

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

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

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

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

7 **Article 2. Registration**

8 **Article 3. Licensing**

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

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

11 **Article 2. Registration**

12 **Article 3. Licensing**

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

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

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

8

9 **Section 12200. Definitions.**

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

13 (b) As used in this chapter:

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

18 (1) (2) ~~“Applicant”~~ “Applicant” means ~~the~~ an applicant for registration or licensing
19 under this chapter, including in the case of an owner that is a
20 corporation, partnership, or any other business entity, all
21 persons whose registrations or licenses are required to be

1 endorsed upon the primary owner's registration or license
2 certificate.

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

10 ~~(3)~~ (4) "Badge" means a form of identification issued by the
11 Commission identifying a registrant or licensee. ~~A badge~~
12 ~~authorizing play in a controlled game shall be of a distinctly~~
13 ~~different color than a badge, which identifies a registrant or~~
14 ~~licensee, but does not authorize play.~~

15 ~~(4)~~ (5) "Bureau" means the Bureau of Criminal Identification and
16 Information of the California Department of Justice.

17 ~~(5)~~ (6) "Commission" means the California Gambling Control
18 Commission.

19 ~~(6)~~ (7) "Deadly weapon" means any weapon, the possession or
20 concealed carrying of which is prohibited by Penal Code
21 section 12020.

22 ~~(7)~~ (8) "Division" means the Division of Gambling Control in the
23 California Department of Justice. Information that this chapter

1 requires to be sent to the Division shall be submitted in writing
2 to the Sacramento office of the Division.

3 ~~(8)~~ (9) “Executive Director” means the Executive Director of the
4 Commission ~~or such other person as may be designated by the~~
5 ~~Commission.~~

6 ~~(9)~~ (10) “Funding source” means any person that provides financing,
7 including but not limited to loans, advances, any other form of
8 credit, chips, or any other representation or thing of value, to an
9 owner-registrant or owner-licensee, other than individual
10 registrants under Subsection (d) of Section 12201 or individual
11 licensees. “Funding source” does not include any federally or
12 state chartered lending institution or any of the following
13 entities that in the aggregate owns at least one hundred million
14 dollars (\$100,000,000) of securities of issuers that are not
15 affiliated with the entity:

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

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

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

1 (D) Any retirement plan established and maintained by the United
2 States, an agency or instrumentality thereof, or by a state, its
3 political subdivisions, or any agency or instrumentality of a
4 state or its political subdivisions, for the benefit of its
5 employees.

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

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

11
12 (G) Any entity, all of the equity owners of which individually meet
13 the criteria of this paragraph ~~(9)~~ (10).

14 ~~(10)~~ (11) “Gambling Control Act” or “Act” means Chapter 5
15 (commencing with Section 19800) of Division 8 of the
16 Business and Professions Code.

17 ~~(11)~~ (12) “License” means a license issued by the Commission pursuant
18 to article 3 of this chapter.

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

- 21 1. ~~primary~~ Primary owner,
- 22 2. ~~owner~~ Owner if issued a playing badge,
- 23 3. ~~supervisor~~ Supervisor, and
- 24 4. ~~player~~ Player.

25 (B) All “other employees” (as defined in this section) of the
26 primary owner who are present in the gambling establishment
27 during the provision of proposition player services under the

1 primary owner's proposition player contract shall be licensed as
2 "other employee" and shall be required to submit an application
3 and be approved or denied based upon the same criteria that
4 apply to a player.

5 (C) A primary owner and an owner may also perform the
6 functions of a supervisor or player, and the holder of a
7 supervisor's license may also perform the functions of a player.

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

12 ~~(12)~~ (13) "Licensee" means a person having a valid license.

13 ~~(13)~~ (14) "Organization chart" means a chart that identifies the names
14 and titles of all owners, as defined in section 12200~~(b)~~(14)
15 supervisors, and any persons having significant influence over
16 the operation of the entity or provision of proposition player
17 services; the percentage of ownership, if any, held by each
18 identified individual or entity; ~~and~~ the reporting relationship for
19 each identified individual or entity; and the job title and number
20 of persons in each of the job titles that report to each individual
21 or entity identified on the organization chart.

22 (15) "Other employee" means an individual employed by a primary
23 owner who is not authorized to provide proposition player
24 services. "Other employee" does not include any owner, any
25 supervisor, or any officer or director of a primary owner that is
26 a corporation. An individual registered or licensed as an "other
27 employee" may not function as a player unless and until that

1 individual applies for and obtains registration or licensure as a
2 player.

3 ~~(14)~~ (16) “Owner” includes all of the following:

4 (A) A sole proprietor, corporation, partnership, or other
5 business entity that provides or proposes to provide third
6 party proposition player services as an independent
7 contractor in a gambling establishment,

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

10 (C) Any funding source.

11 ~~(15)~~ (17) “Playing Book” means a record documenting each session of
12 play by a third-party proposition player.

13 ~~(16) “Preference” means and is limited to both of the following if~~
14 ~~sanctioned by house rule or otherwise directed by the house or~~
15 ~~its employees.~~

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

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

1 required to submit an application, which application shall be
2 approved or denied based upon the same criteria that apply to a
3 player.

4 (C) A primary owner ~~issued a playing badge~~ and an owner ~~issued a~~
5 ~~playing badge~~ may also perform the functions of a supervisor or
6 player, and the holder of a supervisor's registration may also
7 perform the functions of a player. No registrant, other than an
8 owner ~~issued a playing badge~~, supervisor, or player, may
9 possess, direct, or otherwise control currency, chips, or other
10 wagering instruments used for play in the performance of a
11 proposition player contract. ~~An individual registered as an~~
12 ~~"other employee" may not function as a player unless and until~~
13 ~~that individual applies for and obtains registration as a player.~~

14 (24) "Reinstatement Badge" means a badge issued by the
15 Commission to a player, a supervisor, or an "other employee"
16 pursuant to Section 12200 which authorizes an individual
17 registrant or licensee who has ceased to be employed by a
18 primary owner to return to work for that primary owner.

19 ~~(23)~~(25) "Session of play" as used in Section 12200.13 ("Playing
20 Book") means a continuous workshift of third-party proposition
21 player services provided by an individual proposition player.

22 ~~(24)~~(26) "Supervisor" means an individual who, in addition to any
23 supervisory responsibilities, has authority, on behalf of the
24 primary owner, to provide or direct the distribution of currency,
25 chips, or other wagering instruments to players engaged in the

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

3 ~~(25)~~(27) “Supplemental information package” means all of the
4 documentation and deposits required by each of the following
5 forms (which are hereby incorporated by reference) to be
6 submitted to the Commission in response to a summons issued
7 by the Division pursuant to Section 12200.25:

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

12 ~~(B)~~ (A) Owners, as defined in Section 12200(b)(14), that are a natural
13 person shall complete the form Level III Supplemental
14 Information-Individual (DGC-APP_034A, New 06/04 08/04)
15 for a level III investigation.

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

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

23 ~~(E)~~ (D) Other employees and players, as defined in Section
24 12200(b)(11)~~(B)~~ and ~~12200(b)(18)~~, shall complete the form
25 Level I Supplemental Information (DGC-APP. 032, New 06/04
26 08/04) for a level I investigation.

1 ~~(26)~~ (28) "Third-party proposition player services" or "proposition player
2 services" means services provided in and to the house under
3 any written, oral, or implied agreement with the house, which
4 services include play as a participant in any controlled game
5 that has a rotating player-dealer position as permitted by Penal
6 Code section 330.11. "Proposition player services" also
7 includes the services of any supervisors, as specified in
8 paragraph ~~(24)~~ (26) of this subsection.

9 ~~(27)~~ (29) "TPP" means "third party proposition." This abbreviation is
10 used in Section 12200.3 and in prescribing titles to be used on
11 registrant and licensee badges, for example, "TPP Player
12 Registrant."

13 (30) "Transfer Badge" means a badge issued by the Commission
14 pursuant Section 12200.6 which authorizes an individual
15 registrant or licensee to work for a subsequent primary owner
16 after having ceased to work for an initial primary owner.

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

19 **Reference:** Sections 19805 and 19984, Business and Professions
20 Code

21
22 **Section 12200.1. Certificate.**

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

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

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

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

6

7 **Section 12200.3. Badge.**

8 (a) All individuals ~~registered or licensed~~ or registered as primary owners,
9 owners, supervisors, players, or other employees of the primary owner
10 shall wear in a prominently visible location a numbered badge issued
11 by the Commission when present in a gambling establishment during
12 the provision of proposition player services under the proposition
13 player contract that covers the ~~registrant or licensee~~ or registrant.

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

1 ~~employed by or affiliated with the primary owner shall return the~~
2 ~~badge to the Commission within 10 days of receiving the badge from~~
3 ~~the holder.~~

4 ~~(b)~~(c) The words “TPP PLAYER REGISTRANT,” “NON-PLAYER TPP
5 REGISTRANT,” “TPP PLAYER LICENSEE,” OR NON-PLAYER
6 TPP PLAYER LICENSEE” in capital letters shall be prominently
7 displayed on the front of the badge. The first name of the registrant or
8 licensee shall appear on the front of the badge. The full name of the
9 registrant or licensee shall be printed on the reverse side of the badge,
10 together with the registrant’s or licensee’s category of registration or
11 licensing as an owner, supervisor, player, or other employee.

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

19 ~~(d)~~ (e) Upon renewal of each registration and upon issuance of each
20 registration or license, authorized players shall be issued a badge of
21 one color; individuals not authorized to play shall be issued a badge of
22 a distinctly different color. Any non-player badge issued prior to July
23 1, 2004, shall be re-issued upon renewal pursuant to subsection (b), so
24 that each registrant receives either a player or non-player badge.

1 (e) (f) An individual registered as a player with a particular primary owner
2 shall apply for and obtain a new badge pursuant to section 12200.5
3 before beginning to work for an additional or different primary owner.

4 (f) (g) Registrations, licenses, and badges are specific to the primary owner.
5 ~~TPPP~~ Third party proposition player services cannot be provided
6 without first applying for and obtaining a registration, license, or
7 badge.

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

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

11

12 **Section 12200.5. Replacement of Badge.**

13

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

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

18 (2) The ~~application~~ request is complete and has been submitted on the
19 form Request for Replacement Third Party Proposition Player
20 Services Badge (CGCC-438, New 06/04), which is hereby
21 incorporated by reference.

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

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

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

6 ~~(C)~~ (B) The category of the position and information concerning the
7 primary owner for which the replacement badge is requested:
8 the name of the primary owner, mailing address, voice
9 telephone number, facsimile number (if any), and email address
10 (if any).

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

14 **(b)** A replacement badge issued pursuant to this section shall be
15 valid during the unexpired term of the previously issued
16 registration or license.

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

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

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

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

1 **Section 12200.6. Transfer or Reinstatement of Player**
2 **Registration or License; Issuance of Additional**
3 **Badge.**
4

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

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

10 (2) The ~~application~~ request is complete and has been submitted on the
11 form Request for Reinstatement or Transfer of Third Party
12 Proposition Player Services Registration/License or Additional Third
13 Party Proposition Player Services Badge (CGCC-439, New 06/04),
14 which is hereby 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~~
18 ~~no more than 30 days before submission to the~~
19 ~~Commission of the request.~~

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

22 ~~(C)~~ (B) The names as applicable of the current and future primary
23 owner (or previous owner or additional owner), mailing
24 address, voice telephone number, facsimile number (if any),
25 and email address (if any).

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

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

4 (d) Transfer, additional, and reinstatement badges shall be issued by the
5 Commission within seven (7) days of receipt of a complete
6 application request.

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

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

10

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

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

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

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

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

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

- 1 (4) The maximum and minimum number of gaming tables available to the
2 proposition player provider service.
- 3 (5) That no more than one owner, supervisor, or player from each
4 provider of proposition player service shall simultaneously play at a
5 table.
- 6 (6) The hours of operation that proposition player services will be
7 provided.
- 8 (7) A detailed description of the location, applicable security measures,
9 and purpose of any currency, chips, or other wagering instruments that
10 will be stored, maintained, or kept within the gambling establishment
11 by or on behalf of the primary owner.
- 12 (8) That proposition player services shall be provided in the gambling
13 establishment only in compliance with laws and regulations pertaining
14 to controlled gambling.
- 15 (9) That proposition player services may be provided only by authorized
16 players with current registration or licensing under this chapter.
- 17 (10) That the primary owner shall provide the gambling establishment with
18 a copy of its registration or license certificate, and that the gambling
19 establishment shall maintain the certificate on file, together with a
20 copy of the proposition player contract applying to that establishment.
- 21 (11) That a registrant or licensee may not provide proposition player
22 services in a gambling establishment for which the registrant holds a
23 state gambling license, key employee license, or work permit.

- 1 (12) That collection fees charged by the house for participation in any
2 controlled game shall be the same as those charged to other
3 participants during the play of the game.
- 4 (13) The form to be used for the playing book record and the initial
5 number that will be used for the sequentially numbered forms.
- 6 (14) Any agreement between the primary owner and the house for owners
7 or supervisors to inspect or receive a copy of surveillance recordings
8 of tables at which proposition player services are provided under the
9 contract during the times the services are provided, as necessary for
10 business purposes.
- 11 (15) A full disclosure of any financial arrangements entered into during the
12 term of the contract for any purpose between the house and any
13 registrant or licensee covered by the proposition player contract. If
14 there is no financial consideration that passes under the contract, a
15 statement to that effect shall be included.
- 16 (16) That any legal dispute between the primary owner and the house,
17 including any exclusion of a registered or licensed owner, player, or
18 supervisor covered by the contract ~~from~~ with the house shall be
19 reported in writing within ten (10) days by the primary owner and the
20 house to both the Commission and the Division.
- 21 (17) That the primary owner and the house shall report in writing within
22 ten (10) days to both the Commission and the Division the identity of
23 any registrant whose activities are covered by the proposition player
24 contract and who is arrested in the gambling establishment by a peace
25 officer, who is removed from the gambling establishment by a peace

1 officer or the house, or who is involved in a patron dispute regarding
2 his or her activities in the gambling establishment that is the subject of
3 a report to a peace officer and that results in removal of one or more
4 individuals.

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

8 (19) That the criteria for granting any rebates by proposition players to
9 patrons be ~~spelled out~~ fully disclosed in the contract; and that neither
10 the house nor any employee of the house shall have any role in
11 rebates. If there are no criteria for granting rebates, a statement to that
12 effect shall be included.

13 (20) That any tipping arrangements shall be specified in the contract and;
14 that percentage tips shall not be given; ~~and that tips shall not be given~~
15 ~~to the house.~~ If there are no tipping arrangements, a statement to that
16 effect shall be included.

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

23 (22) That the contract is a complete expression of all agreements and
24 financial arrangements between the parties; that any addition to or
25 modification of the contract, including any supplementary written or

1 oral agreements, must be approved in advance by the Division
2 pursuant to Section 12200.10B (Review and Approval of
3 Amendments to Proposition Player Contracts) before the addition or
4 modification takes effect.

5 (c) (1) Except as expressly authorized by this subsection (c), a proposition
6 player contract shall not include any provision authorizing payment to
7 or receipt by the house, or a designee thereof, of any share of the
8 profits or revenues of a registrant or a licensee. Any payments made
9 by a registrant or licensee to the house for a purpose determined by
10 agreement with the house shall be specifically authorized by the
11 proposition player contract. All payments shall be specified in the
12 contract. The contract shall identify ~~each specific service or facility~~
13 ~~provided under the contract and shall specify~~ the total charge for each
14 of the following categories: services, facilities, and advertising. In
15 addition, the contract shall include a detailed list, excluding specific
16 costs, of the items provided or received in each of these categories.

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

25 (3) No contract provision shall authorize any payments for services or
26 facilities that are substantially disproportionate to the value of the

1 services or facilities provided. No contract shall include any charge,
2 direct or indirect, for the value of an exclusive right to conduct
3 proposition play within all or a portion of the gambling establishment.
4 No payment other than the collection fee for play, shall be required
5 for play at any table, including, without limitation, reservation of a
6 seat.

7 (d) The proposition player contract shall not contain any provision that
8 limits contact with officials or employees of the Commission or
9 Division. The proposition player contract shall prohibit an owner or
10 the house from retaliating against any registrant or licensee on account
11 of contact with an official or employee of the Commission or Division
12 or any other public official or agency.

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

19 (f) Each proposition player contract approved by the Division shall
20 contain a provision authorizing the Commission, after receiving the
21 findings and recommendation of the Division, to terminate the
22 contract for any material violation of any term required by this
23 section.

24 (g) A primary owner may contract with more than one gambling
25 establishment at the same time; a gambling establishment may

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

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

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

9

10 **Section 12200.9. Review and Approval of Proposition Player**
11 **Contracts.**

12 (a) (1) On and after April 30, 2004, proposition player services shall not be
13 provided except pursuant to a written proposition player contract
14 approved in advance by the Division. Provision of proposition player
15 services by any person subject to registration or licensing under this
16 chapter, or engagement of proposition player services by the holder of
17 a state gambling license, without a contract as required by this section
18 is a violation of this section. The Division shall approve a proposition
19 player contract only if all the following requirements have been
20 satisfied:

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

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

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

8 (D) The contract will not undermine public trust that the controlled
9 gambling operations covered by the contract will be conducted
10 honestly, by reason of the existence or perception of any
11 collusive arrangement between any party to the contract and the
12 holder of a state gambling license, or otherwise.

13 (2) Prior to December 7, 2003, each primary owner providing proposition
14 player services at a gambling establishment on the date that these
15 regulations originally became effective (November 6, 2003) shall
16 submit an Application for Contract Approval Provider of Proposition
17 Player Services (DGC-APP.030, rev. ~~09/03~~, 08/04), which is hereby
18 incorporated by reference.

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

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

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

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

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

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

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

17 (4) The Division shall notify the applicant, in writing, within ten working
18 days of receiving the application that the application or resubmitted
19 application is complete or incomplete. If an application is incomplete,
20 the Division shall request, in writing, any information, fees, or
21 documentation needed to complete the application. Unless extended
22 by the Division for further investigation up to 90 days or with the
23 consent of the applicant, review and approval or disapproval of a
24 proposition player contract shall be completed within 90 days of
25 receiving a completed application and notice thereof shall be sent via
26 United States mail to the applicant or the applicant's designee within

1 ~~10~~ ten (10) days of the Division's decision. Notice of disapproval of
2 the contract or amendments shall specify the cause.

3 **(b)** An executed copy of the currently effective contract, and all amendment(s)
4 thereto, and a copy of all Division notices that approved the contract and any
5 amendment shall be maintained at the gambling establishment and shall be
6 provided for review or copying upon request by any representative of the
7 Commission or Division.

8 **(c)** The term of any proposition player contract shall not exceed one year and
9 shall not be extended or renewed without the prior approval of the Division.
10 No amendment changing any of the contract terms referred to in Section
11 12200.7, other than paragraphs (3), (4), and (6) of subsection (b) thereof,
12 may become effective during the term of a proposition player contract
13 without the prior written approval of the Division. If any amendment is
14 made to a proposition player contract term specified in paragraphs (3), (4),
15 or (6) of subsection (b) of Section 12200.7, both parties to the contract shall
16 notify the Commission and Division in writing of the amendment within 10
17 days of the execution thereof by the parties to the contract.

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

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

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

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

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

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

13 (3) The terms of the proposed contract are substantially identical to
14 the contract previously approved by the Division under which
15 proposition player services were provided in the gambling
16 establishment at any time during the 30 days preceding the
17 application.

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

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

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

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

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

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

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

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

17 **Authority:** Sections 19840, 19841, 19951, and 19984, Business and
18 Professions Code

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

20
21 **Section 12200.10B. Review and Approval of Amendments to**
22 **Proposition Player Contracts.**

23 (a) Requests to review and approve an amendment to a proposition player
24 contract shall be submitted with an application for approval along

1 with an executed copy of the contract, a five hundred dollar (\$500)
2 nonrefundable application fee, and a four hundred and fifty dollar
3 (\$450) deposit as required by Title 11, California Code of Regulations
4 section 2037(a)(2)(B). The Division may require an additional sum to
5 be deposited to pay the final costs of the review and approval or
6 disapproval of the amendment. Any money received as a deposit in
7 excess of the costs incurred in the review and approval or disapproval
8 of the amendment shall be refunded and an itemized accounting shall
9 be provided to the primary owner or the primary owner's designee.

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

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

21 **Reference:** Section 19984, Business and Professions 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), which is hereby incorporated by reference.
- (b) Upon renewal of the registration or license ~~and every 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 ~~application.~~

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

13 ~~(d)~~ (c) Any transfer or sale of an interest to a registered or licensed person shall be
14 submitted in writing to the Commission within ten (10) days of the final
15 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
22
23

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 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.
- 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)~~ 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 primary owner shall submit to the Commission the annual
17 fee set forth in subsection (c) of this section, based on the total number of
18 registrations or licenses affiliated with the primary owner on the
19 immediately preceding August ~~15~~1. The payment due September 1, ~~2004~~
20 that same year shall be based on the total number of registrations affiliated
21 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	1-5	\$2800
B	6-35	\$3050
C	36-175	\$3300
D	176-400	\$3550
E	401-900	\$3800
F	901-1200	\$4050
G	1201 or more	\$4300

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

15 (2) Beginning with the assessment year starting September 1, 2005, or
16 other license term granted should subsection (b) be applicable, each primary
17 owner shall pay the sum of two thousand three hundred dollars (\$2300) per
18 registrant or licensee less any applicable credit that may apply from
19 subsection (c)(1) of this section.

1 (3) Beginning with the assessment year starting September 1, 2006, or
2 other license term granted should subsection (b) be applicable, and thereafter
3 each primary owner shall pay the sum of two thousand eight hundred
4 (\$2800.) per registrant or licensee.

5 (d) (1) The annual fee for each registered 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 prior to August 1 of that
8 same year. Upon ~~advance-written~~ approval by the Executive Director,
9 installment payments submitted prior to licensure shall be ~~permitted~~ made as
10 follows: one-third of the annual fee to be submitted no later than September
11 1, one-third no later than December 1, and the balance no later than March 1.

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

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

23 (f) (1) Following assessment of the annual fee, if the primary owner
24 increases the number of its registrants or licensees above the number upon
25 which the annual fee assessment was based, the primary owner shall submit
26 to the ~~commission~~ Commission both the required application fee for the
27 additional registrants or licensees, and the additional per player annual fee

1 set forth in subsection (c) of this section. No new badges ~~will~~ shall be issued
2 until ~~the additional fees per player~~ all fees required by this subsection have
3 ~~has~~ been received by the Commission.

4 (2) Fees due under this subsection shall be prorated on a monthly basis.

5 (3) Fees due under this subsection may be paid in installments, on the
6 conditions that the installment payment request is submitted in writing, that
7 one-third of the fees are paid with the application for additional registrants
8 or licensees, and that two subsequent equal payment are paid at reasonable
9 intervals prior to expiration of the applicable term, subject to the approval of
10 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:** Section 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 title from playing at that~~
6 ~~table during the periods of play assigned by the proposition player contract~~
7 ~~for the contracted registrant or licensee. The house is not precluded from~~
8 ~~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(e)) 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, a license may be issued to the applicant, it will to~~
17 ~~expire as provided in Section 12218.13 (Term 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
21 Code

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

23

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), which is hereby incorporated
12 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:** Section 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 if all of the following requirements are met:

- (a) The applicant has applied for a temporary player registration by completing the Commission’s 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 (b) 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:** Section 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 primary owner employing the registrant of the cancelled
9 registration.

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

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

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

18
19 **Section 12204. Ineligibility for Registration.**

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

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

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

- 1 (g) The applicant has violated one or more of the prohibitions set forth in
2 Subsection 12200.7(b)(5), (11), or (20) or Subsection 12200.7(c)(1) and (3).
- 3 (h) The applicant has failed to comply with one or more of the requirements set
4 forth in Subsection 12200.7(b)(8), (9), (15), (16), (17), (18), (21), or in
5 Subsections 12200.7(c)(2) or (e).
- 6 (i) The applicant is ineligible based on any other provision of law.

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

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

10

11 **12205. Cancellation of Registration.**

- 12 (a) Any registration issued in accordance with this chapter shall be subject to
13 cancellation pursuant to this section. A registration shall be cancelled if the
14 Commission determines ~~upon~~ after a noticed hearing that the registrant is
15 ineligible for registration, has failed in the application for registration to
16 reveal any fact material to the holder's qualification for registration, or has
17 supplied information in the registration application that is untrue or
18 misleading as to a material fact pertaining to the criteria for issuance of
19 registration.
- 20 (b) If the Commission finds that any of the circumstances set forth in subsection
21 (a) apply, then the Executive Director shall immediately do all of the
22 following:

1 (1) Provide written notice to the registrant and the Division of the
2 cancellation of the registration and the grounds thereof, and provide
3 written notice of the cancellation to the owner, if the registrant is a
4 supervisor, player, or other employee and to any gambling
5 establishment in which the registrant provides proposition player
6 services.

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

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

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

14
15 **Section 12205.1. Transition to Licensing.**

16 (a) As expeditiously as possible in light of available program resources, the
17 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 registration of any registrant that fails or
20 refuses to submit a Request for Conversion of a Third Party Proposition
21 Player Services Registration to a License (CGCC-437, new 06/04)(see
22 section 12218(c)) including any fees to the Commission within 30 days of
23 receiving a summons from the Division shall expire by operation of law on
24 the following day. Prior to and during review of a request to convert a

1 registration to a license, a registration shall remain valid and may be
2 renewed by the registrant as necessary, upon application and approval of
3 renewal of registration as provided in Section 12203.

4 (b) Any person who became affiliated with a primary owner following receipt of
5 a summons from the Division the primary owner shall apply for registration
6 pursuant to this chapter and shall be called forward by the Division
7 expeditiously.

8 (c) If the registration expires by operation of law, the former registrant shall
9 submit a new Request for Conversion of a Third Party Proposition Player
10 Services Registration to a License (CGCC-437, new 06/04) and a new five
11 hundred dollar (\$500) nonrefundable application fee.

12 (d) The transition to licensing for registrations approved prior to April 30, 2004,
13 shall be completed no later than July 1, 2007.

14 (e) A request to convert a registration to a license shall require only payment of
15 a sum of money that, in the judgment of the Director of the Division, will be
16 adequate to pay the anticipated investigation and processing costs, in
17 accordance with Business and Professions Code sections 19867 and
18 19984(c).

19 (f) If a license is issued, it will expire as provided in Section 12218.13 (Term of
20 License).

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

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

1 **Section 12206. Badge.**

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

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

5 **Section 12207. Proposition Player Contract Criteria.**

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

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

9 **Section 12208. Review and Approval of Proposition Player**
10 **Contracts.**

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

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

14 **Section 12209. Playing Books.**

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

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

18 **Section 12210. Transfers and Sales.**

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

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

2 **Section 12211. Inspections.**

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

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

6 **Section 12212. Compliance.**

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

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

10 **Section 12213. Revocation.**

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

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

14

15 **Section 12214. Emergency Orders.**

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

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

19

1 **Article 3. Licensing**

2 **Section 12218. Request to Convert Registration to Licensure.**

3 (a) A request to convert a registration to a license shall be submitted to the
4 Commission only in response to a written summons from the Division to a
5 primary owner pursuant to Section ~~12200.25~~ 12205.1. Each primary
6 owner's request shall be accompanied by the requests of all affiliated
7 owners, supervisors, players, and other employees.

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

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

15 (1) A completed Request for Conversion of a Third Party Proposition
16 Player Services Registration to a License (CGCC-437, New 6/04),
17 which is hereby incorporated by reference.

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

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

22 (4) A sum of money that, in the judgment of the Director of the Division,
23 will be adequate to pay the anticipated investigation and processing

1 costs, in accordance with Business and Professions Code section
2 19867.

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

4 (d) Nothing in this chapter shall require the Commission or Division to divulge
5 to the requester any confidential information received from any law
6 enforcement agency or any information received from any person with
7 assurances that the information would be maintained as confidential.
8 Nothing in this chapter shall require the Commission or Division to divulge
9 any information that might reveal the identity of any source of information
10 or jeopardize the safety of any person.

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

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

14 **Section 12218.1. Subsequent Registrants.**

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

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

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

1 **Section 12218.5. Withdrawal of Request to Convert**
2 **Registration to License.**

- 3
- 4 (a) A request for withdrawal of a request to convert a registration to a license
5 may be made at any time prior to final action upon the request by the
6 Director by the filing of a written request to withdraw with the Commission.
7 For the purposes of this section, final action by the Division means a final
8 determination by the Director regarding his or her recommendation on the
9 request to the Commission.
- 10 (b) The Commission shall not grant the request unless the requester has
11 established that withdrawal of the request would be consistent with the
12 public interest and the policies of the Gambling Control Act and this chapter.
13 If a request for withdrawal is denied, the Division may go forward with its
14 investigation and make a recommendation to the commission upon the
15 request, and the Commission may act upon the request to convert as if no
16 request for withdrawal had been made.
- 17 (c) If a request for withdrawal is granted with prejudice, the requester thereafter
18 shall be ineligible to renew its request until the expiration of one year from
19 the date of the withdrawal. Unless the Commission otherwise directs, no
20 payment relating to any request is refundable by reason of withdrawal of
21 request.

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

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

1 (3) The Division shall review the supplemental information package
2 submitted for completeness and notify the applicant of any
3 deficiencies in the supplemental information package, or that the
4 supplemental information package is complete, within 45 days of the
5 date that the request and supplemental information package are
6 received by the Division from the Commission. Notwithstanding this
7 subsection, subsequent to acceptance of the supplemental information
8 package as complete, the Division may, pursuant to Business and
9 Professions Code section 19866, require the requester to submit
10 additional information.

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

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

27

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

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

4
5 **Section 12218.11. Ineligibility for Licensing.**

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

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

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

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

23 (d) If the request to convert is for licensing as an owner, supervisor, or player,
24 the requester has been subject to a final administrative or judicial

1 adjudication revoking a registration or license under this chapter or a state
2 gambling license, key employee license, work permit or finding of
3 suitability or has had an application denied under this chapter or the
4 Gambling Control Act.

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

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

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

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

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

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

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

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

2 **Section 12218.13. Term of License.**

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

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

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

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

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

15
16 **Chapter 2.2. Gambling Businesses: Registration; Licensing.**

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

18 **Article 2. Registration**

19 **Article 3. Licensing**

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

- 1 Section 12220. Definitions
- 2 Section 12220.1 Certificate
- 3 Section 12220.3 Badge
- 4 Section 12220.5 Replacement of Badge
- 5 Section 12220.6 Transfer or Reinstatement of Player Registration or
- 6 License; Issuance of Additional Badge
- 7 Section 12220.13 Playing Book
- 8 Section 12220.14 Organization Chart and Employee Report
- 9 Section 12220.15 Transfer and Sales
- 10 Section 12220.16 Inspections and Investigations
- 11 Section 12220.17 Emergency Orders
- 12 Section 12220.18 Revocation
- 13 Section 12220.20 Annual Fee
- 14 Section 12220.21 Compliance
- 15 Section 12220.23 Exclusion
- 16 **Article 2. Registration**
- 17 Section 12220.25 Transition to Licensing [to be repealed]

- 1 Section 12221. Registration
- 2 Section 12222. Application for Registration
- 3
- 4 Section 12223. Processing of Applications for Initial and Renewal
- 5 Registration
- 6 Section 12224. Ineligibility for Registration
- 7
- 8 Section 12225. Cancellation of Registration
- 9
- 10 Section 12225.1 Transition to Licensing
- 11
- 12 Section 12226. Badge [repealed]
- 13
- 14 Section 12227. Transfers and Sales [repealed]
- 15
- 16 Section 12228. Inspections [repealed]
- 17
- 18 Section 12229. Compliance [repealed]
- 19
- 20 Section 12230. Revocation [repealed]
- 21
- 22 Section 12231. Emergency Orders [repealed]
- 23
- 24 Section 12232. Exclusion [repealed]

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Article 3. Licensing

- Section 12233 Request to Convert Registration to License
- Section 12234 Withdrawal of Request to Convert Registration to License
- Section 12235 Processing Times--Request to Convert Registration to License
- Section 12236 Ineligibility for Licensing
- Section 12237 Term of License

Article 1. Definitions and General Provisions

Section 12220. 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 12220.6 which authorizes an individual registrant or licensee to be simultaneously employed by more than one primary owner.

- 1 ~~(1)~~ (2) “Applicant” means ~~the~~ an applicant for registration or licensing under
2 this chapter, including in the case of an owner that is a corporation,
3 partnership, or any other business entity, all persons whose
4 registrations or licenses are required to be endorsed upon the primary
5 owner’s registration or license certificate.
- 6 ~~(2)~~ (3) “Authorized player” means an individual associated with a particular
7 primary owner whose badge authorizes play in a controlled game on
8 behalf of the primary owner, including the primary owner, all other
9 owners, all supervisors, and all players. ~~“Authorized player” does not~~
10 ~~include funding sources.~~ Only authorized players may perform the
11 functions of a supervisor or player.
- 12 ~~(2)~~ (4) “Badge” means a form of identification issued by the Commission
13 identifying a registrant or licensee. ~~A badge authorizing play in a~~
14 ~~controlled game shall be of a distinctly different color than a badge~~
15 ~~that identifies a registrant or licensee, but does not authorize play.~~
- 16 ~~(4)~~ (5) “Bureau” means the Bureau of Criminal Identification and
17 Information of the California Department of Justice.
- 18 ~~(5)~~ (6) “Commission” means the California Gambling Control Commission.
- 19 ~~(6)~~ (7) “Deadly weapon” means any weapon, the possession or concealed
20 carrying of which is prohibited by Penal Code section 12020.
- 21 ~~(7)~~ (8) “Division” means the Division of Gambling Control in the California
22 Department of Justice. Information that this chapter requires to be
23 sent to the Division shall be submitted in writing to the Sacramento
24 office of the Division.

1 (8) (9) “Executive Director” means the Executive Director of the
2 Commission, ~~or such other person as may be designated by the~~
3 ~~Commission.~~

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

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

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

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

25 (D) Any retirement plan established and maintained by the United
26 States, an agency or instrumentality thereof, or by a state, its
27 political subdivisions, or any agency or instrumentality of a

1 state or its political subdivisions, for the benefit of its
2 employees.

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

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

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

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

20 ~~(11)~~ (12) “Gambling Control Act” or “Act” means Chapter 5 (commencing
21 with Section 19800) of Division 8 of the Business and Professions
22 Code.

23 ~~(12)~~ (13) “License” means a license issued by the Commission pursuant to article
24 3 of this chapter.

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

27 1. ~~primary~~ Primary owner,

2. ~~owner, Owner~~ if issued a playing badge,
3. ~~supervisor~~ Supervisor, and
4. ~~player~~ Player.

(B) All “other employees” (as defined in this section) of the primary owner who are present in the gambling establishment during the conduct of the gambling business 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 of a controlled game.

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

~~(14)~~ (15) "Organization chart" means a chart that identifies the names and titles of all owners, as defined in section 12220, supervisors, and any persons having significant influence over the operation of gambling business; the percentage of ownership, if any, held by each identified individual or entity; ~~and~~ 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.

1 (16) “Other employee” means an individual employed by a primary owner
2 who is not authorized to serve as a player. “Other employee” does not
3 include any owner, any supervisor, or any officer or director of a
4 primary owner that is a corporation. An individual registered or
5 licensed as an “other employee” may not function as a player unless
6 and until that individual applies for and obtains registration or
7 licensure as a player.

8 ~~(15)~~ (17) “Owner” includes all of the following:

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

11 (B) Any individual specified in ~~subsection (e) of Section 12221~~
12 Business and Professions Code section 19852, subdivisions (a)
13 through (h), and

14 (C) Any funding source.

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

18 ~~(16)~~ (19) “Playing Book” means a record documenting each session of play by
19 a third party proposition an individual player.

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

22 ~~(A) — Any priority in the continuous and systematic rotation of the~~
23 ~~deal, as required by Penal Code section 330.11, such that a~~

1 registrant becomes entitled by reason of the priority to occupy the
2 player-dealer position more often than other players. Nothing in
3 this paragraph precludes the house from assigning a particular seat
4 to a registrant.

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

7 ~~(18)~~ (20) “Primary Owner” means the owner specified in subparagraph (A) of
8 paragraph ~~(15)~~ (17) of this subsection.

9 ~~(16)~~ (21) “Rebate” means a partial return by an authorized ~~proposition~~ player of
10 chips or money to a patron who has lost the chips or money to the
11 authorized player through play in a controlled game at a gambling
12 establishment.

13 ~~(20)~~ (22) "Registrant" means a person having a valid registration.

14 ~~(21)~~ (23) “Registration” means a registration issued by the Commission
15 pursuant to this chapter.

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

19 (B) All other employees of the primary owner who are present in
20 the gambling establishment during the operation of the
21 gambling business shall be registered as “other employee,” and
22 shall be required to submit an application, which application
23 shall be approved or denied based upon the same criteria that
24 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.

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 compete the
19 form Level II Supplemental Information (DGC-APP. 033, New
20 ~~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 **Authority:** Sections 19840, 19841, and 19853(a)(3), Business and
25 Professions Code

1 **Reference:** Sections 19805 and 19853(a)(3), Business and
2 Professions Code
3

4 **Section 12220.1. Certificate.**

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

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

11 **Reference:** Sections 19805 and 19853(a)(3), Business and Professions
12 Code
13

14 **Section 12220.3. Badge.**

- 15 (a) All individuals registered or licensed as primary owners, owners,
16 supervisors, players, or other employees of the primary owner shall wear in
17 a prominently visible location a numbered badge issued by the Commission
18 when present in a gambling establishment during the operation of the
19 gambling business.
20 (b) A badge authorizing play in a controlled game shall be of a distinctly
21 different color than a badge which identifies a registrant or licensee, but does
22 not authorize play. If an individual ceases to be employed by or affiliated
23 with a particular primary owner, that individual shall surrender his or her
24 badge to the primary owner. The primary owner shall notify the

1 Commission and the Division in writing within ~~10~~ ten (10) days of the
2 change in status using Change in Status Form for a Gambling Business
3 Registration (CGCC-541, New 06/04), which is hereby incorporated by
4 reference; with this form, the primary owner shall submit the registrant's or
5 licensee's badge. ~~Any primary owner receiving a badge from an individual~~
6 ~~formerly employed by or affiliated with the primary owner shall return the~~
7 ~~badge to the Commission within 10 days of receiving the badge from the~~
8 ~~holder.~~

9 ~~(b)~~(c) The words "GAMBLING BUSINESS PLAYER REGISTRANT," "NON-
10 PLAYER GAMBLING BUSINESS REGISTRANT," "GAMBLING
11 BUSINESS PLAYER LICENSEE," or "NON-PLAYER GAMBLING
12 BUSINESS LICENSEE" in capital letters shall be prominently displayed on
13 the front of the badge. The first name of the registrant or licensee shall
14 appear on the front of the badge. The full name of the registrant or licensee
15 shall be printed on the reverse side of the badge, together with the
16 registrant's or licensee's category of registration or licensing as an owner,
17 supervisor, player, or other employee.

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

25 ~~(d)~~(e) Upon renewal of each registration and upon issuance of each registration or
26 license, authorized players shall be issued a badge of one color; individuals

1 not authorized to play shall be issued a badge of a distinctly different color.
2 Any non-player badge issued prior to July 1, 2004, shall be re-issued upon
3 renewal pursuant to subsection (b), so that each registrant receives either a
4 player or non-player badge.

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

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

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

13 **Reference:** Sections 19805 and 19853(a)(3), Business and Professions
14 Code

15
16 **Section 12220.5. Replacement of Badge.**

17
18 (a) Upon ~~application~~ submission of a request, the Executive Director ~~or other~~
19 ~~person designated by the Commission~~ shall issue a replacement badge if all
20 of the following conditions are met:

- 21 (1) The ~~applicant~~ requester has a current valid registration or license.
22 (2) The ~~application~~ request is complete and has been submitted on the
23 form Request for Replacement Gambling Business Badge (CGCC-
24 538, New 06/04), which is hereby incorporated by reference.
25 (3) The ~~applicant~~ requester has supplied all of the following to the
26 Commission:

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

4 (B) (A) A nonrefundable twenty-five dollar (\$25) ~~\$25.00~~ fee payable to
5 the Commission.

6 (C) (B) The category of the position and information concerning the
7 primary owner for which the replacement badge is requested:
8 the name of the primary owner, mailing address, voice
9 telephone number, facsimile number (if any), and email address
10 (if any).

11 (D) (C) A statement under penalty of perjury that a replacement badge
12 is needed due to a name change or to loss or destruction of the
13 originally issued badge.

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

16 (c) Upon issuance of the replacement badge, the previously issued badge for
17 that gambling business shall become void and shall not be used.

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

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

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

23

1 **Section 12220.6. Transfer or Reinstatement of Player**
2 **Registration or License; Issuance of Additional Badge.**

3
4 (a) Upon ~~application~~ submission of a request, the Executive Director ~~or other~~
5 ~~person designated by the Commission~~ shall issue a player transfer badge,
6 reinstatement badge, or additional badge if all of the following conditions
7 are met:

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

9 (2) The ~~application~~ request is complete and has been submitted on the
10 form Request for Reinstatement or Transfer of Gambling Business
11 Registration/License or Additional Third Party Proposition Player
12 Services Badge (CGCC-539, New 06/04), which is hereby
13 incorporated by reference.

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

16 ~~(A)~~

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

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

22 ~~(C)~~ (B) The names as applicable of the current and future primary
23 owner, or previous owner or additional owner, mailing address,
24 voice telephone number, facsimile number (if any), and email
25 address (if any).

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

1 (c) Upon issuance of the transfer badge, the previously issued badge shall
2 become void and shall not be used.

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

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

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

10

11 **Section 12220.13. Playing Book.**

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

- 1 (b) ~~Playing books~~ The playing book shall be prepared and maintained as
2 follows:
- 3 (1) ~~Playing book forms~~ The playing book form shall be reviewed and
4 approved or disapproved by the Division during the review of the
5 primary owner's registration application.
- 6 (2) Each form in the playing book shall be recorded in ink and include,
7 but not be limited to, the following information:
- 8 (A) Sequential numbers. Any unused form shall be voided and
9 maintained in the playing book.
- 10 (B) ~~Specify the name of the~~ The name of the gambling
11 establishment where play occurred.
- 12 (C) The date and approximate time when play occurred.
- 13 (D) Beginning and ending balances.
- 14 (E) Individual identification of ~~All~~ all fills and credits affecting the
15 balance. ~~shall be individually identified.~~
- 16 (F) The printed full name and badge number of the player, which
17 includes owners, supervisors, and/or players.
- 18 (G) The table number assigned by the gambling establishment.
- 19 (H) The specific name of the Division-approved gaming activity.
- 20 (I) The name of the primary owner.

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

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

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

10
11 **Section 12220.14. Organization Chart and Employee Report.**

12
13 (a) No later than September 1, 2004, each registered or licensed primary owner
14 shall submit a current organization chart and a listing of all employees and
15 independent contractors to the Division and the Commission. The listing of
16 employees and independent contractors shall be submitted on the form
17 Gambling Business Employee and Independent Contractor Report (CGCC-
18 540, New 06/04), which is hereby incorporated by reference.

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

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

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

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

2

3 **Section 12220.15. Transfers and Sales.**

- 4 (a) ~~No individual who is an owner shall in any manner transfer any interest in~~
5 ~~the proposition player services operation to any person, firm, or corporation~~
6 ~~until the proposed transferee or transferees have made application for and~~
7 ~~obtained registration or licensing as an owner from the Commission.~~
8 ~~Applications for a transfer of the interest shall be made by the transferee~~
9 ~~applying for registration or licensing under this regulation. Evidence of the~~
10 ~~transferor's agreement to transfer the interest shall accompany the~~
11 ~~application for registration or licensing. If any registered or licensed owner~~
12 ~~wishes to sell in whole or in part any ownership interest to any unregistered~~
13 ~~or unlicensed person, the owner must first notify the Commission in writing~~
14 ~~to request approval of the transaction. The transferee must apply for and be~~
15 ~~approved as a TPP registrant or licensee. Evidence of the transferor's~~
16 ~~agreement to transfer the interest and, if applicable, the proposed articles of~~
17 ~~incorporation, shall accompany the application for registration or licensing.~~
- 18 (b) The proposed articles of incorporation and sales and transfer agreement shall
19 be submitted to the Commission for approval prior to submission of any
20 application.
- 21 (c) ~~The effective date of the sale shall be at least 90 days after receipt of the~~
22 ~~application, or such other shorter time period as shall be set by the Executive~~
23 ~~Director with the agreement of the applicant.~~

1 (c) Any transfer or sale of an interest to a registered or licensed person shall be
2 submitted in writing to the Commission within ten (10) days of the final
3 transaction.

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

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

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

9

10 **Section 12220.16. Inspections and Investigations.**

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

19 (b) If requested in writing by the Executive Director, the Division shall conduct
20 an inspection or investigation of a registrant or a licensee. Within 30 days of
21 receipt of the request, the Division shall advise the Executive Director in
22 writing of the status of the inspection or investigation and shall also provide
23 an estimated date on which the inspection or investigation may reasonably
24 be expected to be concluded. Upon completion of the inspection or

1 investigation, the Division shall provide a final written report to the
2 Executive Director.

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

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

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

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

10

11 **Section 12220.17. Emergency Orders.**

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

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

18 **Section 12220.18. Revocation.**

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

- 1 (a) The registrant or licensee committed, attempted to commit, or conspired to
2 commit any acts prohibited by the Gambling Control Act or this chapter.
- 3 (b) Any act or omission by the registrant that would disqualify the registrant
4 from obtaining registration under this chapter. Any act or omission by the
5 licensee that would disqualify the licensee from obtaining licensing under
6 this chapter.
- 7 (c) The registrant or licensee engaged in any dishonest, fraudulent, or unfairly
8 deceptive activities in connection with controlled gambling, including any
9 violation of laws related to cheating.
- 10 (d) The registrant or licensee failed or refused to comply with the requirements
11 of Section 12200.16 (Inspections and Investigations).
- 12 (e) The registrant or licensee failed or refused to comply with the requirements
13 of Section 12200.14 (Organization Chart and Employee Report).
- 14 (f) The registrant or licensee concealed or refused to disclose any material fact
15 in any inquiry by the Division or the Commission.
- 16 (g) The registrant or licensee committed, attempted, or conspired to commit any
17 embezzlement or larceny against a gambling business registrant or licensee
18 or proposition player registrant or against a holder of a state gambling
19 license, or ~~upon~~ on the premises of a gambling establishment.
- 20 (h) The registrant or licensee has been lawfully excluded from being present
21 upon the premises of any licensed gambling establishment for any reason
22 relating to cheating or any violation of the Gambling Control Act by the
23 registrant.

1 (i) The registrant or licensee buys or sells chips ~~outside the cage~~ other than to or
2 from the house, except for exchanging with a patron chips of one
3 denomination for chips of another denomination.

4 (j) The registrant or licensee lends money or chips to gambling establishment
5 patrons or proposition players, except for exchanging with a patron chips of
6 one denomination for chips of another denomination.

7 (k) The registrant or licensee made wagers that were not specifically authorized
8 by the game rules approved by the Division.

9 ~~(k) (l)~~ (l) ~~The primary owner or any other~~ Any owner knowingly permitted one or
10 more of the owner’s supervisors or players to commit any act described in
11 subsections (a) to ~~(j)~~ (k), inclusive.

12 ~~(j) (m)~~ (m) ~~The primary owner or any other~~ Any owner knew, or failed to implement
13 reasonable oversight procedures that would have apprised the owner, that
14 one or more of the registrants or licensees was in violation of one or more
15 provisions of this chapter or of the Gambling Control Act and failed or
16 refused to take action to prevent the recurrence of the violation or violations.

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

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

21 **Section 12220.20. Annual Fee.**

22
23 (a) (1) No later than September 1 of each year, beginning September 1, 2004,
24 each registered ~~or licensed~~ primary owner shall submit to the Commission
25 the annual fee set forth in subsection (c) of this section, based on the total

number of registrations or licenses affiliated with ~~that~~ the primary owner on the immediately preceding ~~August 15~~ August 1. The payment due September 1, ~~2004~~ of each year shall be based on the total number of registrations affiliated with the primary owner on August ~~15, 2004~~ 1 of ~~each~~ that same year.

(2) For each licensed primary owner, the annual fee shall be assessed based upon the total number of licenses affiliated 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: ~~based on the following schedule reflecting the total number of registrants or licensees affiliated with a particular primary owner on the date of assessment:~~

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

- 1 (1) Beginning with the assessment year starting September 1, 2004, each
2 primary owner shall pay the sum of two thousand fifty dollars (\$2050)
3 per registrant or licensee. This fee shall be retroactive to September 1,
4 2004. Any overpayment of fees previously paid that cannot be
5 applied against an installment payment which is due shall be credited
6 against the following year's annual fee obligation, unless the primary
7 owner no later than February 1, 2005 submits a written refund request
8 to the Executive Director.
- 9 (2) Beginning with the assessment year starting September 1, 2005, or
10 other license term granted should subsection (b) be applicable, each
11 primary owner shall pay the sum of two thousand three hundred
12 dollars (\$2300) per registrant or licensee less any applicable credit
13 that may apply from subsection (c)(1) of this section.
- 14 (3) Beginning with the assessment year starting September 1, 2006, or
15 other license term granted should subsection (b) be applicable, and
16 thereafter each primary owner shall pay the sum of two thousand eight
17 hundred dollars (\$2800) per registrant or licensee.
- 18 (d) (1) The annual fee for each registered primary owner may be paid in
19 installments. The primary owner must submit a written request to the
20 Executive Director to make installment payments prior to August 1 of
21 that same year. Upon ~~advance~~ ~~written~~ approval by the Executive
22 Director, installment payments submitted ~~after conversion to licensure~~
23 ~~shall be permitted as follows:~~ prior to licensure shall be made as
24 ~~follows:~~ one -third of the annual fee to be submitted no later than
25 September 1, one-third no later than December 1, and the balance no
26 later than March 1.

- 1 (2) The annual fee for each licensed primary owner may be paid in
2 installments. The primary owner must submit a written request to the
3 Executive Director to make installment payments 120 days prior to the
4 expiration of the license. Upon ~~advance written~~ approval by the
5 Executive Director, installment payments submitted after conversion to
6 licensure shall be ~~permitted as follows:~~ made as follows: one-third of
7 the annual fee to be submitted prior to issuance of the license, one-third
8 to be submitted three months thereafter, and one-third to be submitted
9 six (6) months thereafter.
- 10 (e) Refunds shall not be available in the event of a subsequent decrease in
11 the number of registrants or licensees upon which the annual fee
12 payment was based.
- 13 (f) (1) Following assessment of the annual fee, if the primary owner
14 increases the number of its registrants or licensees above the number
15 upon which the annual fee assessment was based, the primary owner
16 shall submit to the Commission both the required application fee for
17 the additional registrants or licensees and the additional per player fee
18 set forth in subsection (c) of this section. No new badges will shall be
19 issued until ~~the additional per player fee has~~ all fees required by this
20 subsection have been received by the Commission.
- 21 (2) Fees due under this subsection shall be prorated on a monthly basis.
- 22 (3) Fees due under this subsection may be paid in installments, on the
23 conditions that the installment payment request is submitted in
24 writing, that one-third of the fees are paid with the application for
25 additional registrants or licensees, and that two subsequent equal
26 payments are paid at reasonable intervals prior to expiration of the
27 applicable term, subject to the approval of the Executive Director.

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

3 **Authority:** Sections 19801, 19811, 19823, 19824, 19840, 19841, and
4 19853(a)(3), Business and Professions Code

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

6
7 **Section 12220.20A. Annual fee as applied to those registered under**
8 **Chapter 2.1.**

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

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

14 (2) The primary owner files an application for registration or licensure
15 under this chapter and pays the required five hundred dollar (\$500.)
16 application fee.

17 (3) Each registrant or licensee affiliated with the primary owner under
18 Chapter 2.1 who wishes to be registered or licensed under Chapter 2.2
19 pays a one hundred and twenty-five dollar (\$125) fee for this Chapter
20 2.2 registration or license.

21 (b) If an employee works solely as part of a gambling business and does not
22 provide services under chapter 2.1, then the primary owner shall pay the per
23 registrant annual fee assessment for that employee pursuant to Section
24 12220.20.

25 (c) If a background investigation of a person has already been performed under
26 chapter 2.1, and if that person's registration or licensure under chapter 2.1 is

1 current, then a second background investigation shall not be required under
2 this chapter.

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 12220.21. Compliance.**

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

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

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

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

19 **Section 12220.23. Exclusion**

20 (a) In order to promote the purposes of the Gambling Control Act to provide for
21 effective regulation of gambling enterprises, owner-licensees of gambling
22 establishments shall notify the Commission and Division of, and may
23 exclude from the gambling establishment, any person that the owner-

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

14 (b) An owner-licensee of a gambling establishment may exclude any registered
15 or licensed gambling business upon providing notification to the
16 Commission and Division in writing within five (5) days following the
17 exclusion.

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

20 **Reference:** Sections 19853(a)(3) and 19931, Business and Professions
21 Code

24 **Article 2. Registration**

26 **Section 12220.25. Transition to Licensing**

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) A request to convert a registration to a license shall require only payment of~~
20 ~~a sum of money that, in the judgment of the Director of the Division, will be~~
21 ~~adequate to pay the anticipated investigation and processing costs, in~~
22 ~~accordance with Business and Professions Code section 19867.~~

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

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

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

2

3 **Section 12221. Registration.**

4 (a) On and after March 5, 2004, no person may engage in a gambling business
5 as an owner or as an employee or independent contractor of an owner, nor
6 may any person obtain a badge as required by Section 12220.3 without a
7 current valid registration issued by the Commission. Persons registered to
8 provide proposition player services under Chapter 2 (commencing with
9 Section 12200) of this title are not required to register under this chapter to
10 provide proposition player services pursuant to one or more proposition
11 player contracts approved by the Division pursuant to Section 12200.9 of
12 this title.

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

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

18 ~~(e)~~(d) If a primary owner is a corporation, partnership, or other business entity,
19 each owner and individual having a relationship to that entity specified in
20 Business and Professions Code section 19852, subdivisions (a) to (h),
21 inclusive, shall individually apply for and obtain registration as an owner
22 listed on the business entity's registration certificate.

23 ~~(d)~~(e) Any application for registration of any person, other than as the primary
24 owner, shall designate the primary owner or owners that will employ the
25 applicant or with whom the applicant otherwise will be affiliated. ~~The~~

1 registration certificate issued to any person, other than the primary owner,
2 shall specify the name of the registered primary owner that employs the
3 applicant or with whom the applicant is otherwise affiliated.

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

7 (g) Registration is non-transferable.

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

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

12
13 **Section 12222. Application for Registration.**

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

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

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

1 (2) A completed Application for Gambling Business Registration
2 (CGCC-535, Rev. 06/04), which is hereby incorporated by reference.

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

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

11 (c) An applicant that is an individual shall complete and submit ~~shall submit~~
12 ~~such supplemental information as may be required by the form~~ Gambling
13 Business Registration Supplemental Information (CGCC-536, rev. 06/04),
14 which is hereby incorporated by reference, or by the Division as necessary
15 for completion of its review as provided in this chapter.

16 (d) An applicant for registration shall make full and true disclosure of all
17 information to the Commission and Division as required for the application
18 and as requested by the Commission or Division to carry out the policies of
19 this state relating to controlled gambling.

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

22 **Reference:** Sections 19853(a)(3) and 19951(a), Business and Professions
23 Code

1 **Section 12223. Processing of Applications for Initial and Renewal**
2 **Registration.**

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

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

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

23 (d) The Commission shall provide written notice of abandonment of an
24 application to the applicant ~~and the Division.~~ If the application is for
25 registration as other than the primary owner, the Commission shall also

1 provide written notice of abandonment of the application to the primary
2 owner.

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

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

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

13

14 **Section 12224. Ineligibility for Registration.**

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

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

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

20 ~~(b)(c)~~ The applicant has, within the ten (10) year period immediately preceding the
21 submission of the application, been convicted of a misdemeanor involving a
22 firearm or other deadly weapon, gaming or gaming-related activities
23 prohibited by Chapter 9 (commencing with Section 319) or Chapter 10

1 (commencing with section 330) of Title 9 of Part 1 of the Penal Code,
2 violations of the Gambling Control Act, or dishonesty or moral turpitude,
3 not including convictions which have been expunged or dismissed as
4 provided by law.

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

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

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

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

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

21 **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 a~~ 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 **Section 12225.1. Transition to Licensing.**

- 2 (a) The Division shall summon persons registered as primary owners, owners,
3 supervisors, players, and other employees for the purpose of applying for
4 licenses under this chapter. The Division shall summon primary owners,
5 owners, supervisors, players, and other employees as expeditiously as
6 possible in light of available program resources. The registration of any
7 registrant that fails or refuses to submit a Request for Conversion of a
8 Gambling Business Registration to a License (CGCC-537, New 06/04))(see
9 section 12233(c) including any fees to the Commission within 30 days of
10 receiving a summons from the Division shall expire by operation of law on
11 the following day. Prior to and during review of a request to convert a
12 registration to a license, a registration shall remain valid and may be
13 renewed by the registrant as necessary, upon application and approval of
14 renewal of registration.
- 15 (b) If the registration expires by operation of law, the former registrant shall
16 submit a new request to convert a registration to a license and a new
17 nonrefundable application fee.
- 18 (c) The transition from registration to licensing for applications approved prior
19 to April 30, 2004, shall be completed no later than July 1, 2007.
- 20 (d) A request to convert a registration to a license shall require only payment of
21 a sum of money that, in the judgment of the Director of the Division, will be
22 adequate to pay the anticipated investigation and processing costs, in
23 accordance with Business 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: Section 19853(a)(3), Business and Professions Code

4 **Section 12226. Badge.**

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

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

8 **Section 12227. Transfers and Sales.**

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 **Section 12228. Inspections.**

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

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

16 **Section 12229. Compliance.**

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

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

20 **Section 12230. Revocation.**

- 1 (b) The request to convert a registration to a license shall designate whether the
2 license is requested as a primary owner, ~~other~~ owner, supervisor, player, or
3 other employee. The request shall be signed by the individual requester or,
4 if the requester is a business entity, by the chief executive officer or other
5 designated officer of the business entity.
- 6 (c) The request to convert a registration to a license shall include all of the
7 following:
- 8 (1) A completed Request for Conversion of a Gambling Business
9 Registration to a License (CGCC-537, New 06/04), which is hereby
10 incorporated by reference.
- 11 (2) Two ~~(2) two-by-two inch~~ 2x2 inch color passport-style photographs of
12 a requester that is an individual taken no more than ~~30 days~~ one year
13 before submission of the request to the Commission.
- 14 (3) The supplemental information package as defined in Section 12220.
- 15 (4) A sum of money that, in the judgment of the Director of the Division,
16 will be adequate to pay the anticipated investigation and processing
17 costs, in accordance with Business and Professions Code section
18 19867.
- 19 (5) A copy of the summons issued by the Division.
- 20 (d) Nothing in this chapter shall require the Commission or Division to divulge
21 to the requester any confidential information received from any law
22 enforcement agency or any information received from any person with
23 assurances that the information would be maintained as confidential.
24 Nothing in this chapter shall require the Commission or Division to divulge

1 any information that might reveal the identity of any source of information
2 or jeopardize the safety of any person.

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 12234. Withdrawal of Request to Convert**
8 **Registration to License.**
9

- 10 (a) A request for withdrawal of a request to convert a registration to a license
11 may be made at any time prior to final action upon the request by the
12 Director by the filing of a written request to withdraw with the Commission.
13 For the purposes of this section, final action by the Division means a final
14 determination by the Director regarding his or her recommendation on the
15 request to the Commission.
- 16 (b) The Commission shall not grant the request unless the requester has
17 established that withdrawal of the request would be consistent with the
18 public interest and the policies of the Gambling Control Act and this chapter.
19 If a request for withdrawal is denied, the Division may go forward with its
20 investigation and make a recommendation to the ~~commission~~ Commission
21 upon the request, and the Commission may act upon the request to convert
22 as if no request for withdrawal had been made.
- 23 (c) If a request for withdrawal is granted with prejudice, the requester thereafter
24 shall be ineligible to renew its request until the expiration of one (1) year
25 from the date of the withdrawal. Unless the Commission otherwise directs,
26 no payment relating to any request is refundable by reason of withdrawal of
27 request.

1 was addressed. The supplemental information shall not be reviewed
2 for completeness by the Commission.

3 (2) A request and the supplemental information package shall be
4 forwarded by the Commission to the Division for processing within
5 ~~10~~ ten (10) days of the date that the Commission determines that the
6 request is complete.

7 (3) The Division shall review the supplemental information package
8 submitted for completeness and notify the applicant of any
9 deficiencies in the supplemental information package, or that the
10 supplemental information package is complete, within 45 days of the
11 date that the request and supplemental information package are
12 received by the Division from the Commission. Notwithstanding this
13 subsection, subsequent to acceptance of the supplemental information
14 package as complete, the Division may, pursuant to Business and
15 Professions Code section 19866, require the requester to submit
16 additional information.

17 (4) Pursuant to Business and Professions Code section 19868, the
18 Division shall, to the extent practicable, submit its recommendation to
19 the Commission within 180 days after the date the Division is in
20 receipt of both the completed request pursuant to paragraph (2) of this
21 subsection and the completed supplemental information package
22 pursuant to paragraph (3) of this subsection. If the Division has not
23 concluded its investigation within 180 days, then it shall inform the
24 applicant and the Commission in writing of the status of the
25 investigation and shall also provide the applicant and the Commission
26 with an estimated date on which the investigation may reasonably be
27 expected to be concluded.

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

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

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

10
11 **Section 12236. Ineligibility for Licensing.**

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

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

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

18 (c) The requester has, within the ten (10) year period immediately preceding the
19 submission of the request to convert, been convicted of a misdemeanor
20 involving a firearm or other deadly weapon, gaming or gaming-related
21 activities prohibited by Chapter 9 (commencing with Section 319) or
22 Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal
23 Code, violations of the Gambling Control Act, or dishonesty or moral
24 turpitude-, unless the applicant has been granted relief pursuant to Penal
25 Code section 1203.4, 1203.4a, or 1203.45, provided, however, that the

1 granting of relief pursuant to Penal Code section 1203.4, 1203.4a, or
2 1203.45 shall not constitute a limitation on the discretion of the
3 Commission.

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

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

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

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

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

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

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

1 **Section 12237. Term of License.**

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

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

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

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

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