~(f) A registration certificate shall be issued to each primary owner and shall~~  
17 ~~include an expiration date. All owners other than the primary owner shall be~~  
18 ~~endorsed on the registration certificate that is issued to the primary owner.~~

19 ~~(g) Registration is non-transferable.~~

20 **Authority:** Sections 19840, 19841, and 19984, Business and Professions Code

21 **Reference:** Sections 19984 and 19951(a), Business and Professions Code

22



1 **Section 12202. Application for Registration.**

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

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

8 (1) Payment of a nonrefundable application fee in the amount of five  
9 hundred dollars (\$500).

10 (2) A completed Application for Third Party Proposition Player Services  
11 Registration (CGCC-435, rev. ~~06/04~~—09/04), which is hereby  
12 incorporated by reference.

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

18 (4) Two ~~(2) two-by-two~~ 2x2 inch color passport-style photographs of an  
19 applicant that is an individual taken no more than one (1) year before  
20 submission of the application to the Commission.

21 (c) An applicant that is an individual shall complete and submit the form Third  
22 Party Proposition Player Services Registration Supplemental Information  
23 (CGCC-436. Rev. 06/04), which is hereby incorporated by reference.

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

6 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
7 Code

8 **Reference:** Sections 19984 and 19951(a), Business and Professions Code

9

10 **Section 12203. Processing of Applications for Initial ~~and Renewal~~**  
11 **Registration.**

12 (a) The Executive Director shall notify the applicant in writing within 20  
13 ~~business~~ days of receiving the application, that the application or  
14 resubmitted application is complete and accepted for filing, or that the  
15 application or resubmitted application is deficient. If an application for  
16 registration is incomplete, the Executive Director shall request in writing any  
17 information needed in order to complete the application. The applicant shall  
18 be permitted ~~at least 60~~ 30 ~~but no more than 90~~ days in which to furnish the  
19 information. If the applicant fails to respond to the request, the application  
20 shall be deemed abandoned and no further action will be taken on it.

21 (b) Upon determination that an application for registration is complete, the  
22 application shall be processed within 60 days and the Executive Director  
23 shall either issue the registration and badge applied for or shall notify the  
24 applicant of denial and the grounds therefor under Section 12204. ~~However,~~

1 ~~this time may be extended by the Executive Director for no more than 30~~  
2 ~~additional days if necessary to obtain information required to determine~~  
3 ~~eligibility. The Executive Director shall promptly notify the applicant in~~  
4 ~~writing of any such delay, including the length of the extension.~~

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

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

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

19 ~~(f) Renewal applications for owners shall be received no later than 120 days~~  
20 ~~prior to the expiration of the current registration, together with all required~~  
21 ~~fees. If an application is received after this 120-day deadline, an expedited~~  
22 ~~processing fee of \$60 shall be submitted with the application. If an~~  
23 ~~expedited processing fee is due but has not been received, a registration~~  
24 ~~renewal shall not be issued.~~

1 ~~(g) Renewal applications for supervisors, players, and other employees shall be~~  
2 ~~received no later than 90 days prior to the expiration of the current~~  
3 ~~registration, together with the required \$500 application fee. If an~~  
4 ~~application is received after this 90-day deadline, an expedited processing~~  
5 ~~fee of \$ 60 shall be submitted with the application. If an expedited~~  
6 ~~processing fee is due but has not been received, a registration renewal shall~~  
7 ~~not be issued.~~

8 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
9 Code

10 **Reference:** Section 19984, Business and Professions Code.

11 **Section 12203A. Processing of Applications for Renewal of**  
12 **Registration.**

13 (a) Renewal applications for owners shall be received no later than 120 days  
14 prior to the expiration of the current registration, together with the five  
15 hundred dollar (\$500) application fee. If an application is received after this  
16 120-day deadline, an expedited processing fee of sixty dollars (\$60) shall be  
17 submitted with the application. If an expedited processing fee is due but has  
18 not been received, a registration renewal shall not be issued.

19 (b) Renewal applications for supervisors, players, and other employees shall be  
20 received no later than 90 days prior to the expiration of the current  
21 registration, together with the required five hundred dollars (\$500)  
22 application fee. If an application is received after this 90-day deadline, an  
23 expedited processing fee of sixty dollars (\$60) shall be submitted with the  
24 application. If an expedited processing fee is due but has not been received,  
25 a registration renewal shall not be issued.

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

10 (d) Upon determination that an application for renewal of registration is  
11 complete, the application shall be processed within 60 days and the  
12 Executive Director shall either issue the registration and badge applied for or  
13 shall notify the applicant of denial and the grounds therefor under Section  
14 12204.

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

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

22 (g) Nothing in this chapter shall require the Commission or Division to divulge  
23 to the applicant any confidential information received from any law  
24 enforcement agency or any information received from any person with  
25 assurances that the information would be maintained as confidential.

1 Nothing in this chapter shall require the Commission or Division to divulge  
2 any information that might reveal the identity of any source of information  
3 or jeopardize the safety of any person.

4 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
5 Code

6 **Reference:** Sections 19951 and 19984, Business and Professions Code.

7  
8 **Section 12203.1. Temporary Player Registration.**

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

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

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

20 (d) If an application for a regular registration is withdrawn, the application for a  
21 temporary registration shall be deemed abandoned and no further action will  
22 be taken on it by the Commission.

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

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**Authority:** Sections 19840, 19841, and 19984, Business and Professions Code

**Reference:** Section 19984, Business and Professions Code

**Section 12203.2. Temporary Player Registration: Application; Criteria.**

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

- (a) The applicant has applied for a temporary player registration by completing the Commission’s regular registration application form, requesting issuance of a temporary registration by checking the appropriate box on the application form, and submitting with the application a nonrefundable twenty-five dollar (\$25) temporary registration fee, in addition to the regular registration fee of five hundred dollars (\$500).
- (b) The applicant has supplied to the Commission all the documentation and fees required for a regular registration.
- (c) Neither the application in its entirety nor the results of the review of the applicant’s criminal history up until the date of issuance of the temporary registration discloses any of the following:
  - (1) The applicant has been convicted of any felony.
  - (2) The applicant has, within the ten (10) year period immediately

1 preceding the submission of the application, been convicted of any of  
2 the following offenses, not including convictions which have been  
3 expunged or dismissed as provided by law:

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

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

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

12 (D) A misdemeanor involving violations of the Gambling Control  
13 Act.

14 (E) A misdemeanor involving dishonesty or moral turpitude.

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

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

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

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

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



1       (2) No response from the Bureau or Federal authorities has been received  
2       within the time period set forth in subsection (a)(2) of section 12203.3.

3       (e) The application and other information obtained during the review  
4       does not disclose any factor indicating that approval of the temporary  
5       registration may in the judgment of the Executive Director  
6       present a danger to the public or to the reputation of controlled  
7       gambling or proposition playing in this state.

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

12  
13       **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
14       Code.

15       **Reference:** Sections 19951 and 19984, Business and Professions Code.

16  
17       **Section 12203.3.       Processing Times for Temporary Player**  
18       **Registration.**

19       (a) Applications for issuance of a temporary player registration by the  
20       Executive Director shall be processed within the following time  
21       frames:

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

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

4       **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
5       Code.

6       **Reference:** Section 19984, Business and Professions Code.

7  
8       **Section 12203.5. Cancellation of Temporary Registration.**  
9

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

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

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

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

26      (3) The Executive Director receives from the applicant a request to

1           withdraw his or her application for regular registration.

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

4 (1) Notify the temporary registration holder, the [primary owner](#), the  
5 contracted gambling establishment, and the Division in writing of the  
6 cancellation of the temporary registration and the grounds for  
7 cancellation.

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

12  
13 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
14 Code

15 **Reference:** Section 19984, Business and Professions Code

16  
17 **Section 12204. Ineligibility for Registration.**

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

19 (a) ~~Except for an individual seeking registration as “other employee,” an~~ An  
20 individual applicant is under the age of 21.

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

- 1 (c) The applicant has, within the ten (10) year period immediately preceding the  
2 submission of the application, been convicted of a misdemeanor involving a  
3 firearm or other deadly weapon, gaming or gaming-related activities  
4 prohibited by Chapter 9 (commencing with Section 319) or Chapter 10  
5 (commencing with section 330) of Title 9 of Part 1 of the Penal Code,  
6 violations of the Gambling Control Act, or dishonesty or moral turpitude,  
7 not including convictions which have been expunged or dismissed as  
8 provided by law.
- 9 (d) If the application is for registration as an owner, supervisor, or player, the  
10 applicant has been subject to a final administrative or judicial adjudication  
11 revoking a registration under this chapter or a state gambling license, key  
12 employee license, work permit or finding of suitability or has had an  
13 application denied under this chapter or the Gambling Control Act.
- 14 (e) The applicant would be ineligible for a state gambling license under any of  
15 the criteria set forth in Business and Professions Code section 19859,  
16 subdivisions (b), (e), or (f), ~~the terms of which are incorporated by reference~~  
17 ~~and hereby expressly made applicable to applications for registration under~~  
18 ~~this chapter.~~
- 19 (f) The applicant would be ineligible for a state gambling license under  
20 Business and Professions Code section 19858, ~~the terms of which are~~  
21 ~~incorporated by reference and hereby expressly made applicable to~~  
22 ~~applications for registration under this chapter.~~
- 23 (g) The applicant has violated one or more of the prohibitions set forth in  
24 Subsections 12200.7(b)(5), (11), or (20) or Subsections 12200.7(c)(1) and  
25 (3).

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

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

5 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
6 Code

7 **Reference:** Section 19984, Business and Professions Code

8

9 **12205. Cancellation of Regular Registration.**

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

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

21 (1) Provide written notice to the registrant and the Division of the  
22 cancellation of the registration and the grounds thereof, and provide  
23 written notice of the cancellation to the owner, if the registrant is a

1 supervisor, player, or other employee and to any gambling  
2 establishment in which the registrant provides proposition player  
3 services.

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

8 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
9 Code.

10 **Reference:** Section 19984, Business and Professions Code

11  
12 **Section 12205.1. Transition to Licensing.**

- 13 (a) As expeditiously as possible in light of available program resources, the  
14 Division shall summon persons registered as primary owners, owners,  
15 supervisors, players, and other employees for the purpose of applying for  
16 licenses under this chapter. The registration of any registrant that fails or  
17 refuses to submit a Request for Conversion of a Third Party Proposition  
18 Player Services Registration to a License (CGCC-437, Rev. 09/04)(see  
19 section 12218(c)) including any fees to the Commission within 30 days of  
20 receiving a summons from the Division shall expire by operation of law on  
21 the following day. Prior to and during review of a request to convert a  
22 registration to a license, a registration shall remain valid and may be  
23 renewed by the registrant as necessary, upon application and approval of  
24 renewal of registration as provided in Section 12203A.

- 1 (b) Any person who became affiliated with a primary owner following receipt of  
2 a summons from the Division shall apply for registration pursuant to this  
3 chapter and shall be called forward by the Division expeditiously.
- 4 (c) If the registration expires by operation of law, the former registrant shall  
5 submit a new Request for Conversion of a Third Party Proposition Player  
6 Services Registration to a License (CGCC-437, Rev. 09/04) and a new five  
7 hundred dollar (\$500) nonrefundable application fee.
- 8 (d) The transition to licensing for registrations approved prior to April 30, 2004,  
9 shall be completed no later than July 1, 2007.
- 10 (e) Except as provided in subsection (c), a request to convert a registration to a  
11 license shall require only payment of a sum of money that, in the judgment  
12 of the Director of the Division, will be adequate to pay the anticipated  
13 investigation and processing costs, in accordance with Business and  
14 Professions Code sections 19867 and 19984(c).
- 15 (f) If a license is issued, it will expire as provided in Section 12218.13 (Term of  
16 License).

17 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
18 Code

19 **Reference:** Section 19984, Business and Professions Code

20

## 21 **Article 3. Licensing**

### 22 **Section 12218. Request to Convert Registration to License.**

- 23 (a) A request to convert a registration to a license shall be submitted to the  
24 Commission only in response to a written summons from the Division to a  
25 primary owner pursuant to Section ~~12200.25~~ 12205.1. Each primary

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1 owner's request shall be accompanied by the requests of all affiliated  
2 owners, supervisors, players, and other employees.

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

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

10 (1) A completed Request for Conversion of a Third Party Proposition  
11 Player Services Registration to a License (CGCC-437, ~~New 6/04~~ Rev.  
12 09/04), which is hereby incorporated by reference.

13 (2) Two ~~(2) two-by-two inch~~ 2x2 inch color passport-style photographs of  
14 a requester that is an individual taken no more than ~~30 days~~ one year  
15 before submission of the request to the Commission.

16 (3) The supplemental information package as defined in section 12200(b).

17 (4) A sum of money that, in the judgment of the Director of the Division,  
18 will be adequate to pay the anticipated investigation and processing  
19 costs, in accordance with Business and Professions Code sections  
20 19867 and 19984.

21 (5) A copy of the summons issued by the Division.

22 (d) Nothing in this chapter shall require the Commission or Division to divulge  
23 to the requester any confidential information received from any law



1 enforcement agency or any information received from any person with  
2 assurances that the information would be maintained as confidential.  
3 Nothing in this chapter shall require the Commission or Division to divulge  
4 any information that might reveal the identity of any source of information  
5 or jeopardize the safety of any person.

6 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
7 Code

8 **Reference:** Section 19984, Business and Professions Code

9 **Section 12218.1. Subsequent Registrants.**

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

13 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
14 Code

15 **Reference:** Section 19984, Business and Professions Code

16  
17  
18 **Section 12218.5. Withdrawal of Request to Convert**  
19 **Registration to License.**

20  
21 (a) A request for withdrawal of a request to convert a registration to a license  
22 may be made at any time prior to final action upon the request by the  
23 Director by the filing of a written request to withdraw with the Commission.

1 For the purposes of this section, final action by the Division means a final  
2 determination by the Director regarding his or her recommendation on the  
3 request to the Commission.

4 (b) The Commission shall not grant the request unless the requester has  
5 established that withdrawal of the request would be consistent with the  
6 public interest and the policies of the Gambling Control Act and this chapter.  
7 If a request for withdrawal is denied, the Division may go forward with its  
8 investigation and make a recommendation to the commission upon the  
9 request, and the Commission may act upon the request to convert as if no  
10 request for withdrawal had been made.

11 (c) If a request for withdrawal is granted with prejudice, the requester thereafter  
12 shall be ineligible to renew its request until the expiration of one year from  
13 the date of the withdrawal. Unless the Commission otherwise directs, no  
14 payment relating to any request is refundable by reason of withdrawal of  
15 request.

16 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
17 Code

18 **Reference:** Sections 19869 and 19984, Business and Professions Code

19  
20 **Section 12218.7. Processing Times--Request to Convert**  
21 **Registration to License.**  
22

23 (a) Except as provided in subsection (b), a request to convert a  
24 registration to license submitted pursuant to this chapter shall be  
25 processed within the following timeframes:  
26

- 1 (1) The maximum time within which the Commission shall notify the  
2 applicant in writing that a request or a resubmitted request is complete  
3 and accepted for initial processing by the Commission, or that a  
4 request or a resubmitted request~~ed~~ is deficient and identifying what  
5 specific additional information is required, is 20 days after receipt of  
6 the request. For the purposes of this section, “request” means the  
7 Request for Conversion of a Third Party Proposition Player Services  
8 Registration to a License (CGCC-437, ~~New-6/04~~ Rev. 09/04), which  
9 was incorporated by reference in Section 12218. A request is not  
10 complete unless accompanied by ~~(4)~~ both a copy of the summons  
11 from the Division setting a deadline for filing the request with the  
12 Commission and ~~(2)~~ the supplemental information package required  
13 by section 12218(c)(3) for review by the Division pursuant to  
14 paragraph (3) of this subsection (a) for persons affiliated with the  
15 primary owner to whom the summons was addressed. The  
16 supplemental information shall not be reviewed for completeness by  
17 the Commission.
- 18 (2) A request and the supplemental information package shall be  
19 forwarded by the Commission to the Division for processing within  
20 ~~10-ten (10)~~ days of the date that the Commission determines that the  
21 request is complete.
- 22 (3) The Division shall review the supplemental information package  
23 submitted for completeness and notify the applicant of any  
24 deficiencies in the supplemental information package, or that the  
25 supplemental information package is complete, within 45 days of the  
26 date that the request and supplemental information package are  
27 received by the Division from the Commission. Notwithstanding this

1 subsection, subsequent to acceptance of the supplemental information  
2 package as complete, the Division may, pursuant to Business and  
3 Professions Code section 19866, require the requester to submit  
4 additional information.

5 (4) Pursuant to Business and Professions Code section 19868, the  
6 Division shall, to the extent practicable, submit its recommendation to  
7 the Commission within 180 days after the date the Division is in  
8 receipt of both the completed request pursuant to paragraph (2) of this  
9 subsection (a) and the completed supplemental information package  
10 pursuant to paragraph (3) of this subsection (a). If the Division has  
11 not concluded its investigation within 180 days, then it shall inform  
12 the applicant and the Commission in writing of the status of the  
13 investigation and shall also provide the applicant and the Commission  
14 with an estimated date on which the investigation may reasonably be  
15 expected to be concluded.

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

21  
22 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
23 Code

24 **Reference:** Section 19984, Business and Professions Code

1 **Section 12218.11. Ineligibility for Licensing.**

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

3 (a) ~~Except for an individual seeking licensing as “other employee,” an~~ An  
4 individual applicant is under the age of 21.

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

8 (c) The requester has, within the ten (10) year period immediately preceding the  
9 submission of the request to convert, been convicted of a misdemeanor  
10 involving a firearm or other deadly weapon, gaming or gaming-related  
11 activities prohibited by Chapter 9 (commencing with Section 319) or  
12 Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal  
13 Code, violations of the Gambling Control Act, or dishonesty or moral  
14 turpitude, unless the applicant has been granted relief pursuant to Penal  
15 Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the  
16 granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or  
17 1203.45 shall not constitute a limitation on the discretion of the  
18 Commission.

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

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

3 (f) The requester would be ineligible for a state gambling license under any of  
4 the criteria set forth in Business and Professions Code section 19859,  
5 subdivisions (b), (e), or (f), ~~the terms of which are incorporated by reference~~  
6 ~~and hereby expressly made applicable to requests to convert under this~~  
7 ~~chapter.~~

8 ~~(f)~~ (g) The requester would be ineligible for a state gambling license under  
9 Business and Professions Code section 19858, ~~the terms of which are~~  
10 ~~incorporated by reference and hereby expressly made applicable to~~  
11 ~~applications for registration under this chapter.~~

12 ~~(g)~~ (h) The requester has violated one or more of the prohibitions set forth in  
13 Subsections 12200.7(b)(5), (11) and (20) or Subsections 12200.7(c)(1) and  
14 (3).

15 ~~(h)~~ (i) The requester has failed to comply with one or more of the requirements set  
16 forth in Subsections 12200.7(b)(8), (9), (15), (16), (17), (18) or (21) or in  
17 Subsections 12200.7(c)(2) and (e).

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

19 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
20 Code

21 **Reference:** Section 19984, Business and Professions

## 22 **Section 12218.13. Term of License.**

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

1 (b) Due to nonrecurring workload problems associated with the processing of  
2 the first round of requests to convert registrations to licenses, all other initial  
3 licenses that are granted within three (3) years of the effective date of these  
4 regulations shall be issued for a period of two (2) years.

5 (c) Beginning July 1, 2007, all initial and renewal licenses ~~other than player~~  
6 ~~licenses~~ shall be issued for a period of one (1) year, except for player and  
7 other employee licenses, ~~as otherwise provided by a subsequently adopted~~  
8 ~~regulation of the Commission~~ which shall be issued for a period of two (2)  
9 years.

10 **Authority:** Sections 19840, 19841, and 19984, Business and Professions  
11 Code

12 **Reference:** Section and 19984, Business and Professions Code

13  
14 **Chapter 2.2. Gambling Businesses: Registration; Licensing.**

15 **Article 1. Definitions and General Provisions**

16 **Article 2. Registration**

17 **Article 3. Licensing**  
.....

18 **Article 1. Definitions and General Provisions**

19 Section 12220. Definitions

20 Section 12220.1 Certificate

21 Section 12220.3 Badge

22 Section 12220.5 Replacement of Badge

- 1 Section 12220.6 Transfer or Reinstatement of Player Registration  
2 or License; Issuance of Additional Badge
- 3 Section 12220.13 Playing Book
- 4 Section 12220.14 Organization Chart and Employee Report
- 5 Section 12220.15 Transfer and Sales
- 6 Section 12220.16 Inspections and Investigations
- 7 Section 12220.17 Emergency Orders
- 8 Section 12220.18 Revocation
- 9 Section 12220.20 Annual Fee
- 10 Section 12220.20A Annual Fee as Applied to Those Registered or  
11 Licensed Under Chapter 2.1
- 12 Section 12220.21 Compliance
- 13 Section 12220.23 Exclusion
- 14 **Article 2. Registration**
- 15 Section 12220.25 Transition to Licensing [to be repealed]
- 16 Section 12221. Registration
- 17 Section 12222. Application for Registration
- 18 Section 12223. Processing of Applications for Initial and Renewal  
19 Registration
- 20 Section 12224. Ineligibility for Registration
- 21 Section 12225. Cancellation of Registration
- 22 Section 12225.1 Transition to Licensing



1 **Article 3. Licensing**

2 Section 12233 Request to Convert Registration to License

3 Section 12234 Withdrawal of Request to Convert Registration to  
4 License

5 Section 12235 Processing Times--Request to Convert  
6 Registration to License

7 Section 12236 Ineligibility for Licensing

8 Section 12237 Term of License

9  
10

11 **Article 1. Definitions and General Provisions**

12 **Section 12220. Definitions.**

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

16 (b) As used in this chapter:

17 (1) “Additional Badge” means a badge issued by the Commission  
18 pursuant to Section 12220.6 which authorizes an individual registrant  
19 or licensee to be simultaneously employed by more than one primary  
20 owner.

21 (1) “Applicant” means the an applicant for registration or licensing under  
22 this chapter, including in the case of an owner that is a corporation,  
23 partnership, or any other business entity, all persons whose

1 registrations or licenses are required to be endorsed upon the primary  
2 owner's registration or license certificate.

3 ~~(2)~~ (3) "Authorized player" means an individual associated with a particular  
4 primary owner whose badge authorizes play in a controlled game on  
5 behalf of the primary owner, including the primary owner, all other  
6 owners, all supervisors, and all players. ~~"Authorized player" does not~~  
7 ~~include funding sources.~~ Only authorized players may perform the  
8 functions of a supervisor or player.

9 ~~(2)~~ (4) "Badge" means a form of identification issued by the Commission  
10 identifying a registrant or licensee. ~~A badge authorizing play in a~~  
11 ~~controlled game shall be of a distinctly different color than a badge~~  
12 ~~that identifies a registrant or licensee, but does not authorize play.~~

13 ~~(4)~~ (5) "Bureau" means the Bureau of Criminal Identification and  
14 Information of the California Department of Justice.

15 ~~(5)~~ (6) "Commission" means the California Gambling Control Commission.

16 ~~(6)~~ (7) "Deadly weapon" means any weapon, the possession or concealed  
17 carrying of which is prohibited by Penal Code section 12020.

18 ~~(7)~~ (8) "Division" means the Division of Gambling Control in the California  
19 Department of Justice. Information that this chapter requires to be  
20 sent to the Division shall be submitted in writing to the Sacramento  
21 office of the Division.

22 ~~(8)~~ (9) "Executive Director" means the Executive Director of the  
23 Commission, ~~or such other person as may be designated by the~~  
24 ~~Commission.~~

1    ~~(9)~~ (10)    “Funding source” means any person that provides financing, including  
2                   but not limited to loans, advances, any other form of credit, chips, or  
3                   any other representation or thing of value, to an owner- registrant or  
4                   owner-licensee, other than individual registrants under Subsection ~~(e)~~  
5                   (d) of Section 12221 or individual licensees. “Funding source” does  
6                   not include any federally or state chartered lending institution or any  
7                   of the following entities that in the aggregate owns at least one  
8                   hundred million dollars (\$100,000,000) of securities of issuers that are  
9                   not affiliated with the entity:

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

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

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

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

27               (E) Any employee benefit plan within the meaning of Title I of the

1 federal Employee Retirement Income Security Act of 1974 (29  
2 U.S.C. sec. 1001 et seq.).

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

5 (G) Any entity, all of the equity owners of which individually meet  
6 the criteria of this paragraph ~~(9)~~ (10).

7 ~~(10)~~ (11) “Gambling business,” except as otherwise provided in this paragraph,  
8 means a business enterprise that engages the services of employees,  
9 independent contractors, or both to participate in the play of any  
10 controlled game in a gambling establishment that has a rotating  
11 player-dealer position as permitted by Penal Code section 330.11.  
12 “Gambling business” also refers to the conduct of such a business  
13 enterprise in a gambling establishment. “Gambling business” does  
14 not, however, include the provision of proposition player services  
15 subject to Chapter ~~2~~ 2.1 (commencing with Section 12200) of this  
16 title.

17 ~~(11)~~ (12) “Gambling Control Act” or “Act” means Chapter 5 (commencing  
18 with Section 19800) of Division 8 of the Business and Professions  
19 Code.

20 ~~(12)~~ (13) “License” means a license issued by the Commission pursuant to article  
21 3 of this chapter.

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

- 24 1. ~~primary~~ Primary owner,
- 25 2. ~~owner, Owner if issued a playing badge,~~
- 26 3. ~~supervisor~~ Supervisor, and
- 27 4. ~~player~~ Player.

1 (B) All “other employees” (as defined in this section) of the  
2 primary owner who are present in the gambling  
3 establishment during the conduct of the gambling  
4 business shall be licensed as “other employee” and shall  
5 be required to submit an application and be approved or  
6 denied based upon the same criteria that apply to a  
7 player.

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

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

16 ~~(13)~~ (14) “Licensee” means a person having a valid license.

17 ~~(14)~~ (15) "Organization chart" means a chart that identifies the names and titles  
18 of all owners, as defined in section 12220, supervisors, and any  
19 persons having significant influence over the operation of gambling  
20 business; the percentage of ownership, if any, held by each identified  
21 individual or entity; ~~and~~ the reporting relationship for each identified  
22 individual or entity; and the job title and number of persons in each of  
23 the job titles that report to each individual or entity identified on the  
24 organization chart.

25 (16) “Other employee” means an individual employed by a primary owner  
26 who is not authorized to serve as a player. “Other employee” does not  
27 include any owner, any supervisor, or any officer or director of a

1 primary owner that is a corporation. An individual registered or  
2 licensed as an “other employee” may not function as a player unless  
3 and until that individual applies for and obtains registration or  
4 licensure as a player.

5 ~~(15)~~ (17) “Owner” includes all of the following:

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

8 (B) Any individual specified in ~~subsection (c) of Section 12221~~  
9 Business and Professions Code section 19852, subdivisions (a)  
10 through (h), and

11 (C) Any funding source.

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

15 ~~(16)~~ (19) “Playing Book” means a record documenting each session of play by  
16 a third party proposition an individual player.

17 ~~(17)~~ “Preference” ~~means and is limited to both of the following if~~  
18 ~~sanctioned by house rule or otherwise directed by the house or its~~  
19 ~~employees:~~

20 ~~(A) Any priority in the continuous and systematic rotation of the~~  
21 ~~deal, as required by Penal Code section 330.11, such that a~~  
22 ~~registrant becomes entitled by reason of the priority to occupy the~~  
23 ~~player-dealer position more often than other players. Nothing in~~

1           this paragraph precludes the house from assigning a particular seat  
2           to a registrant.

3           ~~(B) Any advantage to the registrant over other players in the~~  
4           placement of wagers

5   ~~(18)~~ (20)   “Primary Owner” means the owner specified in subparagraph (A) of  
6           paragraph ~~(15)~~ (17) of this subsection.

7   ~~(19)~~ (21)   “Rebate” means a partial return by an authorized ~~proposition~~ player of  
8           chips or money to a patron who has lost the chips or money to the  
9           authorized player through play in a controlled game at a gambling  
10          establishment.

11   ~~(20)~~ (22)   "Registrant" means a person having a valid registration.

12   ~~(21)~~ (23)   “Registration” means a registration issued by the Commission  
13          pursuant to this chapter.

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

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

1           (C) A primary owner ~~issued a playing badge~~ and an owner ~~issued a~~  
2           ~~playing badge~~ may also perform the functions of a supervisor or  
3           player, and the holder of a supervisor’s registration ~~or license~~  
4           may also perform the functions of a player. No registrant, other  
5           than an owner ~~issued a playing badge~~, supervisor, or player,  
6           may possess, direct, or otherwise control currency, chips, or  
7           other wagering instruments used for play as part of the  
8           operation of a gambling business. ~~An individual registered or~~  
9           ~~licensed as an “other employee” may not function as a player~~  
10          ~~unless and until that individual applies for and obtains a~~  
11          ~~registration or a license as player.~~

12          (24) “Reinstatement Badge” means a badge issued by the Commission to a  
13          player, a supervisor, or an “other employee” pursuant to Section  
14          12220.6 which authorizes an individual registrant or licensee who has  
15          ceased to be employed by a primary owner to return to work for that  
16          primary owner.

17          ~~(22)~~ (25) “Session of play” as used in Section 12220.13 (“Playing Book”)  
18          means a continuous work shift ~~of third party proposition player~~  
19          ~~services provided by an individual proposition player performed by a~~  
20          player.

21          ~~(23)~~ (26) “Supervisor” means an individual who, in addition to any  
22          supervisory responsibilities, has authority, on behalf of the primary  
23          owner, to provide or direct the distribution of currency, chips, or other  
24          wagering instruments to affiliated registrants or licensees who are  
25          authorized to play.



1 ~~(24)~~ (27) “Supplemental information package” means all of the documentation  
2 and deposits required by each of the following forms (which are  
3 hereby incorporated by reference) to be submitted to the Commission  
4 in response to a summons issued by the Division pursuant to Section  
5 ~~12220.25~~ 12225.1.

6 ~~(A)~~ (A) ~~Primary owners as defined in Section 12220(b), shall complete~~  
7 ~~the form Level IV Supplemental Information Providers of~~  
8 ~~Proposition Players and funding Sources (DGC APP. 035, New~~  
9 ~~06/04) for a level IV investigation.~~

10 ~~(B)~~ (A) Owners, as defined in Section 12220~~(b)~~, that are a natural  
11 person shall complete the form Level III Supplemental  
12 Information-Individual (DGC-APP. 034A, New ~~06/04~~ 08/04)  
13 for a level III investigation.

14 ~~(C)~~ (B) Owners, as defined in Section 12220~~(b)~~, that are not a natural  
15 person shall complete the form Level III Supplemental  
16 Information-Business (DGC-APP. 034B, New ~~06/04~~ 08/04) for  
17 a level III investigation.

18 ~~(D)~~ (C) Supervisors, as defined in Section 12220~~(b)~~ shall  
19 ~~complete~~ complete the form Level II Supplemental Information  
20 (DGC-APP. 033, New ~~06/04~~ 08/04) for a level II investigation.

21 ~~(E)~~ (D) Other employees, independent contractors, and players shall  
22 complete the form Level I Supplemental Information (DGC-  
23 APP. 032, New ~~06/04~~ 08/04) for a level I investigation.

24 (28) “Transfer Badge” means a badge issued by the Commission  
25 pursuant Section 12220.6 which authorizes an individual

1 registrant or licensee to work as an employee or independent  
2 contractor for a subsequent primary owner after having ceased  
3 to work for an initial primary owner.

4  
5 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
6 Professions Code

7 **Reference:** Sections 19805 and 19853(a)(3), Business and Professions  
8 Code

9  
10 **Section 12220.1. Certificate.**

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

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

15 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
16 Professions Code

17 **Reference:** Sections 19805 and 19853(a)(3), Business and Professions  
18 Code

19  
20 **Section 12220.3. Badge.**

21 (a) All individuals registered or licensed as primary owners, owners,  
22 supervisors, players, or other employees of the primary owner shall wear in  
23 a prominently visible location a numbered badge issued by the Commission

1 when present in a gambling establishment during the operation of the  
2 gambling business.

3 (b) A badge authorizing play in a controlled game shall be of a distinctly  
4 different color than a badge which identifies a registrant or licensee, but does  
5 not authorize play. If an individual ceases to be employed by or affiliated  
6 with a particular primary owner, that individual shall surrender his or her  
7 badge to the primary owner. The primary owner shall notify the  
8 Commission and the Division in writing within ~~40~~ ten (10) days of the  
9 change in status using Change in Status Form for a Gambling Business  
10 Registration (CGCC-541, ~~New 06/04~~ Rev. 09/04), which is hereby  
11 incorporated by reference; with this form, the primary owner shall submit  
12 the registrant's or licensee's badge. ~~Any primary owner receiving a badge~~  
13 ~~from an individual formerly employed by or affiliated with the primary~~  
14 ~~owner shall return the badge to the Commission within 10 days of receiving~~  
15 ~~the badge from the holder.~~

16 ~~(b)~~(c) The words "GAMBLING BUSINESS PLAYER REGISTRANT," "NON-  
17 PLAYER GAMBLING BUSINESS REGISTRANT," "GAMBLING  
18 BUSINESS PLAYER LICENSEE," or "NON-PLAYER GAMBLING  
19 BUSINESS LICENSEE" in capital letters shall be prominently displayed on  
20 the front of the badge. The first name of the registrant or licensee shall  
21 appear on the front of the badge. The full name of the registrant or licensee  
22 shall be printed on the reverse side of the badge, together with the  
23 registrant's or licensee's category of registration or licensing as an owner,  
24 supervisor, player, or other employee.

25 ~~(e)~~(d) On the front of the badge, there shall be displayed the picture of the  
26 registrant or licensee submitted with the application, the badge number, and

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

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

12 ~~(e)~~(f) An individual registered or licensed as a player with a particular primary  
13 owner shall apply for and obtain a new badge pursuant to Section 12220.6  
14 before beginning to work for an additional or different primary owner.

15 ~~(f)~~(g) Registrations, licenses, and badges are specific to the primary owner. A  
16 gambling business cannot be operated without first applying for and  
17 obtaining a registration, license, or badge.

18 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
19 Professions Code

20 **Reference:** Sections 19805 and 19853(a)(3), Business and Professions  
21 Code

22  
23 **Section 12220.5. Replacement of Badge.**  
24

- 1 (a) Upon ~~application~~ submission of a request, the Executive Director ~~or other~~  
2 ~~person designated by the Commission~~ shall issue a replacement badge if all  
3 of the following conditions are met:
- 4 (1) The ~~applicant~~ requester has a current valid registration or license.
- 5 (2) The ~~application~~ request is complete and has been submitted on the  
6 form Request for Replacement Gambling Business Badge (CGCC-  
7 538, New 06/04), which is hereby incorporated by reference.
- 8 (3) The ~~applicant~~ requester has supplied all of the following to the  
9 Commission:
- 10 ~~(A) A two by two inch color passport style photograph taken no~~  
11 ~~more than 30 days before submission to the Commission of the~~  
12 ~~badge replacement or transfer request.~~
- 13 ~~(B)~~ (A) A nonrefundable twenty-five dollar (\$25) ~~\$25.00~~ fee payable to  
14 the Commission.
- 15 ~~(C)~~ (B) The category of the position and information concerning the  
16 primary owner for which the replacement badge is requested:  
17 the name of the primary owner, mailing address, voice  
18 telephone number, facsimile number (if any), and email address  
19 (if any).
- 20 ~~(D)~~ (C) A statement under penalty of perjury that a replacement badge  
21 is needed due to a name change or to loss or destruction of the  
22 originally issued badge.
- 23 (b) A replacement badge issued pursuant to this section shall be valid during the  
24 unexpired term of the previously issued registration or license.
- 25 (c) Upon issuance of the replacement badge, the previously issued badge for  
26 that gambling business shall become void and shall not be used.

1 (d) Replacement badges shall be issued by the Commission within seven (7)  
2 days of receipt of a ~~complete application~~ completed request.

3 **Authority:** Sections 19811, 19840, 19841, and 19853(a)(3), Business and  
4 Professions Code

5 **Reference:** Section and 19853(a)(3), Business and Professions Code  
6

7 **Section 12220.6. Transfer or Reinstatement of Player**

8 **Registration or License; Issuance of Additional Badge.**

9  
10 (a) Upon ~~application~~ submission of a request, the Executive Director ~~or other~~  
11 ~~person designated by the Commission~~ shall issue a player transfer badge,  
12 reinstatement badge, or additional badge if all of the following conditions  
13 are met:

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

15 (2) The ~~application~~ request is complete and has been submitted on the  
16 form ~~Request for Transfer of Gambling Business Registration/License~~  
17 Request for an Additional/Transfer/Reinstatement of Gambling  
18 Business Registration/License (CGCC-539, ~~New 06/04~~ Rev. 09/04),  
19 which is hereby incorporated by reference.

20 (3) The ~~applicant~~ requester has supplied all of the following to the  
21 Commission:

22 ~~(A)~~

23 ~~A two by two inch color passport style photograph taken~~  
24 ~~no more than 30 days before submission to the Commission of~~  
25 ~~the badge transfer request.~~

26 ~~(B)~~ (A) A nonrefundable ~~\$250.00~~ one hundred and twenty-five dollar  
27 (\$125) fee payable to the Commission.



1 The location or locations where the records of this information and the  
2 original playing book records are maintained, and any change therein, shall  
3 be disclosed to the Commission and Division by written notice, mailed or  
4 delivered within five (5) business days after establishing or changing such a  
5 location.

6 (b) ~~Playing books~~ The playing book shall be prepared and maintained as  
7 follows:

8 (1) ~~Playing book forms~~ The playing book form shall be reviewed and  
9 approved or disapproved by the Division during the review of the  
10 primary owner's registration or license application.

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

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

15 (B) ~~Specify the name of the~~ The name of the gambling  
16 establishment where play occurred.

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

18 (D) Beginning and ending balances.

19 (E) Individual identification of ~~All~~ all fills and credits affecting the  
20 balance. ~~shall be individually identified.~~

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



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

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

3 (I) The name of the primary owner.

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

9 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
10 Professions Code

11 **Reference:** Sections 19805 and 19853(a)(3), Business and  
12 Professions Code

13

14 **Section 12220.14. Organization Chart and Employee Report.**

15

16 (a) No later than September 1, 2004, each registered or licensed primary owner  
17 shall submit a current organization chart and a listing of all employees and  
18 independent contractors to the Division and the Commission. The listing of  
19 employees and independent contractors shall be submitted on the form  
20 Gambling Business Employee and Independent Contractor Report (CGCC-  
21 540, ~~New 06/04~~ Rev. 09/04), which is hereby incorporated by reference.

22 (b) Upon renewal of the registration or license ~~and six months thereafter~~, each  
23 registered or licensed primary owner shall submit an updated organization  
24 chart and a listing of all employees and independent contractors to the  
25 Division and the Commission.

1 (c) The primary owner shall notify the Division and the Commission in writing  
2 within ten (10) days of any change to its ownership structure.

3 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
4 Professions Code

5 **Reference:** Section 19853(a)(3), Business and Professions Code  
6

7 **Section 12220.15. Transfers and Sales.**

8 (a) ~~No individual who is an owner shall in any manner transfer any interest in~~  
9 ~~the proposition player services operation to any person, firm, or corporation~~  
10 ~~until the proposed transferee or transferees have made application for and~~  
11 ~~obtained registration or licensing as an owner from the Commission.~~  
12 ~~Applications for a transfer of the interest shall be made by the transferee~~  
13 ~~applying for registration or licensing under this regulation. Evidence of the~~  
14 ~~transferor's agreement to transfer the interest shall accompany the~~  
15 ~~application for registration or licensing. If any registered or licensed owner~~  
16 ~~wishes to sell in whole or in part any ownership interest to any unregistered~~  
17 ~~or unlicensed person, the owner must first notify the Commission in writing~~  
18 ~~to request approval of the transaction. The transferee must apply for and be~~  
19 ~~approved as a registrant or licensee. Evidence of the transferor's agreement~~  
20 ~~to transfer the interest and, if applicable, the proposed articles of~~  
21 ~~incorporation, shall accompany the application for registration or licensing.~~

22 ~~(b) The proposed articles of incorporation and sales and transfer agreement shall~~  
23 ~~be submitted to the Commission for approval prior to submission of any~~  
24 ~~application.~~

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

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

7 ~~(d) The primary owner shall notify the Division and the Commission in writing~~  
8 ~~within ten days of any change to the organization chart.~~

9 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
10 Professions Code

11 **Reference:** Section 19853(a)(3), Business and Professions Code

12  
13 **Section 12220.16. Inspections and Investigations.**

14 (a) When requested by a representative of the Division, a registrant or licensee  
15 shall immediately permit the Division representative, in accordance with the  
16 request, to inspect, copy, or audit all requested documents, papers, books,  
17 and other records of the registrant or licensee related to the gambling  
18 business. If the records are maintained in electronic form and the registrant  
19 or licensee is requested to do so, the registrant or licensee shall provide a  
20 printed copy in English pursuant to this section within 24 hours of the  
21 request.

22 (b) If requested in writing by the Executive Director, the Division shall conduct  
23 an inspection or investigation of a registrant or a licensee. Within 30 days of

1 receipt of the request, the Division shall advise the Executive Director in  
2 writing of the status of the inspection or investigation and shall also provide  
3 an estimated date on which the inspection or investigation may reasonably  
4 be expected to be concluded. Upon completion of the inspection or  
5 investigation, the Division shall provide a final written report to the  
6 Executive Director.

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

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

11 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
12 Professions Code

13 **Reference:** Section 19853(a)(3), Business and Professions Code  
14

### 15 **Section 12220.17. Emergency Orders.**

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

18 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and Professions  
19 Code

20 **Reference:** Section 19853(a)(3), Business and Professions Code  
21

### 22 **Section 12220.18. Revocation.**

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

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

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

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

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

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

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

19 (g) The registrant or licensee committed, attempted, or conspired to commit any  
20 embezzlement or larceny against a gambling business registrant or licensee  
21 or proposition player registrant or against a holder of a state gambling  
22 license, or upon on the premises of a gambling establishment.

- 1 (h) The registrant or licensee has been lawfully excluded from being present  
2 upon the premises of any licensed gambling establishment for any reason  
3 relating to cheating or any violation of the Gambling Control Act by the  
4 registrant or licensee.
- 5 (i) The registrant or licensee buys or sells chips ~~outside the cage other than to or~~  
6 from the house, except for exchanging with a patron chips of one  
7 denomination for chips of another denomination.
- 8 (j) The registrant or licensee lends money or chips to gambling establishment  
9 patrons or proposition players, except for exchanging with a patron chips of  
10 one denomination for chips of another denomination.
- 11 (k) The registrant or licensee made wagers that were not specifically authorized  
12 by the game rules approved by the Division.
- 13 ~~(k) (l)~~ (l) ~~The primary owner or any other~~ Any owner knowingly permitted one or  
14 more of the owner's supervisors or players to commit any act described in  
15 subsections (a) to ~~(j)~~ (k), inclusive.
- 16 ~~(l) (m)~~ (m) ~~The primary owner or any other~~ Any owner knew, or failed to implement  
17 reasonable oversight procedures that would have apprised the owner, that  
18 one or more of the registrants or licensees was in violation of one or more  
19 provisions of this chapter or of the Gambling Control Act and failed or  
20 refused to take action to prevent the recurrence of the violation or violations.

21 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
22 Professions Code

23 **Reference:** Section 19853(a)(3), Business and Professions Code

24

1 **Section 12220.20. Annual Fee.**

2  
3 (a) (1) No later than September 1 of each year, beginning September 1, 2004,  
4 each registered ~~or licensed~~ primary owner shall submit to the Commission  
5 the annual fee set forth in subsection (c) of this section, based on the total  
6 number of registrations or licenses affiliated with ~~that~~ the primary owner on  
7 the immediately preceding ~~August 15~~ August 1. The payment due  
8 September 1, ~~2004~~ of each year shall be based on the total number of  
9 registrations affiliated with the primary owner on August ~~15, 2004~~ 1 of each  
10 that same year.

11 (2) For each licensed primary owner, the annual fee shall be assessed  
12 based upon the total number of licenses affiliated the primary owner  
13 120 days prior to the renewal due date.

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

19 (c) The annual fee shall be computed as follows: ~~based on the following~~  
20 ~~schedule reflecting the total number of registrants or licensees affiliated with~~  
21 ~~a particular primary owner on the date of assessment:~~

Category	Number of Registrants	Fee Per Registrant
	or Licensees	or Licensee
A	1 - 5	\$2800
B	6 - 35	\$3050

1	<del>C</del>	<del>36 175</del>	<del>\$3300</del>
2	<del>D</del>	<del>176 400</del>	<del>\$3550</del>
3	<del>E</del>	<del>401 900</del>	<del>\$3800</del>
4	<del>F</del>	<del>901 1200</del>	<del>\$4050</del>
5	<del>G</del>	<del>1201 or more</del>	<del>\$4300</del>

6

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

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

19       (3) Beginning September 1, 2006, and thereafter, each primary owner  
20           shall pay the annual sum of two thousand eight hundred dollars  
21           (\$2800) per registrant or licensee, less any applicable credit that may  
22           apply from subsection (c)(1) of this section.

23 (d) (1) The annual fee for each registered primary owner may be paid in  
24          installments. The primary owner must submit a written request to the  
25          Executive Director to make installment payments prior to August 1 of  
26          that same year. Upon ~~advance written~~ approval by the Executive  
27          Director, installment payments submitted prior to ~~conversion to~~



1           ~~licensure shall be permitted as follows:~~ licensure shall be made as  
2           follows: one-third of the annual fee to be submitted no later than  
3           September 1, one-third no later than December 1, and the balance no  
4           later than March 1.

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

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

17       (f) (1) Following assessment of the annual fee, if the primary owner  
18          increases the number of its registrants or licensees above the number  
19          upon which the annual fee assessment was based, the primary owner  
20          shall submit to the Commission both the required application fee for  
21          the additional registrants or licensees and the additional per player fee  
22          set forth in subsection (c) of this section. No new badges ~~will~~ shall be  
23          issued until ~~the additional per player fee has~~ all fees required by this  
24          subsection have been received by the Commission.

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

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

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

9       **Authority:** Sections 19801, 19811, 19823, 19824, 19840, 19841, and  
10       19853(a)(3), Business and Professions Code

11       **Reference:** Sections 19853(a)(3), [19951](#), Business and Professions Code

12  
13       **Section 12220.20A. Annual Fee as Applied to Those Registered or**  
14       **Licensed Under Chapter 2.1.**

15       (a) A primary owner who is currently registered or licensed under Chapter 2.1  
16       may also operate as a gambling business and not be required to pay annual  
17       fees under Chapter 2.2 if the following conditions are satisfied:

18       (1) The primary owner has paid all Chapter 2.1 annual fees due on the  
19       date of the Chapter 2.2 application.

20       (2) The primary owner files an application for registration or licensure  
21       under this Chapter and pays the required five hundred dollar (\$500)  
22       application fee.

23       (3) Each registrant or licensee affiliated with the primary owner under  
24       Chapter 2.1 who wishes to be registered or licensed under Chapter 2.2  
25       pays a one hundred and twenty-five dollar (\$125) fee for this Chapter  
26       2.2 registration or license.

1 (b) If an employee works solely as part of a gambling business and does not  
2 provide services under Chapter 2.1, then the primary owner shall pay the per  
3 registrant ~~or licensee~~ annual fee assessment for that employee pursuant to  
4 Section 12220.20.

5 (c) If a background investigation of a person has already been performed under  
6 Chapter 2.1, and if that person's registration or licensure under Chapter 2.1  
7 is current, then a second background investigation shall not be required  
8 under this Chapter.

9 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
10 Professions Code

11 **Reference:** Section 19853(a)(3), Business and Professions Code

12

13 **Section 12220.21. Compliance.**

14 (a) Registrants and licensees shall comply with game rules approved by the  
15 Division, including but not limited to, the rules regarding player-dealer  
16 rotation and table wagering. ~~No registrant or licensee shall be accorded any~~  
17 ~~preference by the house over other players.~~

18 (b) Only an authorized player may possess, direct, or otherwise control  
19 currency, chips, or other wagering instruments used for play in the operation  
20 of the gambling business.

21 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
22 Professions Code

23 **Reference:** Section 19853(a)(3), Business and Professions Code

24

1 **Section 12220.23. Exclusion**

2 (a) In order to promote the purposes of the Gambling Control Act to provide for  
3 effective regulation of gambling enterprises, owner-licensees of gambling  
4 establishments shall notify the Commission and Division of, and may  
5 exclude from the gambling establishment, any person that the owner-  
6 licensee reasonably believes is conducting a gambling business within the  
7 gambling establishment without having been registered under this chapter.  
8 An owner-licensee acting under this section shall notify the Commission and  
9 Division in writing of any such unregistered person and any such exclusion,  
10 including the identity of the excluded individuals and entity if known, within  
11 ~~10~~ ten (10) business days following the exclusion. Upon receiving such  
12 notice of an unregistered person, the Commission shall notify the person in  
13 writing of the registration requirement of this chapter and shall notify all  
14 owner-licensees of the name of the unregistered person, if known, and may  
15 condition any subsequent registration of the person under this chapter or  
16 Chapter 2.1 of this ~~title~~ Division upon a 60 to 90 day suspension of  
17 registration or payment of a civil penalty under Business and Professions  
18 Code section 19930(c), or both.

19 (b) An owner-licensee of a gambling establishment may exclude any registered  
20 or licensed gambling business ~~upon providing notification to~~ and shall notify  
21 the Commission and Division in writing within five (5) days following the  
22 exclusion.

23 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
24 Professions Code

25 **Reference:** Sections 19853(a)(3) and ~~19931~~19930, Business and  
26 Professions Code

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**Article 2. Registration**

**Section 12220.25. Transition to Licensing**

- ~~(a) The Division shall summon persons registered as primary owners, owners, supervisors, players, and other employees for the purpose of applying for licenses under this chapter. The Division shall summon primary owners, owners, supervisors, players, and other employees as expeditiously as possible in light of available program resources. The registration of any registrant that fails or refuses to submit a Request for Conversion of a Gambling Business Registration to a License (CGCC-537, New 06/04)(see section 12233(c) including any fees to the Commission within 30 days of receiving a summons from the Division shall expire by operation of law on the following day. Prior to and during review of a request to convert a registration to a license, a registration shall remain valid and may be renewed by the registrant as necessary, upon application and approval of renewal of registration.~~
- ~~(b) If the registration expires by operation of law, the former registrant shall submit a new request to convert a registration to a license and a new nonrefundable application fee.~~
- ~~(c) The transition from registration to licensing for applications approved prior to April 30, 2004, shall be completed no later than July 1, 2007.~~
- ~~(d) A request to convert a registration to a license shall require only payment of a sum of money that, in the judgment of the Director of the Division, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.~~

1 ~~(e) If a license is issued, it will expire as provided in Section 12237 (Term of~~  
2 ~~License).~~

3 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and Professions  
4 Code

5 **Reference:** Section 19853(a)(3), Business and Professions Code  
6

### 7 **Section 12221. Registration.**

8 (a) On and after March 5, 2004, no person may engage in a gambling business  
9 as an owner or as an employee or independent contractor of an owner, nor  
10 may any person obtain a badge as required by Section 12220.3 without a  
11 current valid registration issued by the Commission. Persons registered to  
12 provide proposition player services under Chapter 2.1 (commencing with  
13 Section 12200) of this title are not required to register under this chapter to  
14 provide proposition player services pursuant to one or more proposition  
15 player contracts approved by the Division pursuant to Section 12200.9 of  
16 this title.

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

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

22 ~~(e)~~(d) If a primary owner is a corporation, partnership, or other business entity,  
23 each owner and individual having a relationship to that entity specified in  
24 Business and Professions Code section 19852, subdivisions (a) to (h),

1 inclusive, shall individually apply for and obtain registration as an owner  
2 listed on the business entity's registration certificate.

3 ~~(d)~~(e) Any application for registration of any person, other than as the primary  
4 owner, shall designate the primary owner or owners that will employ the  
5 applicant or with whom the applicant otherwise will be affiliated. ~~The~~  
6 ~~registration certificate issued to any person, other than the primary owner,~~  
7 ~~shall specify the name of the registered primary owner that employs the~~  
8 ~~applicant or with whom the applicant is otherwise affiliated.~~

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

12 (g) Registration is non-transferable.

13  
14 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and Professions  
15 Code

16 **Reference:** Section 19853(a)(3), Business and Professions Code

## 17 **Section 12222. Application for Registration.**

18 (a) The application for registration shall designate whether registration is  
19 requested as a primary owner, other owner, or employee or independent  
20 contractor of the primary owner. The application shall be signed by the  
21 individual applicant and the designated agent, or, if the applicant is a  
22 business entity, by the chief executive officer or other designated officer of  
23 the business entity.

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

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- 1 (1) Payment of a nonrefundable application fee in the amount of five  
2 hundred dollars (\$500).
- 3 (2) A completed Application for Gambling Business Registration  
4 (CGCC-535, ~~rev. 06/04~~ Rev. 09/04), which is hereby incorporated by  
5 reference.
- 6 (3) A properly completed Request for Live Scan Service (California  
7 Department of Justice Form BCII 8016, rev. 4/01) of an applicant that  
8 is an individual, confirming that the applicant's fingerprints have been  
9 submitted to the Bureau for an automated background check and  
10 response.
- 11 (4) Two ~~(2) two-by-two inch~~ 2x2 inch color passport-style photographs of  
12 an applicant that is an individual taken no more than one (1) year  
13 before submission of the application to the Commission.
- 14 (c) An applicant that is an individual shall complete and submit ~~shall submit~~  
15 ~~such supplemental information as may be required by the form Gambling~~  
16 ~~Business Registration Supplemental Information (CGCC-536, rev. 06/04),~~  
17 ~~which is hereby incorporated by reference, or by the Division as necessary~~  
18 ~~for completion of its review as provided in this chapter.~~
- 19 (d) An applicant for registration shall make full and true disclosure of all  
20 information to the Commission and Division as required for the application  
21 and as requested by the Commission or Division to carry out the policies of  
22 this state relating to controlled gambling.

23 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
24 Professions Code



1           **Reference:** Sections 19853(a)(3) and 19951(a), Business and Professions  
2           Code

3   **Section 12223. Processing of Applications for Initial and Renewal**  
4                                   **Registration.**

5   (a)   The Executive Director shall notify the applicant in writing within ~~fifteen~~  
6           ~~business~~ twenty (20) days of receiving the application, that the application or  
7           resubmitted application is complete and accepted for filing, or that the  
8           application or resubmitted application is deficient. If an application for  
9           registration is incomplete, the Executive Director shall request in writing any  
10          information needed in order to complete the application. The applicant shall  
11          be permitted ~~at least 60~~ 30 ~~but no more than 90~~ days in which to furnish the  
12          information. If the applicant fails to respond to the request, the application  
13          shall be deemed abandoned and no further action will be taken on it.

14   (b)   Upon determination that an application for registration is complete, the  
15          application shall be processed within 60 days and the Executive Director  
16          shall either issue the registration and, ~~if applicable,~~ the badge applied for or  
17          shall notify the applicant of denial and the grounds therefor under Section  
18          12224. ~~However, this time may be extended by the Executive Director for~~  
19          ~~no more than 30 additional days if necessary to obtain information required~~  
20          ~~to determine eligibility. The Executive Director shall promptly notify the~~  
21          ~~applicant in writing of any such delay, including the length of the extension.~~

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

1 (d) The Commission shall provide written notice of abandonment of an  
2 application to the applicant ~~and the Division~~. If the application is for  
3 registration as other than the primary owner, the Commission shall also  
4 provide written notice of abandonment of the application to the primary  
5 owner.

6 (e) Nothing in this chapter shall require the Commission or Division to divulge  
7 to the applicant any confidential information received from any law  
8 enforcement agency or any information received from any person with  
9 assurances that the information would be maintained as confidential, ~~and~~  
10 ~~nothing~~ Nothing in this chapter shall require the Commission or Division to  
11 divulge any information that might reveal the identity of any source of  
12 information or jeopardize the safety of any person.

13 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and Professions  
14 Code

15 **Reference:** Section 19853(a)(3), Business and Professions Code

## 16 **Section 12224. Ineligibility for Registration.**

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

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

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

22 ~~(b)~~(c) The applicant has, within the ten (10) year period immediately preceding the  
23 submission of the application, been convicted of a misdemeanor involving a

1 firearm or other deadly weapon, gaming or gaming-related activities  
2 prohibited by Chapter 9 (commencing with Section 319) or Chapter 10  
3 (commencing with section 330) of Title 9 of Part 1 of the Penal Code,  
4 violations of the Gambling Control Act, or dishonesty or moral turpitude,  
5 not including convictions which have been expunged or dismissed as  
6 provided by law.

7 ~~(e)~~(d) The applicant has been subject to a final administrative or judicial  
8 adjudication revoking a registration under this chapter or a state gambling  
9 license, key employee license, work permit or finding of suitability or has  
10 had an application denied under this chapter or the Gambling Control Act.

11 ~~(d)~~(e) The applicant would be ineligible for a state gambling license under any of  
12 the criteria set forth in Business and Professions Code section 19859,  
13 subdivisions (b), (e), ~~(f)~~, ~~or (g)~~ or (f), ~~the terms of which are incorporated by~~  
14 ~~reference and hereby expressly made applicable to applications for~~  
15 ~~registration under this chapter.~~

16 ~~(e)~~(f) The applicant would be ineligible for a state gambling license under  
17 Business and Professions Code section 19858, ~~the terms of which are~~  
18 ~~incorporated by reference and hereby expressly made applicable to~~  
19 ~~applications for registration under this chapter.~~

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

21 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
22 Professions Code

23 **Reference:** Section 19853(a)(3), Business and Professions Code

1 **Section 12225. Cancellation of Registration.**

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

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

13 (1) Provide written notice to the registrant and the Division of the  
14 cancellation of the registration and the grounds thereof, and provide  
15 written notice of the cancellation to the primary owner, if the  
16 registrant is not the primary owner and to all gambling establishments.

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

21 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and Professions  
22 Code.

23 **Reference:** Section 19853(a)(3), Business and Professions Code

- 1 (a) The Division shall summon persons registered as primary owners, owners,  
2 supervisors, players, and other employees for the purpose of applying for  
3 licenses under this chapter. The Division shall summon primary owners,  
4 owners, supervisors, players, and other employees as expeditiously as  
5 possible in light of available program resources. The registration of any  
6 registrant that fails or refuses to submit a Request for Conversion of a  
7 Gambling Business Registration to a License (CGCC-537, New 06/04))(see  
8 section 12233(c)) including any fees to the Commission within 30 days of  
9 receiving a summons from the Division shall expire by operation of law on  
10 the following day. Prior to and during review of a request to convert a  
11 registration to a license, a registration shall remain valid and may be  
12 renewed by the registrant as necessary, upon application and approval of  
13 renewal of registration.
- 14 (b) If the registration expires by operation of law, the former registrant shall  
15 submit a new request to convert a registration to a license and a new  
16 nonrefundable application fee.
- 17 (c) The transition from registration to licensing for applications approved prior  
18 to April 30, 2004, shall be completed no later than July 1, 2007.
- 19 (d) Except as provided for in subsection (b), a request to convert a registration  
20 to a license shall require only payment of a sum of money that in the  
21 judgment of the Director of the Division, will be adequate to pay the  
22 anticipated investigation and processing costs, in accordance with Business  
23 and Professions Code section 19867.
- 24 (e) If a license is issued, it will expire as provided in Section 12237 (Term of  
25 License).

1 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and Professions  
2 Code

3 **Reference:** Sections 19853(a)(3), 19867, Business and Professions Code

4  
5 **ARTICLE 3. LICENSING**  
6

7 **Section 12233. Request to Convert Registration to License.**

- 8 (a) A request to convert a registration to a license shall be submitted to the  
9 Commission only in response to a written summons from the Division to a  
10 primary owner pursuant to Section ~~12220.25~~ 12225.1. Each primary  
11 owner's request shall be accompanied by the requests of all affiliated  
12 owners, supervisors, players, and other employees.
- 13 (b) The request to convert a registration to a license shall designate whether the  
14 license is requested as a primary owner, ~~other~~ owner, supervisor, player, or  
15 other employee. The request shall be signed by the individual requester or,  
16 if the requester is a business entity, by the chief executive officer or other  
17 designated officer of the business entity.
- 18 (c) The request to convert a registration to a license shall include all of the  
19 following:
- 20 (1) A completed Request for Conversion of a Gambling Business  
21 Registration to a License (CGCC-537, New 06/04), which is hereby  
22 incorporated by reference.

1 (2) Two ~~(2) two by two inch~~ 2x2 inch color passport-style photographs of  
2 a requester that is an individual taken no more than ~~30 days~~ one year  
3 before submission of the request to the Commission.

4 (3) The supplemental information package as defined in Section 12220.

5 (4) A sum of money that, in the judgment of the Director of the Division,  
6 will be adequate to pay the anticipated investigation and processing  
7 costs, in accordance with Business and Professions Code section  
8 19867.

9 (5) A copy of the summons issued by the Division.

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

17 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
18 Professions Code

19 **Reference:** Sections 19853(a)(3) and 19867, Business and Professions  
20 Code

21  
22 **Section 12234. Withdrawal of Request to Convert**  
23 **Registration to License.**  
24

1 (a) A request for withdrawal of a request to convert a registration to a license  
2 may be made at any time prior to final action upon the request by the  
3 Director by the filing of a written request to withdraw with the Commission.  
4 For the purposes of this section, final action by the Division means a final  
5 determination by the Director regarding his or her recommendation on the  
6 request to the Commission.

7 (b) The Commission shall not grant the request unless the requester has  
8 established that withdrawal of the request would be consistent with the  
9 public interest and the policies of the Gambling Control Act and this chapter.  
10 If a request for withdrawal is denied, the Division may go forward with its  
11 investigation and make a recommendation to the ~~commission~~ Commission  
12 upon the request, and the Commission may act upon the request to convert  
13 as if no request for withdrawal had been made.

14 (c) If a request for withdrawal is granted with prejudice, the requester thereafter  
15 shall be ineligible to renew its request until the expiration of one (1) year  
16 from the date of the withdrawal. Unless the Commission otherwise directs,  
17 no payment relating to any request is refundable by reason of withdrawal of  
18 request.

19 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
20 Professions Code

21 **Reference:** Sections 19853(a)(3) and 19869, Business and Professions  
22 Code

23  
24 **Section 12235. Processing Times--Request to Convert**  
25 **Registration to License.**  
26



1 (a) Except as provided in subsection (b), a request to convert a registration to  
2 license submitted pursuant to this chapter shall be processed within the  
3 following timeframes:  
4

5 (1) The maximum time within which the Commission shall notify the  
6 applicant in writing that a request or a resubmitted request is complete  
7 and accepted for initial processing by the Commission, or that a  
8 request or a resubmitted requested is deficient and identifying what  
9 specific additional information is required, is 20 days after receipt of  
10 the request. For the purposes of this section, “request” means the  
11 form Request for Conversion of a Gambling Business Registration to  
12 a License (CGCC-537, New 06/04), which was incorporated by  
13 reference in Section 12233. A request is not complete unless  
14 accompanied by ~~(1)~~ both a copy of the summons from the Division  
15 setting a deadline for filing the request with the Commission and ~~(2)~~  
16 the supplemental information package required by section 12233(c)(3)  
17 for review by the Division pursuant to paragraph (3) of this subsection  
18 (a) for persons affiliated with the primary owner to whom the  
19 summons was addressed. The supplemental information shall not be  
20 reviewed for completeness by the Commission.

21 (2) A request and the supplemental information package shall be  
22 forwarded by the Commission to the Division for processing within  
23 ~~10~~ ten (10) days of the date that the Commission determines that the  
24 request is complete.

25 (3) The Division shall review the supplemental information package  
26 submitted for completeness and notify the applicant of any  
27 deficiencies in the supplemental information package, or that the

1 supplemental information package is complete, within 45 days of the  
2 date that the request and supplemental information package are  
3 received by the Division from the Commission. Notwithstanding this  
4 subsection, subsequent to acceptance of the supplemental information  
5 package as complete, the Division may, pursuant to Business and  
6 Professions Code section 19866, require the requester to submit  
7 additional information.

8 (4) Pursuant to Business and Professions Code section 19868, the  
9 Division shall, to the extent practicable, submit its recommendation to  
10 the Commission within 180 days after the date the Division is in  
11 receipt of both the completed request pursuant to paragraph (2) of this  
12 subsection (a) and the completed supplemental information package  
13 pursuant to paragraph (3) of this subsection (a). If the Division has  
14 not concluded its investigation within 180 days, then it shall inform  
15 the applicant and the Commission in writing of the status of the  
16 investigation and shall also provide the applicant and the Commission  
17 with an estimated date on which the investigation may reasonably be  
18 expected to be concluded.

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

24  
25 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
26 Professions Code

1           **Reference:** Sections 19853(a)(3) and 19868, Business and  
2           Professions Code

3  
4   **Section 12236.           Ineligibility for Licensing.**

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

6   (a)   ~~Except for an individual seeking licensing as “other employee,” an~~ An  
7       individual applicant is under the age of 21.

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

11   (c)   The requester has, within the ten (10) year period immediately preceding the  
12      submission of the request to convert, been convicted of a misdemeanor  
13      involving a firearm or other deadly weapon, gaming or gaming-related  
14      activities prohibited by Chapter 9 (commencing with Section 319) or  
15      Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal  
16      Code, violations of the Gambling Control Act, or dishonesty or moral  
17      turpitude-, unless the applicant has been granted relief pursuant to Penal  
18      Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the  
19      granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or  
20      1203.45 shall not constitute a limitation on the discretion of the  
21      Commission.

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

1 suitability or has had an application denied under this chapter or the  
2 Gambling Control Act.

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

5 ~~(e)(f)~~ The requester would be ineligible for a state gambling license under any of  
6 the criteria set forth in Business and Professions Code section 19859,  
7 subdivisions (b), (e), or (f), ~~the terms of which are incorporated by reference~~  
8 ~~and hereby expressly made applicable to requests to convert under this~~  
9 ~~chapter.~~

10 ~~(f)(g)~~ The requester would be ineligible for a state gambling license under  
11 Business and Professions Code section 19858, ~~the terms of which are~~  
12 ~~incorporated by reference and hereby expressly made applicable to~~  
13 ~~applications for registration under this chapter.~~

14 ~~(g)(h)~~ The applicant is ineligible based on any other provision of law.

15 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
16 Professions Code

17 **Reference:** Sections 19853(a)(3), Business and Professions Code

## 18 **Section 12237. Term of License.**

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

20 (b) Due to nonrecurring workload problems associated with the processing of  
21 the first round of requests to convert registrations to licenses, all other initial  
22 licenses that are granted within three (3) years of the effective date of these  
23 regulations shall be issued for a period of two (2) years.

1 (c) Beginning July 1, 2007, all initial and renewal licenses ~~other than player~~  
2 ~~licenses~~ shall be issued for a period of one (1) year, except for player and  
3 other employee licenses ~~as otherwise provided by a subsequently adopted~~  
4 ~~regulation of the Commission,~~ which shall be issued for a period of two (2)  
5 years.  
6

7 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and  
8 Professions Code

9 **Reference:** Section 19853(a)(3), Business and Professions Code