

**Title 4, California Code of Regulations, Division 18**  
**Chapter 2.1. Third-Party Providers of Proposition Player**  
**Services: Registration; Licensing**  
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**Article 1. Definitions and General Provisions**

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**Article 1. Definitions and General Provisions**

**Section 12200. Definitions.**

- (a) Except as otherwise provided in subsection (b), the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.
- (b) As used in this chapter:
  - (1) “Additional Badge” means a badge issued by the Commission pursuant to Section 12200.6 which authorizes an individual registrant or licensee to be simultaneously employed by more than one primary owner.
  - (2) “Applicant” means an applicant for registration or licensing under this chapter, including in the case of an owner that is a corporation, partnership, or any other business entity, all persons whose registrations or licenses are required to be endorsed upon the primary owner’s registration or license certificate.
  - (3) “Authorized player” means an individual associated with a particular primary owner whose badge authorizes play in a controlled game on behalf of the primary owner, including the primary owner, all other owners, all supervisors, and all players. Only authorized players may perform the functions of a supervisor or player.
  - (4) “Badge” means a form of identification issued by the Commission identifying a registrant or licensee.
  - (5) “Bureau” means the Bureau of Criminal Identification and Information of the California Department of Justice.
  - (6) “Commission” means the California Gambling Control Commission.

- (7) “Deadly weapon” means any weapon, the possession or concealed carrying of which is prohibited by Penal Code section 12020.
- (8) “Division” means the Division of Gambling Control in the California Department of Justice. Information that this chapter requires to be sent to the Division shall be submitted in writing to the Sacramento office of the Division.
- (9) “Executive Director” means the Executive Director of the Commission.
- (10) “Funding source” means any person that provides financing, including but not limited to loans, advances, any other form of credit, chips, or any other representation or thing of value, to an owner-registrant or owner-licensee, other than individual registrants under Subsection (d) of Section 12201 or individual licensees. “Funding source” does not include any federally or state chartered lending institution or any of the following entities that in the aggregate owns at least one hundred million dollars (\$100,000,000) of securities of issuers that are not affiliated with the entity:
- (A) Any federally-regulated or state-regulated bank or savings association or other federally- or state-regulated lending institution.
  - (B) Any company that is organized as an insurance company, the primary and predominant business activity of which is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and that is subject to supervision by the Insurance Commissioner of California, or a similar official or agency of another state.
  - (C) Any investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. sec. 80a-1 et seq.).
  - (D) Any retirement plan established and maintained by the United States, an agency or instrumentality thereof, or by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees.
  - (E) Any employee benefit plan within the meaning of Title I of the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. sec. 1001 et seq.).
  - (F) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. sec. 78a et seq.).
  - (G) Any entity, all of the equity owners of which individually meet the criteria of this paragraph (10).
- (11) “Gambling Control Act” or “Act” means Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code.
- (12) “License” means a license issued by the Commission pursuant to article 3 of this chapter.
- (A) There are four license categories entitling the holder to provide third-party proposition player services:

1. Primary owner,
  2. Owner,
  3. Supervisor, and
  4. Player.
- (B) All “other employees” (as defined in this section) of the primary owner who are present in the gambling establishment during the provision of proposition player services under the primary owner’s proposition player contract shall be licensed as “other employee” and shall be required to submit an application and be approved or denied based upon the same criteria that apply to a player.
- (C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor’s license may also perform the functions of a player.
- (D) No licensee, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.
- (13) “Licensee” means a person having a valid license.
- (14) "Organization chart" means a chart that identifies the names and titles of all owners, as defined in section 12200, supervisors, and any persons having significant influence over the operation of the entity or provision of proposition player services; the percentage of ownership, if any, held by each identified individual or entity; the reporting relationship for each identified individual or entity; and the job title and number of persons in each of the job titles that report to each individual or entity identified on the organization chart.
- (15) “Other employee” means an individual employed by a primary owner who is not authorized to provide proposition player services. “Other employee” does not include any owner, any supervisor, or any officer or director of a primary owner that is a corporation. An individual registered or licensed as an “other employee” may not function as a player unless and until that individual applies for and obtains registration or licensure as a player.
- (16) “Owner” includes all of the following:
- (A) A sole proprietor, corporation, partnership, or other business entity that provides or proposes to provide third party proposition player services as an independent contractor in a gambling establishment,
  - (B) Any individual specified in Business and Professions Code section 19852, subdivisions (a) through (h), and
  - (C) Any funding source.
- (17) “Playing Book" means a record documenting each session of play by a third-party proposition player.

- (18) “Primary Owner” means the owner specified in subparagraph (A) of paragraph (16) of this subsection.
- (19) “Proposition player” or “player” means an individual other than an owner or a supervisor who provides third-party proposition player services in a controlled game.
- (20) “Proposition player contract” or “contract” means a written contract, the terms of which have been reviewed and approved by the Division, between the holder of a state gambling license and a primary owner acting as an independent contractor for the provision of third-party proposition player services in the gambling establishment.
- (21) “Rebate” means a partial return by an authorized proposition player of chips or money to a patron who has lost the chips or money to the authorized player through play in a controlled game at a gambling establishment.
- (22) “Registrant” means a person having a valid registration.
- (23) “Registration” means a registration issued by the Commission pursuant to this chapter.
- (A) There are four registration categories entitling the holder to provide third-party proposition player services: primary owner, owner, supervisor, and player.
- (B) All other employees of the primary owner who are present in the gambling establishment during the provision of proposition player services under the primary owner’s proposition player contract shall be registered as “other employee” and shall be required to submit an application, which application shall be approved or denied based upon the same criteria that apply to a player.
- (C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor’s registration or license may also perform the functions of a player. No registrant, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.
- (24) “Reinstatement Badge” means a badge issued by the Commission to a player, a supervisor, or an “other employee” pursuant to Section 12200.6 which authorizes an individual registrant or licensee who has ceased to be employed by a primary owner to return to work for that primary owner.
- (25) “Session of play” as used in Section 12200.13 (“Playing Book”) means a continuous workshift of third-party proposition player services provided by an individual proposition player.
- (26) “Supervisor” means an individual who, in addition to any supervisory responsibilities, has authority, on behalf of the primary owner, to provide or direct the distribution of currency, chips, or other wagering instruments

to players engaged in the provision of third-party proposition player services in a gambling establishment.

- (27) “Supplemental information package” means all of the documentation and deposits required by each of the following forms (which are hereby incorporated by reference) to be submitted to the Commission in response to a summons issued by the Division pursuant to Section 12205.1:
- (A) Owners, as defined in Section 12200, that are a natural person shall complete the form Level III Supplemental Information-Individual (DGC-APP. 034A, New 08/04) for a level III investigation.
  - (B) Owners, as defined in Section 12200 that are not a natural person shall complete the form Level III Supplemental Information-Business (DGC-APP. 034B, New 08/04) for a level III investigation.
  - (C) Supervisors, as defined in Section 12200, shall complete the form Level II Supplemental Information (DGC-APP. 033, New 08/04) for a level II investigation.
  - (D) Other employees and players, as defined in Section 12200, shall complete the form Level I Supplemental Information (DGC-APP. 032, New 08/04) for a level I investigation.
- (28) "Third-party proposition player services" or "proposition player services" means services provided in and to the house under any written, oral, or implied agreement with the house, which services include play as a participant in any controlled game that has a rotating player-dealer position as permitted by Penal Code section 330.11. "Proposition player services" also includes the services of any supervisors, as specified in paragraph (26) of this subsection.
- (29) “TPP” means “third party proposition.” This abbreviation is used in Section 12200.3 and in prescribing titles to be used on registrant and licensee badges, for example, “TPP Player Registrant.”
- (30) “Transfer Badge” means a badge issued by the Commission pursuant Section 12200.6 which authorizes an individual registrant or licensee to work for a subsequent primary owner after having ceased to work for an initial primary owner.

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

## **Section 12200.1. Certificate.**

- (a) The Commission shall issue a registration or license certificate with an expiration date, as applicable, to each primary owner.
- (b) The Commission shall endorse upon each certificate the names of all other owners affiliated with the primary owner.

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

## **Section 12200.3. Badge.**

- (a) All individuals licensed or registered as primary owners, owners, supervisors, players, or other employees of the primary owner shall wear in a prominently visible location a numbered badge issued by the Commission when present in a gambling establishment during the provision of proposition player services under the proposition player contract that covers the licensee or registrant.
- (b) A badge authorizing play in a controlled game shall be of a distinctly different color than a badge which identifies a registrant or licensee, but does not authorize play. If an individual ceases to be employed by or affiliated with a particular primary owner, that individual shall surrender his or her badge to the primary owner. The primary owner shall notify the Commission and the Division in writing within ten (10) days of the change in status using the Change in Status Form for a Third Party Proposition Player Services Registration (CGCC-441, Rev. 09/04), which is hereby incorporated by reference; with this form, the primary owner shall submit the registrant's or licensee's badge.
- (c) The words "TPP PLAYER REGISTRANT," "NON-PLAYER TPP REGISTRANT," "TPP PLAYER LICENSEE," OR "NON-PLAYER TPP PLAYER LICENSEE" in capital letters shall be prominently displayed on the front of the badge. The first name of the registrant or licensee shall appear on the front of the badge. The full name of the registrant or licensee shall be printed on the reverse side of the badge, together with the registrant's or licensee's category of registration or licensing as an owner, supervisor, player, or other employee.
- (d) On the front of the badge, there shall be displayed the picture of the registrant or licensee submitted with the application, the badge number, and expiration date. On the front of the badge, there shall be displayed the name of the primary owner employing the registrant or licensee, which shall be the fictitious business name, if any, established pursuant to Chapter 5 (commencing with Section 17900) of Part 3 of Division 7 of the Business and Professions Code.
- (e) Upon renewal of each registration and upon issuance of each registration or license, authorized players shall be issued a badge of one color; individuals not authorized to play shall be issued a badge of a distinctly different color. Any non-player badge issued prior to July 1, 2004, shall be re-issued upon renewal pursuant to subsection (b), so that each registrant receives either a player or non-player badge.
- (f) An individual registered or licensed as a player with a particular primary owner shall apply for and obtain a new badge pursuant to section 12200.6 before beginning to work for an additional or different primary owner.
- (g) Registrations, licenses, and badges are specific to the primary owner. Third party proposition player services cannot be provided without first applying for and obtaining a registration, license, or badge.

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

## **Section 12200.5. Replacement of Badge.**

- (a) Upon submission of a request, the Executive Director shall issue a replacement badge if all of the following conditions are met:
  - (1) The requester has a current valid registration or license.
  - (2) The request is complete and has been submitted on the form Request for Replacement Third Party Proposition Player Services Badge (CGCC-438, Rev. 09/04), which is hereby incorporated by reference.
  - (3) The requester has supplied all of the following to the Commission:
    - (A) A nonrefundable twenty-five dollar (\$25) fee, payable to the Commission.
    - (B) The category of the position and information concerning the primary owner for which the replacement badge is requested: the name of the primary owner, mailing address, voice telephone number, facsimile number (if any), and email address (if any).
    - (C) A statement under penalty of perjury that a replacement badge is needed due to a name change or to loss or destruction of the originally issued badge.
- (b) A replacement badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.
- (c) Upon issuance of the replacement badge, the previously issued badge for that third-party proposition services provider shall become void and shall not be used.
- (d) Replacement badges shall be issued by the Commission within seven (7) days of receipt of a complete request.

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

## **Section 12200.6. Transfer or Reinstatement of Player Registration or License; Issuance of Additional Badge.**

- (a) Upon submission of a request, the Executive Director shall issue a player transfer badge, reinstatement badge, or additional badge if all of the following conditions are met:
  - (1) The requester has a currently valid registration or license.
  - (2) The request is complete and has been submitted on the form Request for an Additional/Transfer/Reinstatement Third Party Proposition Player Services Registration/License (CGCC-439, Rev. 09/04), which is hereby incorporated by reference.
  - (3) The requester has supplied all of the following to the Commission:



- (A) A nonrefundable one hundred and twenty-five dollar (\$125) fee payable to the Commission.
  - (B) The names as applicable of the current and future primary owner (or previous owner or additional owner), mailing address, voice telephone number, facsimile number (if any), and email address (if any).
- (b) A badge issued pursuant to this section shall be valid during the unexpired term of the previously issued registration or license.
  - (c) Upon issuance of the transfer badge, the previously issued badge for that third-party proposition services provider shall become void and shall not be used.
  - (d) Transfer, additional, and reinstatement badges shall be issued by the Commission within seven (7) days of receipt of a complete request.

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

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

- (a) All proposition player contracts shall be subject to, and superseded by, any changes in the requirements of regulations adopted under Business and Professions Code section 19984 that conflict with or supplement provisions of the proposition player contract.
- (b) Each proposition player contract shall specifically require all of the following to be separately set forth at the beginning of the contract in the following order:
  - (1) The names of the parties to the contract.
  - (2) The effective dates of the contract; expiration date shall be the last day of the month.
  - (3) The specific name of the Division-approved gaming activities for which proposition player services may be provided.
  - (4) The maximum and minimum number of gaming tables available to the proposition player provider service.
  - (5) That no more than one owner, supervisor, or player from each provider of proposition player service shall simultaneously play at a table.
  - (6) The hours of operation that proposition player services will be provided.
  - (7) A detailed description of the location, applicable security measures, and purpose of any currency, chips, or other wagering instruments that will be stored, maintained, or kept within the gambling establishment by or on behalf of the primary owner.
  - (8) That proposition player services shall be provided in the gambling establishment only in compliance with laws and regulations pertaining to controlled gambling.

- (9) That proposition player services may be provided only by authorized players with current registration or licensing under this chapter.
- (10) That the primary owner shall provide the gambling establishment with a copy of its registration or license certificate, and that the gambling establishment shall maintain the certificate on file, together with a copy of the proposition player contract applying to that establishment.
- (11) That a registrant or licensee may not provide proposition player services in a gambling establishment for which the registrant holds a state gambling license, key employee license, or work permit.
- (12) That collection fees charged by the house for participation in any controlled game shall be the same as those charged to other participants during the play of the game.
- (13) The form to be used for the playing book record and the initial number that will be used for the sequentially numbered forms.
- (14) Any agreement between the primary owner and the house for owners or supervisors to inspect or receive a copy of surveillance recordings of tables at which proposition player services are provided under the contract during the times the services are provided, as necessary for business purposes.
- (15) A full disclosure of any financial arrangements entered into during the term of the contract for any purpose between the house and any registrant or licensee covered by the proposition player contract. If there is no financial consideration that passes under the contract, a statement to that effect shall be included.
- (16) That any legal dispute between the primary owner and the house, including any exclusion of a registered or licensed owner, player, or supervisor covered by the contract with the house shall be reported in writing within ten (10) days by the primary owner and the house to both the Commission and the Division.
- (17) That the primary owner and the house shall report in writing within ten (10) days to both the Commission and the Division the identity of any registrant whose activities are covered by the proposition player contract and who is arrested in the gambling establishment by a peace officer, who is removed from the gambling establishment by a peace officer or the house, or who is involved in a patron dispute regarding his or her activities in the gambling establishment that is the subject of a report to a peace officer and that results in removal of one or more individuals.
- (18) That any cheating reported to the house by a registrant or licensee shall be reported in writing within five (5) days of the incident by the primary owner and the house to the Commission and Division.
- (19) That the criteria for granting any rebates by proposition players to patrons be fully disclosed in the contract; and that neither the house nor any

- employee of the house shall have any role in rebates. If there are no criteria for granting rebates, a statement to that effect shall be included.
- (20) That any tipping arrangements shall be specified in the contract and that percentage tips shall not be given. If there are no tipping arrangements, a statement to that effect shall be included.
  - (21) That the primary owner may reimburse the house in specified amounts for equipment such as surveillance cameras and monitors, or cards, shuffling machines, and dice. Neither the primary owner nor its employees shall purchase, lease, or control such equipment. If there is no arrangement to reimburse the house for equipment, a statement to that effect shall be included.
  - (22) That the contract is a complete expression of all agreements and financial arrangements between the parties; that any addition to or modification of the contract, including any supplementary written or oral agreements, must be approved in advance by the Division pursuant to Section 12200.10B (Review and Approval of Amendments to Proposition Player Contracts) before the addition or modification takes effect.
- (c) (1) Except as expressly authorized by this subsection (c), a proposition player contract shall not include any provision authorizing payment to or receipt by the house, or a designee thereof, of any share of the profits or revenues of a registrant or a licensee. Any payments made by a registrant or licensee to the house for a purpose determined by agreement with the house shall be specifically authorized by the proposition player contract. All payments shall be specified in the contract. The contract shall identify the total charge for each of the following categories: services, facilities, and advertising. In addition, the contract shall include a detailed list, excluding specific costs, of the items provided or received in each of these categories.
- (2) In no event may a proposition player contract provide for any payment based on a percentage or fraction of the registrant's or licensee's gross profits or wagers made or the number of players. All payments shall be fixed and shall only be made for services and facilities requested by, and provided to, the registrant or licensee, and for a reasonable share of the cost of advertising with respect to gaming at the gambling establishment in which the registered or licensed owner participates.
  - (3) No contract provision shall authorize any payments for services or facilities that are substantially disproportionate to the value of the services or facilities provided. No contract shall include any charge, direct or indirect, for the value of an exclusive right to conduct proposition play within all or a portion of the gambling establishment. No payment other than the collection fee for play, shall be required for play at any table, including, without limitation, reservation of a seat.
- (d) The proposition player contract shall not contain any provision that limits contact with officials or employees of the Commission or Division. The proposition player contract shall prohibit an owner or the house from retaliating against any

registrant or licensee on account of contact with an official or employee of the Commission or Division or any other public official or agency.

- (e) A proposition player contract shall be consistent with the provisions of Business and Professions Code section 19984, subdivision (a), prohibiting a gambling establishment or the house from having any interest, whether direct or indirect, in funds wagered, lost, or won. No proposition player contract shall be approved that would permit the house to bank any game in the gambling establishment.
- (f) Each proposition player contract approved by the Division shall contain a provision authorizing the Commission, after receiving the findings and recommendation of the Division, to terminate the contract for any material violation of any term required by this section.
- (g) A primary owner may contract with more than one gambling establishment at the same time; a gambling establishment may contract with more than one primary owner at the same time. This subsection is not intended to prohibit a contract in which a gambling establishment and a primary owner agree that one primary owner shall be the exclusive provider of proposition player services to that gambling establishment.

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

## **Section 12200.9. Review and Approval of Proposition Player Contracts.**

- (a) (1) On and after April 30, 2004, proposition player services shall not be provided except pursuant to a written proposition player contract approved in advance by the Division. Provision of proposition player services by any person subject to registration or licensing under this chapter, or engagement of proposition player services by the holder of a state gambling license, without a contract as required by this section is a violation of this section. The Division shall approve a proposition player contract only if all the following requirements have been satisfied:
  - (A) The contract is consistent with this regulation and the Act.
  - (B) The contract does not provide for controlled gambling that will be conducted in a manner that is inimical to the public health, safety, or welfare.
  - (C) The contract will not create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the conduct of controlled gambling or in the carrying on of the business and related financial arrangements.
  - (D) The contract will not undermine public trust that the controlled gambling operations covered by the contract will be conducted honestly, by reason of the existence or perception of any collusive arrangement between any party to the contract and the holder of a state gambling license, or otherwise.

- (2) Prior to December 7, 2003, each primary owner providing proposition player services at a gambling establishment on the date that these regulations originally became effective (November 6, 2003) shall submit an Application for Contract Approval Provider of Proposition Player Services (DGC-APP.030, rev. 09/03) which is hereby incorporated by reference.
  - (3) A complete application for contract approval shall include all of the following:
    - (A) A completed Application for Contract Approval to Provide Proposition Player Services (DGC-APP.030, rev. 08/04), which is hereby incorporated by reference.
    - (B) A completed Appointment of Designated Agent for Owners and Proposition Players (DGC-APP.031, rev. 08/04), which is hereby incorporated by reference.
    - (C) An executed copy of the contract that specifically addresses all of the requirements of Section 12200.7.
    - (D) A playing book form that specifically addresses all of the requirements of section 12200.13.
    - (E) A five hundred dollar (\$500) nonrefundable application fee.
    - (F) The deposit as required by Title 11, California Code of Regulations, section 2037(a)(2)(A). The Division may require an additional sum to be deposited to pay the final costs of the review and approval or disapproval of the contract. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the contract will be refunded and an itemized accounting will be provided to the primary owner, or primary owner's designee.
  - (4) The Division shall notify the applicant, in writing, within ten working days of receiving the application that the application or resubmitted application is complete or incomplete. If an application is incomplete, the Division shall request, in writing, any information, fees, or documentation needed to complete the application. Unless extended by the Division for further investigation up to 90 days or with the consent of the applicant, review and approval or disapproval of a proposition player contract shall be completed within 90 days of receiving a completed application and notice thereof shall be sent via United States mail to the applicant or the applicant's designee within ten (10) days of the Division's decision. Notice of disapproval of the contract or amendments shall specify the cause.
- (b) An executed copy of the currently effective contract, and all amendment(s) thereto, and a copy of all Division notices that approved the contract and any amendment shall be maintained at the gambling establishment and shall be provided for review or copying upon request by any representative of the Commission or Division.

- (c) The term of any proposition player contract shall not exceed one year and shall not be extended or renewed without the prior approval of the Division. No amendment changing any of the contract terms referred to in Section 12200.7, other than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term of a proposition player contract without the prior written approval of the Division. If any amendment is made to a proposition player contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12200.7, both parties to the contract shall notify the Commission and Division in writing of the amendment within 10 days of the execution thereof by the parties to the contract.

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

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

- (a) In lieu of the procedure specified in Section 12200.9, the Division shall provide an expedited review process of an application for contract approval if all of the following conditions exist:
- (1) Proposition player services were provided in the gambling establishment at any time during the 60 days preceding the application pursuant to a contract that was previously approved by the Division and that has been terminated in whole or in part.
  - (2) The proposed contract is between the house and a different primary owner than the previous contract under which proposition player services were provided in the gambling establishment.
  - (3) The terms of the proposed contract are substantially identical to the contract previously approved by the Division under which proposition player services were provided in the gambling establishment at any time during the 60 days preceding the application.
- (b) If an application for contract approval is submitted as an expedited contract request and the Division determines that it does not meet the criteria, the primary owner or designee and the house shall be notified within three (3) business days of the Division's decision. Any contract that is not processed through the expedited review and approval process shall be treated as a new contract request and reviewed and approved or disapproved as otherwise provided by Section 12200.9(a).
- (c) The Division shall complete the expedited review and approval of a contract within five (5) business days of receiving all of the following:
- (1) A completed Application for Contract Approval to Provide Proposition Player Services (DGC-APP.030, rev. 08/04), which is hereby incorporated by reference.
  - (2) A completed Appointment of Designated Agent for Owners and Proposition Players (DGC-APP.031, rev. 08/04), which is hereby incorporated by reference.

- (3) An executed copy of the contract that specifically addresses all the requirements of Section 12200.7.
- (4) A playing book form that specifically addresses all the requirements of Section 12200.13.
- (5) A five hundred dollar (\$500) nonrefundable application fee.
- (6) An expedited processing fee of one hundred and fifty dollars (\$150) and a sum of money that, in the judgment of the Director of the Division, will be adequate to pay the anticipated processing costs in accordance with Business and Professions Code section 19867.

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

### **Section 12200.10B. Review and Approval of Amendments to Proposition Player Contracts.**

- (a) Requests to review and approve an amendment to a proposition player contract shall be submitted with an application for approval (see Section 12200.9(a)(3)(A)) along with an executed copy of the contract, a five hundred dollar (\$500) nonrefundable application fee, and a four hundred and fifty dollar (\$450) deposit as required by Title 11, California Code of Regulations section 2037(a)(2)(B). The Division may require an additional sum to be deposited to pay the final costs of the review and approval or disapproval of the amendment. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the amendment shall be refunded and an itemized accounting shall be provided to the primary owner or the primary owner's designee.
- (b) No amendment changing any of the contract terms referred to in Section 12200.7, other than paragraphs (3), (4), and (6) of subsection (b) thereof, may become effective during the term of a proposition player contract without the prior written approval of the Division. If any amendment is made to a proposition player contract term specified in paragraphs (3), (4), or (6) of subsection (b) of Section 12200.7, both parties to the contract shall notify the Commission and Division in writing of the amendment within ten (10) days of the execution thereof by the parties to the contract.

Authority: Sections 19840, 19841, and 19984, Business and Professions Code  
Reference: Sections 19951 and 19984, Business and ProfessionsCode

### **Section 12200.10C. Submission of Contract or Amendment to Commission.**

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

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

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

Reference: Section 19984, Business and Professions Code

## **Section 12200.11. Extension of Proposition Player Contracts.**

- (a) An application for approval of a contract to continue proposition player services shall include all of the following:
  - (1) A completed Application for Contract Approval to Provide Proposition Player Services (DGC-APP.030, rev. 08/04), which is hereby incorporated by reference.
  - (2) A five hundred dollar (\$500) application fee.
  - (3) An executed copy of the contract.
  - (4) A completed playing book form for three non-consecutive sessions of play that occurred during the ten (10) days preceding the submission of the application for contract extension.
  - (5) A deposit in such amount as, in the judgment of the Director of the Division, will be sufficient to pay the anticipated processing costs. The Division may require an additional sum to be deposited to pay the final costs of the review and approval or disapproval of the contract. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the contract will be refunded and an itemized accounting will be provided to the primary owner, or primary owner's designee.
- (b) The application shall be submitted to the Division no later than 90 days prior to the date that the current contract is scheduled to expire.
- (c) As soon as is practicable after determining that any application for approval of a proposition player contract extension is complete and that the contract extension appears to qualify for approval, but in no event more than 75 days from receipt of the application, the Division shall submit the contract extension to the Commission for review and comment. The Commission shall provide the Division with comments, if any, within 15 days of receipt of the contract extension.

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

Reference: Sections 19951 and 19984, Business and Professions Code

## **Section 12200.13. Playing Book.**

- (a) The primary owner shall be responsible for assuring that its players maintain accurate, complete, and up-to-date playing books for all sessions of play worked in conformity with regulations of the Commission. The information in the playing-book record shall be transferred to the primary owner, or a supervisor designated by the primary owner at the end of each session of play. The primary



owner shall maintain this information in English at a single location in the State of California, and shall maintain the original playing book records in the State of California, for at least five (5) years. The location or locations where the records of this information and the original playing book records are maintained, and any change therein, shall be disclosed to the Commission and Division by written notice, mailed or delivered within five (5) business days after establishing or changing such a location.

- (b) The playing book shall be prepared and maintained as follows:
- (1) The playing book form shall be reviewed and approved or disapproved during the review of the contract by the Division.
  - (2) Each form in the playing book shall be recorded in ink and include, but not be limited to, the following information:
    - (A) Sequential numbers. Any unused form shall be voided and maintained in the playing book.
    - (B) The name of the gambling establishment where play occurred.
    - (C) The date and approximate time when play occurred.
    - (D) Beginning and ending balances.
    - (E) Individual identification of all fills and credits affecting the balance.
    - (F) The printed full name and badge number of the proposition player, which includes owners, supervisors, and/or players.
    - (G) The table number assigned by the gambling establishment.
    - (H) The specific name of the Division-approved gaming activity.
    - (I) The name of the primary owner.
  - (3) The form for each session of play shall be time-stamped, dated, and signed under penalty of perjury by the person who prepared it and shall include a declaration in the following form: "I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct."

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

## **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, Rev. 09/04), which is hereby incorporated by reference.

- (b) Upon renewal of the registration or license, 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) . If any registered or licensed owner wishes to sell in whole or in part any ownership interest to any unregistered or unlicensed person, the owner must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a TPP registrant or licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, shall accompany the application for registration or licensing.
- (b) The effective date of the sale shall be at least 90 days after receipt of the application for registration or license, or such other shorter time period as shall be set by the Executive Director with the agreement of the applicant.
- (c) Evidence of the final execution of a transfer or sale of an interest to a registered or licensed person shall be submitted in writing to the Commission within ten (10) days of the final transaction.

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

Reference: Section 19984, Business and Professions Code

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

- (a) When requested by a representative of the Division, a registrant or licensee shall immediately permit the Division representative, in accordance with the request, to inspect, copy, or audit all requested documents, papers, books, and other records of the registrant or licensee related to the provision of proposition player services. If the records are maintained in electronic form and the registrant or licensee is requested to do so, the registrant or licensee shall provide a printed copy in English pursuant to this section within 24 hours of the request.
- (b) If requested in writing by the Executive Director, the Division shall conduct an inspection or investigation of a registrant or a licensee. Within 30 days of receipt of the request, the Division shall advise the Executive Director in writing of the status of the inspection or investigation and shall also provide an estimated date on which the inspection or investigation may reasonably be expected to be concluded. Upon completion of the inspection or investigation, the Division shall provide a final written report to the Executive Director.
- (c) Nothing in this chapter precludes Commission staff from carrying out their duties under applicable statutes and regulations.

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

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

Reference: Section 19984, Business and Professions Code

### **Section 12200.17. Emergency Orders.**

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

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

Reference: Sections 19984 and 19931, Business and Professions Code

### **Section 12200.18. Revocation.**

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

- (a) The registrant or licensee committed, attempted to commit, or conspired to commit any acts prohibited by the Gambling Control Act or this chapter.
- (b) Any act or omission by the registrant that would disqualify the registrant from obtaining registration under this chapter. Any act or omission by the licensee that would disqualify the licensee from obtaining licensing under this chapter.
- (c) The registrant or licensee engaged in any dishonest, fraudulent, or unfairly deceptive activities in connection with controlled gambling, including any violation of laws related to cheating.
- (d) The registrant or licensee failed or refused to comply with the requirements of Section 12200.16 (Inspections and Investigations).
- (e) The registrant or licensee failed or refused to comply with the requirements of Section 12200.14 (Organization Chart and Employee Report).
- (f) The registrant or licensee concealed or refused to disclose any material fact in any inquiry by the Division or the Commission.
- (g) The registrant or licensee committed, attempted, or conspired to commit any embezzlement or larceny against a gambling licensee or proposition player registrant or on the premises of a gambling establishment.
- (h) The registrant or licensee has been lawfully excluded from being present upon the premises of any licensed gambling establishment for any reason relating to cheating or any violation of the Gambling Control Act by the registrant or licensee.
- (i) The registrant or licensee buys or sells chips other than to or from the house, except for exchanging with a patron chips of one denomination for chips of another denomination.
- (j) The registrant or licensee lends money or chips to gambling establishment patrons, except for exchanging with a patron chips of one denomination for chips of another denomination.

- (k) The registrant or licensee made wagers that were not specifically authorized by the game rules approved by the Division.
- (l) Any owner knowingly permitted one or more of the owner's supervisors or players to commit any act described in subsections (a) to (k), inclusive.
- (m) Any owner knew, or failed to implement reasonable oversight procedures that would have apprised the owner, that one or more of the registrants or licensees was in violation of one or more provisions of this chapter or of the Gambling Control Act and failed or refused to take action to prevent the recurrence of the violation or violations.
- (n) The registrant or licensee provided proposition player services to a gambling establishment without a Division-approved contract on and after April 30, 2004.

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

## **Section 12200.20. Annual Fee.**

- (a) (1) No later than September 1 of each year, beginning September 1, 2004, each registered primary owner shall submit to the Commission the annual fee set forth in subsection (c) of this section, based on the total number of registrations or licenses affiliated with the primary owner on the immediately preceding August 1. The payment due September 1 of each year shall be based on the total number of registrations affiliated with the primary owner on August 1 that same year.
  - (2) For each licensed primary owner, the annual fee shall be assessed based upon the total number of licenses affiliated with the primary owner 120 days prior to the renewal due date.
- (b) Within 30 days of approval of any request to convert a registration to a license, the Commission shall notify the licensee of any additional fees owed for the term of the license granted, allowing pro rata credit on a monthly basis for any annual fee paid in connection with a registration that has not expired.
- (c) The annual fee shall be computed as follows:
  - (1) Beginning September 1, 2004, each primary owner shall pay the annual sum of two thousand fifty dollars (\$2050) per registrant or licensee. This fee shall be retroactive to September 1, 2004. Any overpayment of fees previously paid that cannot be applied against an installment payment which is due shall be credited against the following year's annual fee obligation, unless the primary owner no later than February 1, 2005 submits a written refund request to the Executive Director.
  - (2) Beginning September 1, 2005, each primary owner shall pay the annual sum of two thousand three hundred dollars (\$2300) per registrant or licensee, less any applicable credit that may apply from subsection (c)(1) of this section.

- (3) Beginning September 1, 2006, and thereafter, each primary owner shall pay the annual sum of two thousand eight hundred (\$2800) per registrant or licensee, less any applicable credit that may apply from subsection (c)(1) of this section.
- (d) (1) The annual fee for each registered primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments prior to August 1 of that same year. Upon approval by the Executive Director, installment payments submitted prior to licensure shall be made as follows: one-third of the annual fee to be submitted no later than September 1, one-third no later than December 1, and the balance no later than March 1.
- (2) The annual fee for each licensed primary owner may be paid in installments. The primary owner must submit a written request to the Executive Director to make installment payments 120 days prior to the expiration of the license. Upon approval by the Executive Director, installment payments submitted after conversion to licensure shall be made as follows: one-third of the annual fee to be submitted prior to issuance of the license, one-third to be submitted three months thereafter, and one-third to be submitted six (6) months thereafter.
- (e) Refunds shall not be available in the event of a subsequent decrease in the number of registrants or licensees upon which the annual fee payment was based.
- (f) (1) Following assessment of the annual fee, if the primary owner increases the number of its registrants or licensees above the number upon which the annual fee assessment was based, the primary owner shall submit to the Commission both the required application fee for the additional registrants or licensees, and the additional per player annual fee set forth in subsection (c) of this section. No new badges shall be issued until all fees required by this subsection have been received by the Commission.
- (2) Annual fees due under this subsection (f) shall be prorated on a monthly basis.
- (3) Annual fees due under this subsection (f) may be paid in installments, on the conditions that the installment payment request is submitted in writing, that one-third of the fees are paid with the application for additional registrants or licensees, and that two subsequent equal payments are paid at reasonable intervals prior to expiration of the applicable term, subject to the approval of the Executive Director.
- (g) No renewal application shall be approved by the Commission until any delinquent annual fees have been paid in full.
- (h) No application for a contract extension shall be approved by the Division until any delinquent annual fees have been paid in full.

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

## **Section 12200.21. Compliance.**

- (a) Registrants and licensees shall comply with game rules approved by the Division, including but not limited to, the rules regarding player-dealer rotation and table wagering. A proposition player contract may, concerning any table assigned for play by the contracted registrant or licensee, contain a provision precluding players of any other registrant or licensee under this Chapter or Chapter 2.2 of this Division from playing at that table during the periods of play assigned by the proposition player contract for the contracted registrant or licensee. The house is not precluded from assigning a seat at the table to a registrant or licensee.
- (b) Only an authorized player may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.

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

## **Article 2. Registration**

### **Section 12201. Registration.**

- (a) On and after March 31, 2004, in addition to the requirements of Section 12200.9(a)(1), no person may provide proposition player services or obtain a badge, as required by Section 12200.3, without a current valid registration issued by the Commission.
- (b) Registration shall be issued for a period of one (1) year to owners and supervisors, and for a period of two (2) years to players and other employees.
- (c) Registration under this Article or its predecessor shall not create any vested right to licensing under Article 3 of this Chapter or any successor provision.
- (d) If a primary owner is a corporation, partnership, or other business entity, each owner, and individual having a relationship to that entity specified in Business and Professions Code section 19852, subdivisions (a) to (h), inclusive, shall individually apply for and obtain registration as an owner listed on the business entity's registration certificate. No business entity or sole proprietor shall be registered under this chapter that is also licensed under the Gambling Control Act to operate a gambling establishment.
- (e) If the application is for registration as a supervisor or player, the primary owner that will employ the applicant shall be currently registered under this chapter.
- (f) Registration is non-transferable.

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

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

### **Section 12202. Application for Registration.**

- (a) The application for registration shall designate whether the registration is requested as a primary owner, owner, supervisor, player, or other employee. The application shall be signed by both the individual applicant and the designated agent, or, if the applicant is a business entity, by the chief executive officer or other designated officer of the business entity.
- (b) An application for registration shall include all of the following:
  - (1) Payment of a nonrefundable application fee in the amount of five hundred dollars (\$500).
  - (2) A completed Application for Third Party Proposition Player Services Registration (CGCC-435, rev. 9/04), which is hereby incorporated by reference.
  - (3) A properly completed Request for Live Scan Service (California Department of Justice Form BCII 8016, rev. 4/01) for an applicant that is an individual, confirming that the applicant's fingerprints have been submitted to the Bureau for an automated background check and response.

- (4) Two 2x2 inch color passport-style photographs of an applicant that is an individual taken no more than one (1) year before submission of the application to the Commission.
- (c) An applicant that is an individual shall complete and submit the form Third Party Proposition Player Services Registration Supplemental Information (CGCC-436. Rev. 06/04), which is hereby incorporated by reference.
- (d) An applicant for registration or for any approval required by this chapter shall make full and true disclosure of all information to the Commission and Division as required for the application and as requested by the Commission or Division to carry out the policies of this state relating to controlled gambling.

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

### **Section 12203. Processing of Applications for Initial Registration.**

- (a) The Executive Director shall notify the applicant in writing within 20 days of receiving the application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information needed in order to complete the application. The applicant shall be permitted 30 days in which to furnish the information. If the applicant fails to respond to the request, the application shall be deemed abandoned and no further action will be taken on it.
- (b) Upon determination that an application for registration is complete, the application shall be processed within 60 days and the Executive Director shall either issue the registration and badge applied for or shall notify the applicant of denial and the grounds therefor under Section 12204.
- (c) If the applicant submits a request for withdrawal of his or her application to the Commission, the application shall be deemed abandoned and no further action will be taken on it.
- (d) The Commission shall provide written notice of abandonment of an application to the applicant. If the application is for registration as a supervisor, player, or other employee, the Commission shall also provide written notice of abandonment of the application to the primary owner.
- (e) Nothing in this chapter shall require the Commission or Division to divulge to the applicant any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or Division to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

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



## **Section 12203A. Processing of Applications for Renewal of Registration.**

- (a) Renewal applications for owners shall be received no later than 120 days prior to the expiration of the current registration, together with the five hundred dollar (\$500) application fee. If an application is received after this 120-day deadline, an expedited processing fee of sixty dollars (\$60) shall be submitted with the application. If an expedited processing fee is due but has not been received, a registration renewal shall not be issued.
- (b) Renewal applications for supervisors, players, and other employees shall be received no later than 90 days prior to the expiration of the current registration, together with the required five hundred dollars (\$500) application fee. If an application is received after this 90-day deadline, an expedited processing fee of sixty dollars (\$60) shall be submitted with the application. If an expedited processing fee is due but has not been received, a registration renewal shall not be issued.
- (c) The Executive Director shall notify the applicant in writing within 20 days of receiving the renewal application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information needed in order to complete the application. The applicant shall be permitted 30 days in which to furnish the information. If the applicant fails to respond to the request, the application shall be deemed abandoned and no further action will be taken on it.
- (d) Upon determination that an application for renewal of registration is complete, the application shall be processed within 60 days and the Executive Director shall either issue the registration and badge applied for or shall notify the applicant of denial and the grounds therefor under Section 12204.
- (e) The Commission shall provide written notice of abandonment of an application to the applicant. If the application is for registration as a supervisor, player, or other employee, the Commission shall also provide written notice of abandonment of the application to the primary owner.
- (f) If the applicant submits a request for withdrawal of his or her application to the Commission, the application shall be deemed abandoned and no further action will be taken on it.
- (g) Nothing in this chapter shall require the Commission or Division to divulge to the applicant any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or Division to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

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

## **Section 12203.1. Temporary Player Registration.**

- (a) While an application for regular player registration is being processed, and subject to section 12203.2, the Executive Director may issue a temporary registration pursuant to this section, which shall be valid for no more than 60 days.
- (b) Upon issuance of a regular registration, the temporary registration previously issued to the registrant shall become void and shall not be used thereafter.
- (c) In the event that the regular registration is issued prior to Commission action on the application for the temporary registration, the application for the temporary registration shall be deemed withdrawn and no further action will be taken on it.
- (d) If an application for a regular registration is withdrawn, the application for a temporary registration shall be deemed abandoned and no further action will be taken on it by the Commission.
- (e) If Family Code section 17520 (child and family support) is applicable to an application, then a temporary registration shall be issued for 150 days as provided in the Family Code.

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 preceding the submission of the application, been convicted of any of the following offenses, not including convictions which have been expunged or dismissed as provided by law:
    - (A) A misdemeanor involving a firearm or other deadly weapon.

- (B) A misdemeanor involving gaming or gaming related activities prohibited by Chapter 9 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.
- (C) A misdemeanor involving a violation of an ordinance of any city, county, or city and county, which pertains to gambling or gambling-related activities.
- (D) A misdemeanor involving violations of the Gambling Control Act.
- (E) A misdemeanor involving dishonesty or moral turpitude.
- (3) The applicant has had an application for a gambling license, work permit, proposition player registration, proposition player license, gambling business registration, or gambling business license denied.
- (4) The applicant has had a gambling license, work permit, proposition player registration, proposition player license, gambling business registration, or gambling business license revoked.
- (5) The applicant is disqualified under the Gambling Control Act or other provisions of law from holding a temporary registration.
- (d) The review of the applicant's criminal history has resulted in one of the following:
  - (1) A response has been received from the Bureau or Federal authorities that is consistent with a finding that the applicant has not sustained any disqualifying criminal convictions, or,
  - (2) No response from the Bureau or Federal authorities has been received within the time period set forth in subsection (a)(2) of section 12203.3.
- (e) The application and other information obtained during the review does not disclose any factor indicating that approval of the temporary registration may in the judgment of the Executive Director present a danger to the public or to the reputation of controlled gambling or proposition playing in this state.
- (f) The applicant is not ineligible under Business and Professions Code section 19859, subdivisions (b), (e), (f), or (g), the terms of which are incorporated by reference and hereby expressly made applicable to applications for temporary player registrations.

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

### **Section 12203.3. Processing Times for Temporary Player Registration.**

- (a) Applications for issuance of a temporary player registration by the Executive Director shall be processed within the following time frames:
  - (1) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five (5) working days.
  - (2) A temporary registration shall be either granted or denied within no more than 15 working days after the filing of a completed application, unless a regular registration has already been approved.

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

### **Section 12203.5. Cancellation of Temporary Registration.**

- (a) Any temporary registration issued in accordance with this article shall be subject to summary cancellation pursuant to subsections (b) and (c) of this section.
- (b) A temporary registration shall be cancelled by the Executive Director at any time if any of the following applies:
  - (1) The Commission determines that it has received reliable information that the holder of the temporary registration is ineligible under subsection (c) of section 12203.2, has failed to reveal any fact material to the holder's qualification for temporary registration, or has supplied information to the Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of temporary registrations.
  - (2) The applicant's regular registration application is referred by a vote of the Commission for an evidentiary hearing pursuant Business and Professions Code section 19825, and the Commission directs the Executive Director to cancel the temporary registration.
  - (3) The Executive Director receives from the applicant a request to withdraw his or her application for regular registration.
- (c) If any of the circumstances set forth in subsection (b) applies, then the Executive Director shall immediately do all of the following:
  - (1) Notify the temporary registration holder, the primary owner, the contracted gambling establishment, and the Division in writing of the cancellation of the temporary registration and the grounds for cancellation.
  - (2) Notify the temporary registrant that he or she is required to surrender the temporary registration badge to the Commission not more than ten (10) days following the date that the notice of cancellation was mailed or such greater time as is authorized by the Executive Director.

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

## **Section 12204. Ineligibility for Registration.**

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

- (a) An individual applicant is under the age of 21.
- (b) The applicant has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.
- (c) The applicant has, within the ten (10) year period immediately preceding the submission of the application, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Gambling Control Act, or dishonesty or moral turpitude, not including convictions which have been expunged or dismissed as provided by law.
- (d) If the application is for registration as an owner, supervisor, or player, the applicant has been subject to a final administrative or judicial adjudication revoking a registration under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Gambling Control Act.
- (e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).
- (f) The applicant would be ineligible for a state gambling license under Business and Professions Code section 19858.
- (g) The applicant has violated one or more of the prohibitions set forth in Subsections 12200.7(b)(5), (11), or (20) or Subsections 12200.7(c)(1) and (3).
- (h) The applicant has failed to comply with one or more of the requirements set forth in Subsections 12200.7(b)(8), (9), (15), (16), (17), (18), (21), or in Subsections 12200.7(c)(2) or (e).
- (i) The applicant is ineligible based on any other provision of law.

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

## **12205. Cancellation of Regular Registration.**

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

- (b) If the Commission finds that any of the circumstances set forth in subsection (a) apply, then the Executive Director shall immediately do all of the following:
  - (1) Provide written notice to the registrant and the Division of the cancellation of the registration and the grounds thereof, and provide written notice of the cancellation to the owner, if the registrant is a supervisor, player, or other employee and to any gambling establishment in which the registrant provides proposition player services.
  - (2) Notify the registrant, if an individual, that he or she is required to surrender the registrant's badge to the Commission not more than ten days following the date that the notice of the cancellation was mailed or such greater time as is authorized by the Executive Director.

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

### **Section 12205.1. Transition to Licensing.**

- (a) As expeditiously as possible in light of available program resources, 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 registration of any registrant that fails or refuses to submit a Request for Conversion of a Third Party Proposition Player Services Registration to a License (CGCC-437, Rev. 09/04)(see section 12218(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 as provided in Section 12203A.
- (b) Any person who became affiliated with a primary owner following receipt of a summons from the Division shall apply for registration pursuant to this chapter and shall be called forward by the Division expeditiously.
- (c) If the registration expires by operation of law, the former registrant shall submit a new Request for Conversion of a Third Party Proposition Player Services Registration to a License (CGCC-437, Rev. 09/04) and a new five hundred dollar (\$500) nonrefundable application fee.
- (d) The transition to licensing for registrations approved prior to April 30, 2004, shall be completed no later than July 1, 2007.
- (e) Except as provided in subsection (c), 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 sections 19867 and 19984(c).
- (f) If a license is issued, it will expire as provided in Section 12218.13 (Term of License).

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

## **Article 3.      Licensing**

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

- (a) A request to convert a registration to a license shall be submitted to the Commission only in response to a written summons from the Division to a primary owner pursuant to Section 12205.1. Each primary owner's request shall be accompanied by the requests of all affiliated owners, supervisors, players, and other employees.
- (b) The request to convert a registration to a license shall designate whether the license is requested as a primary owner, owner, supervisor, player, or other employee. The request shall be signed by the individual requester or, if the requester is a business entity, by the chief executive officer or other designated officer of the business entity.
- (c) The request to convert a registration to a license shall include all of the following:
  - (1) A completed Request for Conversion of a Third Party Proposition Player Services Registration to a License (CGCC-437, Rev. 09/04), which is hereby incorporated by reference.
  - (2) Two 2x2 inch color passport-style photographs of a requester that is an individual taken no more than one year before submission of the request to the Commission.
  - (3) The supplemental information package as defined in section 12200(b).
  - (4) 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 sections 19867 and 19984.
  - (5) A copy of the summons issued by the Division.
- (d) Nothing in this chapter shall require the Commission or Division to divulge to the requester any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or Division to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

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

## **Section 12218.1. Subsequent Registrants.**

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

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

## **Section 12218.5. Withdrawal of Request to Convert Registration to License.**

- (a) A request for withdrawal of a request to convert a registration to a license may be made at any time prior to final action upon the request by the Director by the filing of a written request to withdraw with the Commission. For the purposes of this section, final action by the Division means a final determination by the Director regarding his or her recommendation on the request to the Commission.
- (b) The Commission shall not grant the request unless the requester has established that withdrawal of the request would be consistent with the public interest and the policies of the Gambling Control Act and this chapter. If a request for withdrawal is denied, the Division may go forward with its investigation and make a recommendation to the commission upon the request, and the Commission may act upon the request to convert as if no request for withdrawal had been made.
- (c) If a request for withdrawal is granted with prejudice, the requester thereafter shall be ineligible to renew its request until the expiration of one year from the date of the withdrawal. Unless the Commission otherwise directs, no payment relating to any request is refundable by reason of withdrawal of request.

Authority: Sections 19840, 19841, and 19984, Business and Professions Code  
Reference: Sections 19869 and 19984, Business and Professions Code

## **Section 12218.7. Processing Times--Request to Convert Registration to License.**

- (a) Except as provided in subsection (b), a request to convert a registration to license submitted pursuant to this chapter shall be processed within the following timeframes:
  - (1) The maximum time within which the Commission shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing by the Commission, or that a request or a resubmitted request is deficient and identifying what specific additional information is required, is 20 days after receipt of the request. For the purposes of this section, "request" means the Request for Conversion of a Third Party Proposition Player Services Registration to a License (CGCC-437, Rev. 09/04), which was incorporated by reference in Section 12218. A request is not complete unless accompanied by both a copy of the summons from the Division setting a deadline for filing the request with the Commission and the supplemental information package required by



section 12218(c)(3) for review by the Division pursuant to paragraph (3) of this subsection (a) for persons affiliated with the primary owner to whom the summons was addressed. The supplemental information shall not be reviewed for completeness by the Commission.

- (2) A request and the supplemental information package shall be forwarded by the Commission to the Division for processing within ten (10) days of the date that the Commission determines that the request is complete.
- (3) The Division shall review the supplemental information package submitted for completeness and notify the applicant of any deficiencies in the supplemental information package, or that the supplemental information package is complete, within 45 days of the date that the request and supplemental information package are received by the Division from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information package as complete, the Division may, pursuant to Business and Professions Code section 19866, require the requester to submit additional information.
- (4) Pursuant to Business and Professions Code section 19868, the Division shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Division is in receipt of both the completed request pursuant to paragraph (2) of this subsection (a) and the completed supplemental information package pursuant to paragraph (3) of this subsection (a). If the Division has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.
- (5) The Commission shall grant or deny the request within 120 days after receipt of the final written recommendation of the Division concerning the request, except that the Commission may notify the applicant in writing that additional time, not to exceed 30 days, is needed.

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

## **Section 12218.11. Ineligibility for Licensing.**

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

- (a) An individual applicant is under the age of 21.
- (b) The requester has been convicted of any felony, including a conviction in a court of the United States or any other state of an offense that is classified as a felony by the laws of this state.
- (c) The requester has, within the ten (10) year period immediately preceding the submission of the request to convert, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Gambling

Control Act, or dishonesty or moral turpitude, unless the applicant has been granted relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or 1203.45 shall not constitute a limitation on the discretion of the Commission.

- (d) If the request to convert is for licensing as an owner, supervisor, or player, the requester has been subject to a final administrative or judicial adjudication revoking a registration or license under this chapter or a state gambling license, key employee license, work permit or finding of suitability or has had an application denied under this chapter or the Gambling Control Act.
- (e) The requester has failed to meet the requirements of Business and Professions Code sections 19856 or 19857.
- (f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).
- (g) The requester would be ineligible for a state gambling license under Business and Professions Code section 19858.
- (h) The requester has violated one or more of the prohibitions set forth in Subsections 12200.7(b)(5), (11) and (20) or Subsections 12200.7(c)(1) and (3).
- (i) The requester has failed to comply with one or more of the requirements set forth in Subsections 12200.7(b)(8), (9), (15), (16), (17), (18) or (21) or in Subsections 12200.7(c)(2) and (e).
- (j) The applicant is ineligible based on any other provision of law.

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

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

- (a) All initial licenses shall be issued for a period of two (2) years.
- (b) Due to nonrecurring workload problems associated with the processing of the first round of requests to convert registrations to licenses, all other initial licenses that are granted within three (3) years of the effective date of these regulations shall be issued for a period of two (2) years.
- (c) Beginning July 1, 2007, all initial and renewal licenses shall be issued for a period of one (1) year, except for player and other employee licenses, which shall be issued for a period of two (2) years.

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