

CALIFORNIA GAMBLING CONTROL COMMISSION
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Department of Consumer Affairs
Hearing Room
1625 North Market Blvd.
Sacramento, CA 95834

**MINUTES OF AUGUST 28, 2008
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Shelton called the meeting to order at 10:00 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich present.

22. Report of Action Taken Regarding Appointment of Executive Director from August 14, 2008 Commission Meeting (Pursuant to Government Code section 11125.2)

Chairman Shelton announced that the Commission's Executive Director Steve Giorgi was retiring from the Commission effective September 6, 2008. Chairman Shelton acknowledged Steve Giorgi's work and dedication to the Commission. Chairman Shelton then announced that the Commission decided in closed session on August 14, 2008 to appoint Terri Ciau as the Commission's new Executive Director effective September 6, 2008.

3. Approval of Commission Meeting Minutes:
 - A. July 24, 2008

Upon motion of Commissioner Shimazu, seconded by Commissioner Vuksich and carried in a vote by roll call, with Chairman Shelton abstaining and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the July 24, 2008 Commission meeting minutes.

4. Applications for Renewal of State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19876):

- A. Club Caribe Casino: S&S Gaming, Incorporated
Donald Mehr, President
Steven Mehr, Secretary/Treasurer
Scott Mehr, Director

Deputy Director Ciau indicated that staff recommended that the Commission extend the renewal license for Club Caribe, Item 4.A., for the period of September 1, 2008, through February 28, 2009, and continue with the existing condition as follows:

The California Gambling Control Commission reserves the right to require S&S Gaming Incorporated's lender (Game Source, LLC) to submit an application as a financial interest holder, if further information reviewed at a later date indicates that it would be in the best interest of the public safety and welfare.

Denis Tobin provided the Commission with an update on the status of their attempt to secure a loan.

Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

- B. Club San Rafael: Pete's 881 Club
Robert Pellolio, Vice-President
Mayme Pellolio, Shareholder

Deputy Director Ciau indicated that staff recommended that the Commission extend the renewal license for Club San Rafael, Item 4.B., the period of September 1, 2008, through November 30, 2008, with the following two conditions:

- 1) *Authorize, direct, and empower a Certified Public Accountant selected by the Bureau and Commission from the list provided to them by Licensee to meet with representatives of the Bureau and Commission as necessary and cooperate fully and timely with the Bureau and Commission in an engagement of Agreed Upon Procedures related to the cardroom and owners set forth by the Bureau and Commission, and to render to the Bureau and Commission a timely written report specifying in detail the results of the Agreed Upon Procedures.*
- 2) *No person may receive shares of stock in Pete's 881 Club, Inc. until that person has been licensed by the Commission as a shareholder.*

Rod Blonien, Designated Agent for Club San Rafael, indicated to the Commission that his clients have no concerns with the conditions being recommended.

Upon motion of Commissioner Schmidt, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

C. La Primavera Pool Hall and Café: Candelario Salas, Sole Proprietor

Deputy Director Ciau indicated that staff recommended that the Commission extend the license through September 30, 2008 for La Primavera Pool Hall and Café, Item 4.C. Upon motion of Commissioner Shimazu, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

D. Empire Sportsmen's Association: Empire Sportsmen's Association, a Non-Profit Corporation

Gary Baird – President/Treasurer Debra Baird – Vice-President/Secretary

Deputy Director Ciau indicated that staff recommended that the Commission approve the renewal license for the remainder of the licensure period through August 31, 2009 for Empire Sportsmen's Association, Item 4.E., with the removal of the existing condition and placement of new conditions as follows:

- 1. Property tags shall be used to segregate Debra Baird's personal property located in the gambling establishment from property of Empire Sportsmen's Association and current list of property being leased from Debra Baird and each item's current value shall be submitted with the next application.*
- 2. A schedule of all charitable contributions shall be submitted with the next renewal application, and any charities which support the purpose for which the organization was formed (advancing the interest, activity, and participation of its members and the community in general in sports of all types) shall be indicated.*
- 3. Any loans from Empire Sportsmen's Association to Gary Baird shall be disclosed to the Commission within 10 days of disbursement.*
- 4. Empire Sportsmen's Association will comply with Title 11, California Code of Regulations, section 2053, subdivision (b), regarding the chips-in-use liability within 90 days.*
- 5. Empire Sportsmen's Association will train its employees on Federal Title 31, Currency Transaction Reporting requirements applicable to the gambling establishment within 90 days and shall inform the Commission, in writing, of the training methods or materials used and the employees who attended the training.*

Keith Sharp, attorney for Empire Sportsmen's Association, responded to questions from the Commission, indicating that the cardroom has complied with conditions 1, 4, and 5. Mr. Sharp further indicated that the cardroom had no objection to the second condition, and although they did not agree with the third condition, should the Commission decide to impose the condition, the cardroom would comply.

Chairman Shelton moved to approve the renewal license for the remainder of the licensure period through August 31, 2009 with placement of the following conditions:

2. *A schedule of all charitable contributions shall be submitted with the next renewal application, and any charities which support the purpose for which the organization was formed (advancing the interest, activity, and participation of its members and the community in general in sports of all types) shall be indicated.*
3. *Any loans from Empire Sportsmen's Association to Gary Baird shall be disclosed to the Commission within 10 days of disbursement.*

Commissioner Shimazu seconded the motion, which unanimously carried in a call for a vote with Chairman Shelton and Commissioners Schmidt, Shimazu and Vuksich voting yes.

- E. Napa Valley Casino: BVK Gaming Incorporated
Brian Altizer – President/Director Von Altizer – Secretary/Director
Keith Miller – CFO/Director

Deputy Director Ciau indicated that staff recommended that the Commission approve the renewal license for the remainder of the licensure period through May 31, 2010 for Napa Valley Casino, Item 4.E. Upon motion of Commissioner Vuksich, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

5. Requests for Additional Permanent Authorized Tables (Pursuant to California Code of Regulations, Title 4, section 12359): Rancho's Club Casino

Deputy Director Ciau indicated that staff recommended that the Commission approve the request for two additional tables for a total of nine tables authorized on the license for Rancho's Club Casino. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

6. Applications for Initial Key Employee Portable Personal License (Pursuant to Business and Professions Code section 19854):
 - A. David La
 - B. Ryan North
 - C. William Howell, Jr.
 - D. Marc Teachout
 - E. Ramy Wahba

Licensing Manager Littleton indicated that staff recommended that the Commission approve the applications for initial key employee portable personal license for the individuals listed in Items 6.A. through 6.E. Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

7. Conversion of Endorsed Key Employee Licenses to Personal Portable Licenses (Pursuant to Business and Professions Code section 19854(d)):

Shen Pen Hsueh	Edward Noel	Jonathan Wood
Terry Farmer	Jason Giannini	Kevin Janas
Savonn Pek	Que Huynh	Kian Nosrati
Paul Priolo, Jr.	Judy Cheng	Roger Rogge
Estaban Tahmazian	Bernie Nevarez	Ralph Baude
Cathy Galletta	Johnson Shiu	Dennis Callahan
Kyle Alegrete	Kwong Huie	Dustin Chase
Roberto Reyes	Joni Beyer	Clifford Long
Kenneth Siu	Brenda Martin	Arthur Van Loon
Luz Sugatan	Lida Chatman	Marvin Dawson
Gary Monk	Florencio Mesina, Jr.	Stephen Krajewski
Anderson Chan	Bryce Hatch	Manley MacAlto
Roger Sadauskas	Donald Schayltz	Dennis Glasco
Roger Ankenbauer	Leslie Boyer	San Saechao
William Crowe	Misty Alonzo	

Licensing Manager Littleton indicated that staff recommended that the Commission approve the applications for conversion of endorsed key employee licenses to personal portable license for the individuals listed in Item 7. Upon motion of Chairman Shelton, seconded by Commissioner Vukisch and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

8. Applications to Convert Gambling Business Player Registration to a License (Pursuant to Business and Professions Code section 19853 and California Code of Regulations, Title 4, section 12233):

Network Management Group, Inc.: Jesen Divina, Mike Her, Kristin Kramer

Licensing Manager Littleton indicated that staff recommended that the Commission approve the applications to convert gambling business player registrations to a license for the individuals listed in Item 8. Upon motion of Commissioner Shimazu, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

9. Applications to Convert Third Party Provider of Proposition Services (TPPPS) Owner Registration to a License (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):

Lucky Star Gaming, Inc.: May Liang, President/Treasurer/Secretary/Director

Licensing Manager Littleton indicated that staff recommended that the Commission approve the application to convert TPPPS owner registration to a license for Lucky Star Gaming, Inc.

May Liang and her designated agent Ms. Eli responded to concerns raised by the Commission regarding May Liang's failure to provide full disclosure on her application.

Upon motion of Commissioner Shimazu, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

10. Applications to Convert Third Party Proposition Player (TPPP) Registration to a License (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):

Network Management Group, Inc.:

Raisa Castor	Quynhdao Dang	Paulo Devera
Jesen Divina	Gregory Erfe	Michael Flores
Cheryl Fujimoto	Jason Gatewood	Zechariah Gauna
Mike Her	Abayomi Ikutiminu	Renee Keithley
Kristin Kramer	John Le	Lloyd Lee
Hiwot Legesse	Jim Mu	Heather Piccotto
Hugo Serrano	Colin Stiles	Juliette Storage

Licensing Manager Littleton indicated that staff recommended that the Commission approve the applications to convert TPPP registration to a license for the individuals listed in Item 10. Upon motion of Chairman Shelton, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

11. Applications for Initial Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.5):

Lakes Entertainment, Inc.:

Larry Barenbaum, Director Robert White, Director

Licensing Manager Littleton indicated that staff recommended that the Commission approve the Tribal-State Compact gaming resource supplier initial finding of suitability for Lakes Entertainment, Inc. Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

12. Applications for Renewal of Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.5):

Innovations in Native-American Gaming, Inc. – California Corporation

Mark Hamilton Jones, President

Deputy Director Ciau indicated that staff recommended that the Commission extend the renewal for Tribal-State Compact gaming resource supplier finding of suitability for the period of September 1, 2008 through November 30, 2008 for Innovations in Native-American Gaming, Inc. with the following condition: *INAG will refrain from promoting "Mystery Card*

Roulette” as a “Compact compliant” game in any magazine, advertisement, or other marketing venture.

Mark Jones and his attorney Robert Tabor presented comments to the Commission concerning the proposed recommendation. Mr. Tabor indicated that they supported the proposed staff recommendation. Mr. Tabor further indicated that his client wished to make clear that various tribal gaming commissions have approved the game Mystery Card Roulette.

Upon motion of Commissioner Vuksich seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes the Commission adopted the staff recommendation.

*See public comment after Item 14.

13. Application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability – Request to Withdraw (Pursuant to Business and Professions Code section 19869):

- A. Aristocrat Technologies, Inc.:
- John Carr-Gregg, Secretary
 - Alan Steelman, Outside Director
 - Bruce Yahl, Company Secretary/Group General Manager
- B. Buena Vista Development Co.:
- | | |
|----------------------------------|------------------------------|
| Ronald Cocquyt, Shareholder | Jamie Linehan, Shareholder |
| Judy Linehan, Shareholder | Kathryn Linehan, Shareholder |
| Peter Linehan, Shareholder | Paul Linehan, Shareholder |
| Michael Linehan, Shareholder | James A. Wilmot, Shareholder |
| James R. Wilmot, Shareholder | Loretta Wilmot, Shareholder |
| Mary Colleen Wilmot, Shareholder | Paul Wilmot, Shareholder |
| Thomas Wilmot, Shareholder | |
- C. CHIPCO International:
- | | |
|--|-------------------------|
| CHIPCO International | John Kendall, President |
| Richard Kendall, Chairman of the Board | |
| Sherman Kendall, Director | William Poole, Director |
- D. Progressive Gaming International Corporation:
- Michael Dreitzer, Executive VP/General Counsel
 - Michael Sicuro, Executive VP/CFO
 - James Meyer, Outside Director
 - Robert Parente, Executive VP
- E. Turk Pala Management, LLC:
- | | |
|---------------------------|--------------------|
| Turk Pala Management, LLC | Jerome Turk, Owner |
|---------------------------|--------------------|

Licensing Manager Littleton indicated that staff recommended that the Commission approve, without prejudice, the request for withdrawal of the applications for Tribal-State Compact gaming resource supplier findings of suitability for the applicants listed in Item 13.A. through 13. E. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners

Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

14. Applications for Initial Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

Tachi Palace Hotel and Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria: Francis Begay

Licensing Manager Littleton indicated that staff recommended that the Commission deny Francis Begay's key employee finding of suitability initial application. Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

*Continued Item 12. Application for Renewal of Tribal-State Compact Gaming Resource Supplier Finding of Suitability: Innovations in Native-American Gaming, Inc.

Having been brought to his attention that the meeting had not been opened for public comment during the Commission's consideration of Item 12, Chairman Shelton opened the meeting for the public to present comments concerning the agenda item.

Neil Houston, Deputy Attorney General, Department of Justice, Indian Gaming Law Section, and Sara Drake, Supervising Deputy Attorney General, Department of Justice, Indian Gaming Law Section, presented comments concerning the Commission's consideration of a finding of suitability for Innovations in American Gaming, Inc. They indicated concerns with the lawfulness of the game Mystery Roulette and the necessity of applying state law to a finding of suitability and whether a presumption of legality should be applied.

Chief Counsel Matteucci indicated that Commission staff believed that the Bureau had not conducted a sufficient investigation nor provided the Commission with its findings, therefore staff was unable to make a determination whether the game Mystery Roulette is illegal or a violation of the Penal Code.

Norm Pierce, Bureau of Gambling Control, presented comments concerning the investigation conducted by Bureau staff of the game Mystery Roulette and their observance of the game being played at a tribal casino.

15. Final Adoption of Regulation Concerning Licensing Issues (Withdrawal, Denial) for filing with the Office of Administrative Law (amending Title 4, California Code of Regulations, section 12002, and adding Title 4 California Code of Regulations, sections 12047, 12048, 12050, and 12348).

Staff Counsel Specialist Hoganson presented for Commission consideration the proposed regulations amending Title 4, California Code of Regulations, section 12002, and adding Title 4 California Code of Regulations, sections 12047, 12048, 12050, and 12348. The recommendation from staff was that the Commission adopt the proposed regulations and

direct staff to make any nonsubstantive changes to the regulations and supporting text as required by the Office of Administrative Law during its review process.

Alan Titus, representing Artichoke Joe's Casino, commented on the proposed regulations Section 12050(b)(2)(B) concerning redacting of confidential information and Sections 12050(b)(2)(a) and 12050(b)(3) concerning the separation of powers.

Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation. A copy of the proposed regulations as adopted by the Commission is incorporated into the minutes as Attachment A.

16. Final Adoption of Two-Year Cardroom License Fee Regulations & Two-Year TPPS/Gambling Business License Regulations for filing with the Office of Administrative Law (adding Title 4, California Code of Regulations, section 12008, and amending Title 4, California Code of Regulations, sections 12122, 12200.14, 12200.20, 12202, 12203A, 12203.2, 12205.1, 12218.13, 12220.14, 12220.20, 12220.20A, 12222, 12237, 12301, 12342, 12343, 12344, and 12345).

James Allen, Regulatory Actions Coordinator, indicated that staff recommended that the Commission: (1) Adopt, and Approve for filing with the Office of Administrative Law (OAL), the final text of the two-year license fee regulations and two year third party proposition player services (TPPS) provider and gambling business license regulations, and (2) Authorize staff to make any needed nonsubstantive changes. Upon motion of Commissioner Shimazu, seconded by Commissioner Schmidt and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation. A copy of the proposed regulations as adopted by the Commission is incorporated into the minutes as Attachment B.

17. Resolutions Concerning Delegation of Authority in Rulemaking (Government Code section 11343(f)).

Senior Legal Counsel Bolz indicated that staff recommended that the Commission approve the two rulemaking delegations of authority for Chief Counsel Evelyn M. Matteucci, and Executive Director Teresa A. Ciau. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation. Copies of the Resolutions Concerning Delegation of Authority in Rulemaking approved by the Commission are incorporated into the minutes as Attachment C and D.

CONSENT CALENDAR ITEMS:

18. Applications for Initial Work Permit (Pursuant to Business and Professions Code section 19912):

- A. Empire Sportsmen's Association: Peter Ting
- B. Napa Valley Casino: David Templeton

- C. Outlaws Card Parlour: Debra Lalor
- D. The 101 Casino: Daniel Tierney

19. Applications for Renewal Work Permit (Authority Pursuant to Business and Professions Code section 19870):

- A. Napa Valley Casino: Sanyo Sherlock
- B. The 101 Casino: Chamnang Chhum Eric Faison Simon Sun

20. Applications for Initial Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

- A. Bear River Casino – Bear River Band of Rohnerville Rancheria: Jesse Parks
- B. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:
Douglas Creekpaum
- C. Casino Pauma – Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation: Hong Bui
- D. Chumash Casino – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation: Vincent Deluna
- E. Colusa Casino and Bingo – Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria: Thomas Brandon Jamie Perry
- F. Diamond Mountain Casino – Susanville Indian Rancheria: Robert Kennedy
- G. Eagle Mountain Casino – Tule River Indian Tribe of the Tule River Reservation: Pedro Perez
- H. Harrah's Rincon – Rincon Band of Luiseno Indians: Fadi Loza
- I. Jackson Rancheria Casino and Hotel – Jackson Rancheria Band of Miwok Indians:
Sheri Brown-Frost Michelle Castro Jeffrey Tilley
John Turney
- J. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation: Christopher Gile
- K. Pala Casino – Pala Band of Mission Indians:
Nicole Audet- Michaele Chav Luis Gracia
Silvestre
- L. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Linda Herbert Roseann Jubenville Arthur Pizzanello
Wendall Putney Pennie Souvoravong
- M. Pit River Casino – Pit River Tribe: Kimberly Shoemaker Tony Wilson Jr.
- N. Red Earth Casino – Torres-Martinez Band of Cahuilla Indians:
Darryl Dragon Tina Dungey John Evanoff
Rosario Lopez
- O. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians: Antonio Torrente
- P. Santa Ysabel Casino – Santa Ysabel Band of Diegueno Mission Indians: Kimberlie Roman
- Q. Soboba Casino – Soboba Band of Luiseno Indians: Roderick Pino, Timothy Wood
- R. Sycuan Casino – Sycuan Band of Diegueno Mission Indians:
Lani Gonzalez Hien Nguyen

- S. Thunder Valley Casino – United Auburn Indian Community of the Auburn Rancheria:
Daniel Lopez
- T. Twin Pine Casino – Middletown Rancheria Band of Pomo Indians: Pamela McConnell
- U. Viejas Casino and Turf Club – Viejas Band of Kumeyaay Indians: Kevin Tran

21. Applications for Renewal Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

- A. Agua Caliente Casino – Agua Caliente Band of Cahuilla Indians:

Keely Alexander	Donna Briggs	Michael Carruthers
Carolyn Cigrang	Scott Cooper	Kevin Crowley
Crystal DeLeon	Alberto Figueroa	Jerry Fry
Candice Gilmore	Shanel Green	Linda Holland
Ralph Howland	Scott Jahr	Charles Lantz
Sumalee Meyer	Frank Pate	Judy Sgro
Salvador Sifuentes	James Thorsby	Karl Walton
Alva Williams		
- B. Augustine Band of Cahuilla Mission Indians – Augustine Casino:
Jason Ejercito Harold Rapp
- C. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:
Atheena Davis Natalie Frazier Matthew Maddox
Robert McQueary
- D. Cache Creek Casino Resort – Rumsey Indian Rancheria of Wintun Indians:
Elizabeth Surapol Budtanase Raymond Cheung
Breckenridge
Charles Chiappone Henry Corteza Gursaranjit Gosal
Vincent Heng Sabrina Jones Lyndo Khiev
Lilia Mendoza Galang Nguyen Bridgette Tern
- E. Chumash Casino – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation: Aubree Snyder
- F. Colusa Casino and Bingo – Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria:
Joshua Ellersick Clara Espindola Raul Gonzales
Carol Hull Richard Stalions Michael Stamps
Steve Valencia
- G. Elk Valley Casino – Elk Valley Rancheria: David Hernandez
- H. Harrah's Rincon – Rincon Band of Luiseno Indians:
Valerie Pemberton
- I. Pala Casino – Pala Band of Mission Indians:

Lynda Buendel	Gregory Clark	Nicholas DeSanto
Thomas Eisenman	Saeed Hashemi	George Jenkot
Vanda Kingsbury	Kristen Marlow	Patricia Morlett
Dean Nguyen	Jermaine Raham	Alfredo Reyes
Benzen Raleigh	Elizabeth Sanchez	Teri Ten Brinke
Rusit		
Isra Tuchinda		

- J. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
- | | | |
|----------------|------------------|--------------------|
| Akmal Beshara | Tjeerd Brink | Ryan Cisneros |
| Jamileh Haddad | Avery Knight III | Gerald Kramer |
| Pattie Somphou | Kenneth Steely | William Yanusaites |
- K. Soboba Casino – Soboba Band of Luiseno Indians:
- | | |
|--------------|--------------|
| Thomas Beach | Kraig Fuller |
|--------------|--------------|
- L. Sycuan Casino – Sycuan Band of Diegueno Mission Indians:
- | | | |
|------------------|---------------------|------------|
| Phu Dao | Cindy Garcia | Kevin Lang |
| Balagtas Mendoza | Norborne Spottswood | |
- M. Tachi Palace Hotel and Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
- | | | |
|--------------------|---------------|----------------|
| Veronica DeLaTorre | Stephen Duval | James Galloway |
| Bouphasavanh | Visavakone | Howard Works |
| Kiaosouvath | Rasavong | |
- N. Win-River Casino - Redding Rancheria: Vicki Baggett

Consent Calendar Item 20.R., Hien Nguyen, was tabled by staff to respond to Commissioner Shimazu's request for additional information.

Manager Tina Littleton indicated that staff recommended that the Commission approve Consent Calendar Items 19 through 21, except Item 20.R., Hien Nguyen. Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

PUBLIC COMMENT

There were no comments from the public during this portion of the meeting.

CLOSED SESSION

Chairman Shelton announced that the Commission would adjourn to Closed Session to hold discussion concerning litigation pursuant to Government Code section 11126(e).

Chairman Shelton reconvened to open session at 11:43 a.m. with Commissioners Schmidt, Shimazu and Vuksich present and announced that there was no action taken by the Commission in closed session.

ADJOURNMENT

Upon motion to adjourn the meeting by Commissioner Vuksich, seconded by Commissioner Schmidt and unanimously carried in a roll call vote, with Chairman Shelton and Commissioners Schmidt, Shimazu, and Vuksich voting yes, the meeting adjourned at 11:44 a.m.

CALIFORNIA GAMBLING CONTROL COMMISSION
LEGAL DIVISION MEMORANDUM



Public Staff Report

Date: July 30, 2008

From: Heather Cline Hoganson, Staff Counsel Specialist
Herb Bolz, Acting Chief Counsel

Subject: Adoption of Regulations Regarding Licensure
(Withdrawal, Abandonment, Denial)

Recommendation: **ADOPT** the proposed regulations and direct staff to make any nonsubstantive changes to the regulations and supporting text as required by the Office of Administrative Law in during its review process.

Summary:

The proposed rulemaking package regarding the licensure process, including hearing procedures on recommended denials, would affect any applicant for a Commission work permit, finding of suitability, registration, key employee license, or state gambling license.

Background:

Staff first proposed the subject regulations in 2005, and has worked with representatives from the industry and from the Bureau of Gambling Control on refining the language of the text and processes involved.

Formal notice under the Administrative Procedure Act was originally given on October 13, 2006, and a public hearing was held that November. Based upon comments received at the public hearing and in the written comment periods, as well as changes in Commission and Bureau processes, two additional comment periods were held in 2007 on modified texts of the regulations.

The Administrative Procedure Act provides that a rulemaking action must be completed within one year of notice. Because of the changes involved in this rulemaking, the one-year period (October 13, 2006-2007) was exceeded. Therefore, a new formal notice was published on November 30, 2007. Two modifications with comment periods ensued, based upon written input received and process changes.

Staff recommends that the Commission adopt the proposed text dated June 30, 2008.

Staff Analysis:

The revised rulemaking package consists of five separate regulations in two separate chapters. The first four regulations are proposed in Chapter 1, General Provisions. These four regulations would apply to most of the Commission's regulated community. The fifth regulation is proposed for Chapter 6, State Gambling Licenses and Approvals for Gambling Establishments, Owners, and Key Employees. This regulation would only be applicable to key employees and owners of gambling establishments. Details regarding each regulation were provided in the Initial Statement of Reasons (which was sent to the Commission's rulemaking mailing list and is available on the Commission web site).

Regulation 12002 clarifies the definition of Executive Director.

Regulation 12047 provides a process for withdrawal. This is helpful when applicants are no longer employed by a particular casino or cardroom and wish to withdraw their applications. Staff resources can then be concentrated on applications for those who continue to work. Direction regarding deposits and clarification regarding whether or not a withdrawal is "with prejudice" or "without prejudice" is included.

Regulation 12048 provides a process to administratively deem abandoned a specific application. This is helpful when applicants may no longer be employed by a particular casino or cardroom or are otherwise not able to be reached to complete the investigation process. Staff resources can then be concentrated on applications for those who continue to work.

Regulation 12050 contemplates the proposed denial or proposed conditions to be imposed upon a license, based upon recommendations by the Bureau and/or by Commission staff, and provides an opportunity for notice and hearing before the Commission makes a final decision. It details consequences of a denial for specified applicants, such as general partners or officers of corporations. It also clarifies the judicial review available to applicants who have been denied or who dispute conditions which have been imposed on a license. Most of the modifications of text have occurred with the language of this regulation.

Regulation 12348 details when a state gambling license or key employee license must be denied (mandatory) or may be denied (discretionary). Provisions regarding *ex parte* communications are referenced in this regulation.

Conclusion:

Staff recommends adoption of these regulations to provide due process and to clarify the Commission's procedures regarding withdrawal, abandonment, and denial of applications.

1 Chapter 1. General Provisions

2 **12002. General Definitions**

3 Unless otherwise specified, the definitions in Business and Professions Code section
4 19805, supplemented by the definitions found in Chapter 10 of Title 9 of Part 1 of the
5 Penal Code (commencing with section 330), shall govern the construction of this division.
6 As used in this division:

7 ~~(a) "Bureau" means the Bureau of Criminal Identification and Information Gambling~~
8 ~~Control in the California Department of Justice. For the filing of any reports or~~
9 ~~forms, Bureau refers to the Sacramento office of the Bureau of Gambling~~
10 ~~Control.~~

11 **Note to Reader:** The Bureau of Criminal Identification is now
12 referred to as BCII. A technical change in the Commission's
13 regulations from "Division" to "Bureau" is being processed. Therefore,
14 these regulations refer to the Bureau of Gambling Control as Bureau.

15 ...
16 (g) "Executive Director" means the executive officer of the Commission, as provided
17 in Business and Professions Code section 19816 or his or her designee. If the
18 Executive Director position is vacant, the "Executive Director" means the officer
19 or employee who shall be so designated by the Commission.

20 ...
21 **Authority:** Sections 19811, 19823, 19824, 19840, 19841, 19853(a)(3), and 19854, Business and
22 Professions Code; Section 7, Government Code

23 **Reference:** Sections 7.5, 19800, 19805, 19811, 19816, and 19951, Business and Professions Code.

24 **12047. Withdrawal of Applications**

25 A request by an applicant to withdraw the submitted application may be made at any time
26 prior to the final action by the Bureau. The request shall be made in writing to the
27 Commission. The Commission, pursuant to Business and Professions Code section
28 19869, may deny the request or may grant the request, with or without prejudice.

29 (a) If a request for withdrawal is granted without prejudice, any unused portion of the
30 background investigation deposit shall be refunded by the Commission.

31 (b) If a request for withdrawal is granted with prejudice, the applicant shall not be eligible to
32 apply again for licensure or approval until after the expiration of one year from the date
33 the request for withdrawal is granted. Any unused portion of the background
34 investigation deposit shall be refunded by the Commission.

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1 (c) If the request for withdrawal is denied, the Bureau shall proceed with the investigation
2 of the applicant and provide a recommendation to the Commission for action on the
3 application.

4
5 Authority: Business and Professions Code Sections 19811, 19823, 19824, 19840, 19841, 19893, and
6 19951.

7 Reference: Business and Professions Code Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891,
8 19951, and 19984.

9 **12048. Abandonment of Applications**

10 At any time prior to final Commission action, the Executive Director may preliminarily
11 determine that the application is abandoned. Such ~~preliminarily~~ **preliminary**
12 determination may be based upon recommendation of the Bureau, failure of the applicant
13 to respond to Bureau or Commission inquiries, or notification by the applicant that the
14 application is no longer being pursued. If the determination is not based upon applicant's
15 notice to the Commission, then notice will be sent to the applicant, with a copy to the
16 applicant's employer by certified mail indicating that unless the applicant contacts the
17 Commission within 30 days from the date of the letter, the application shall be deemed
18 abandoned. An abandoned application cannot be reactivated.

19
20 Authority: Business and Professions Code Sections 19811, 19823, 19824, 19840, 19841, 19893, and
21 19951.

22 Reference: Business and Professions Code Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891,
23 and 19951.

24 25 **12050. Hearing Procedures; Appeal of Denial of or Imposition of Conditions** 26 **on application for license, permit, or request for finding of suitability.**

27 (a) If the Bureau, after an investigation pursuant to Business and Professions Code
28 section 19826, subdivision (a), issues a recommendation to deny, limit, restrict, or
29 condition a license, permit, or finding of suitability, the Bureau shall provide the
30 applicant with a ~~summary~~ **summary** copy of the Bureau's final report *as described in*
31 ***Business and Professions Code section 19868, subdivision (b)***, which includes
32 a detailed factual and/or legal basis for any recommendation as well as the
33 Bureau's recommendation to the Commission **and any supplemental documents**
34 **provided to the Commission at the time of the report and recommendation,**
35 **not less than 30 days prior to the Commission meeting.**

36 Any applicant for any license, permit, or finding of suitability for whom Commission
37 staff has issued a recommendation of denial or imposition of conditions shall be
38 given notice by certified mail of the Commission meeting at which the application is
39 scheduled to be heard and the Commission staff recommendation at least 10 days

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1 prior to the meeting. Further, the Bureau shall provide the applicant with a
2 summary of the Bureau's final report which includes a detailed factual and/or legal
3 basis for any recommendation and the Bureau's recommendation, if any, not less
4 than 30 days prior to the Commission meeting. The applicant shall be afforded the
5 opportunity to:

6 (1) Address the Commission by way of an oral statement at a noticed Commission
7 meeting, and/or may submit documents in support of the application, or

8 (2) Request an evidentiary hearing.

9 (b) If the applicant requests an evidentiary hearing or the Commission elects to have an
10 evidentiary hearing, the Executive Director shall set the matter for hearing pursuant
11 to Business and Professions Code sections 19870 and 19871, or pursuant to
12 Business and Professions Code section 19825 (which will be conducted pursuant to
13 Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the
14 Government Code).

15 (1) If the hearing is to proceed pursuant to Business and Professions Code section
16 19825 (Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of
17 Title 2 of the Government Code; California Code of Regulations, title 1, section
18 1000 et seq.), the hearing shall be before an administrative law judge sitting on
19 behalf of the Commission. Notice shall be effected pursuant to Government
20 Code section 11500 et seq.

21 (2) If the hearing is to proceed pursuant to Business and Professions Code
22 sections 19870 and 19871, notice shall be effected by the Commission, and the
23 hearing before the Commission shall be conducted pursuant to Business and
24 Professions Code section 19871:

25 (A) The Bureau or Commission staff or Deputy Attorney General or other
26 representative presenting the case (Complainant) shall provide the
27 applicant, at least 30 calendar days prior to the hearing, a list of potential
28 witnesses with the general subject of the testimony of each witness and
29 shall disclose and make available copies of all documentary evidence
30 intended to be introduced at the hearing and not previously provided,
31 reports or statements of parties and witnesses and all other writings
32 containing relevant evidence, including all evidence made available to the
33 Commissioners. The applicant shall provide Complainant with similar
34 information to be introduced at the hearing and not previously provided at
35 least ten calendar days prior to the hearing. The Commissioners may
36 prohibit testimony of a witness that is not disclosed and may prohibit the
37 introduction of documents that have not been disclosed.

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- 1 (B) Nothing in this section confers upon an applicant a right to discovery of the
2 Commission's or Bureau's confidential information or to require production
3 of any document or information the disclosure of which is otherwise
4 prohibited by any provision of the Gambling Control Act, or is privileged
5 from disclosure or otherwise made confidential by law. Documentary
6 evidence may be redacted as needed to prevent the disclosure of
7 confidential information. Exculpatory or mitigating information shall not be
8 withheld from the applicant, but may be redacted.
- 9 (C) Within the guidelines of subsection (b)(2)(A) above, each party shall have
10 the right to call and examine witnesses; to introduce relevant exhibits and
11 documentary evidence; to cross-examine opposing witnesses on any
12 relevant matter, even if the matter was not covered in the direct
13 examination; to impeach any witness, regardless of which party first called
14 the witness to testify; and to offer rebuttal evidence. If the applicant does
15 not testify on the applicant's own behalf, the applicant may be called and
16 examined as if under cross-examination.
- 17 (D) The hearing need not be conducted according to technical rules of
18 evidence. Any relevant evidence may be considered, and is sufficient in
19 itself to support findings if it is the sort of evidence on which responsible
20 persons are accustomed to rely in the conduct of serious affairs,
21 regardless of the existence of any common law or statutory rule that might
22 make improper the admission of that evidence over objection in a civil
23 action. A presiding officer, which shall be an administrative law judge or
24 an attorney designated by the Commission, shall rule on the admissibility
25 of evidence and on any objections raised.
- 26 (E) Oral evidence shall be taken upon oath or affirmation, which may be
27 administered by a staff member of the Commission or by a Commissioner.
- 28 (F) The hearing shall be stenographically or electronically recorded by the
29 Commission.
- 30 (G) At the conclusion of the hearing, the Commission shall take the matter
31 under submission and may schedule future closed session meetings for
32 deliberation. In taking the matter under consideration, any Commissioner
33 who participated at the hearing shall be allowed to vote by mail or by other
34 appropriate method. Within 30 days of the conclusion of the hearing, the
35 Commission shall issue a decision which complies with Business and
36 Professions Code section 19870, subdivision (c), and shall serve the
37 decision by certified mail on the applicant and on any business entity with
38 which the applicant is associated.

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1 (3) At the hearings described in subsections (b)(1) and (2) above, the burden of
2 proof rests with applicant to demonstrate why a license, permit, or finding of
3 suitability should be issued or not conditioned. The applicant may choose to
4 represent himself, herself, or itself, or may retain an attorney or lay
5 representative at his, her, or its own expense. A representative of the Bureau
6 shall present the reasons why the license, permit, or finding of suitability should
7 not be granted or should be granted with conditions imposed. In the event that
8 the Bureau does not present the case, the Commission may seek outside
9 representation or one or more Commission staff members shall be segregated
10 and present the case.

11 (c) If the application is denied or conditions imposed:

- 12 (1) The Commission's decision ~~will~~ shall provide the effective date of the decision
13 and may include further directions as to stay provisions or orders to divest.
- 14 (2) If the denied applicant is an officer, director, employee, agent, representative, or
15 independent contractor of a corporation licensed, registered, or found suitable by
16 the Commission, the denied applicant shall resign pursuant according to the
17 date specified in the decision and shall so notify the Commission in writing.
- 18 (3) If the denied applicant is an officer or director of a corporation licensed,
19 registered, or found suitable by the Commission, the corporation shall
20 immediately remove that person from office and shall so notify the Commission
21 in writing. If the denied applicant is an employee, agent, representative, or
22 independent contractor of a corporation licensed, registered, or found suitable by
23 the Commission, the corporation shall terminate its relationship with that person
24 pursuant to the date specified in the decision and shall so notify the Commission
25 in writing. The denied applicant and the corporation licensed, registered, or
26 found suitable by the Commission shall comply with Business and Professions
27 Code section 19882.
- 28 (4) If the denied applicant is ~~an owner or holder of an interest~~ a general or limited
29 partner in a general or limited partnership licensed, registered, or found suitable
30 by the Commission, the denied applicant shall resign as partner. If the denied
31 applicant is an owner or holder of an interest in a limited partnership licensed,
32 registered, or found suitable by the Commission, the denied applicant and the
33 limited partnership shall comply with Business and Professions Code section
34 19892 and shall so notify the Commission in writing.
- 35 (5) If the denied applicant is a principal in a business entity ~~not otherwise described~~
36 above which is licensed, registered, or found suitable by the Commission ~~not~~
37 ~~otherwise described above~~, the denied applicant shall resign his or her position
38 within that entity and divest whatever interest is held in that entity pursuant to the
39 timelines and instructions specified in the decision, and shall so notify the

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1 Commission in writing. The business entity shall remove the denied applicant
2 from any principal role in the business entity and shall so notify the Commission
3 in writing.

- 4 (6) An applicant denied a license, permit, registration, or finding of suitability, or
5 whose license, permit, registration, or finding of suitability has had conditions
6 imposed upon it may request reconsideration by the Commission within 30 days
7 of notice of the decision. The request shall be in writing and shall outline the
8 reasons for the request, which must be based upon either newly discovered
9 evidence or legal authorities that could not reasonably have been presented
10 before the Commission's issuance of the decision or at the hearing on the
11 matter, or upon other good cause for which the Commission in its discretion
12 decides merits reconsideration. The Commission Chair may delegate to the
13 Executive Director the ~~determination of~~ authority to determine whether to place
14 requests for reconsideration on the Commission agenda or to act on them at the
15 Commission staff level. If placed on the Commission agenda, the applicant
16 requesting reconsideration shall be notified of the date and time of the agenda
17 item. The granting or denial of reconsideration is at the discretion of the
18 Commission. The Commission shall notify the applicant requesting
19 reconsideration whether or not reconsideration is granted or denied within 30
20 days of the applicant's request. If the Commission grants reconsideration, the
21 effective date of the decision shall be stayed or vacated, at the Commission's
22 discretion, while the decision is reconsidered.

- 23 (d) An appeal of a denial or imposition of conditions by the Commission shall be subject to
24 judicial review under Code of Civil Procedure, section 1085 (pursuant to Business
25 and Professions Code, section 19870, subdivision (e)). Neither the right to petition
26 for judicial review nor the time for filing the petition shall be affected by failure to
27 seek reconsideration.

- 28 (e) Proceedings to revoke, suspend, or discipline a license, registration, permit, finding of
29 suitability, or other approval shall be pursuant to Chapter 10 of these regulations.

30 Authority: Sections 19804, 19870 and 19872, Business and Professions Code.

31 Reference: Sections 19868, 19870, 19879, 19883, 19892, Business and Professions Code.

32
33
34 Chapter 6. State Gambling Licenses and Approvals for
35 Gambling Establishments, Owners, and Key Employees

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1 **12348. Mandatory and Discretionary Grounds for Denial of Application for a**
2 **State Gambling License or Key Employee license.**

3 (a) An application for a state gambling license or key employee license shall be denied by
4 the Commission if any of the following apply:

5 (1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or
6 unsuitable pursuant to the criteria set forth in the Act or other applicable law or
7 that granting the license would be inimical to public health, safety, welfare, or
8 would undermine the public trust that gambling operations are free from criminal
9 or dishonest elements.

10 (2) The Commission finds that the local ordinance does not conform to the
11 requirements of Business and Professions code section 19860.

12 (b) An applicant application for a state gambling license may be denied if:

13 (1) The Commission finds that the applicant meets any of the criteria for license
14 denial set forth in Business and Professions Code section 19862, subdivision
15 (a).

16 (2) The Commission finds that an applicant has attempted to communicate or has
17 communicated ex parte, as that term is defined in Business and Professions
18 Code section 19872, subdivision (e), with one or more Commissioners, through
19 direct or indirect means, regarding the merits of the application while the
20 application is pending disposition at the Bureau or the Commission.

21 (3) The Commission finds that the applicant's past behavior calls into question the
22 applicant's qualification requirements and considerations outlined in Business
23 and Professions Code section 19856. Examples of past behavior that may be
24 considered include, but are not limited to:

25 (A) Convictions which demonstrate a pattern of disregard for the law,

26 (B) A conviction involving gambling or gambling-related activities,

27 (C) A final administrative decision concluding that there was a violation of law
28 involving gambling or gambling-related activities, or

29 (D) A conviction regarding or final administrative decision concluding that
30 there was a violation of campaign finance disclosure or contribution
31 limitations applicable to an election conducted pursuant to Business and
32 Professions Code section 19960.

33 (4) The Commission finds that the applicant has, within ten years immediately
34 preceding the submission of the application, willfully or persistently violated any
35 of the following:

36 (A) Any regulation adopted by the Commission or Bureau.

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1 (B) Any condition, limitation, or directive imposed on a previously held state
2 gambling or key employee license.

3 (c) The grounds for denial set forth in this section apply in addition to any grounds
4 prescribed by statute or any grounds that would support revocation under chapter
5 10 of these regulations.

6 **Authority:** Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19861, 19870, 19872, 19880,
7 19890, and 19982, Business and Professions Code

8 **Reference:** Sections 19850, 19851, 19852, 19857, 19858, 19859, 19860, 19862, 19863, and 19960,
9 Business and Professions Code

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1 ***"Printer's Markup Copy" showing final changes to existing regulations***
2 ***Provided for Ease of Reading***

3
4 Chapter 1. General Provisions

5 **12002. General Definitions**

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

10

11 (g) "Executive Director" means the executive officer of the Commission, as provided in
12 Business and Professions Code section 19816 or his or her designee. If the
13 Executive Director position is vacant, the "Executive Director" means the officer or
14 employee who shall be so designated by the Commission.

15

16 **Authority:** Sections 19811, 19823, 19824, 19840, 19841, 19853(a)(3), and 19854, Business and Professions
17 Code; Section 7, Government Code
18 **Reference:** Sections 7.5, 19800, 19805, 19811, 19816, and 19951, Business and Professions Code.

19 **12047. Withdrawal of Applications**

20 A request by an applicant to withdraw the submitted application may be made at any time
21 prior to the final action by the Bureau. The request shall be made in writing to the
22 Commission. The Commission, pursuant to Business and Professions Code section 19869,
23 may deny the request or may grant the request, with or without prejudice.

24 (a) If a request for withdrawal is granted without prejudice, any unused portion of the
25 background investigation deposit shall be refunded by the Commission.

26 (b) If a request for withdrawal is granted with prejudice, the applicant shall not be eligible to
27 apply again for licensure or approval until after the expiration of one year from the date
28 the request for withdrawal is granted. Any unused portion of the background investigation
29 deposit shall be refunded by the Commission.

30 (c) If the request for withdrawal is denied, the Bureau shall proceed with the investigation of
31 the applicant and provide a recommendation to the Commission for action on the
32 application.

33
34 **Authority:** Business and Professions Code Sections 19811, 19823, 19824, 19840, 19841, 19893, and 19951.
35 **Reference:** Business and Professions Code Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891,
36 19951, and 19984.
37

1 **12048. Abandonment of Applications**

2 At any time prior to final Commission action, the Executive Director may preliminarily
3 determine that the application is abandoned. Such preliminary determination may be based
4 upon recommendation of the Bureau, failure of the applicant to respond to Bureau or
5 Commission inquiries, or notification by the applicant that the application is no longer being
6 pursued. If the determination is not based upon applicant's notice to the Commission, then
7 notice will be sent to the applicant, with a copy to the applicant's employer by certified mail
8 indicating that unless the applicant contacts the Commission within 30 days from the date of
9 the letter, the application shall be deemed abandoned. An abandoned application cannot be
10 reactivated.

11
12 **Authority:** Business and Professions Code Sections 19811, 19823, 19824, 19840, 19841, 19893, and 19951.

13 **Reference:** Business and Professions Code Sections 19859, 19867, 19869, 19880, 19881, 19890, 19891, and
14 19951.

15 **12050. Hearing Procedures; Appeal of Denial of or Imposition of Conditions on**
16 **application for license, permit, or request for finding of suitability.**

17 (a) If the Bureau, after an investigation pursuant to Business and Professions Code
18 section 19826, subdivision (a), issues a recommendation to deny, limit, restrict, or
19 condition a license, permit, or finding of suitability, the Bureau shall provide the
20 applicant with a copy of the Bureau's final report as described in Business and
21 Professions Code section 19868, subdivision (b), which includes a detailed factual
22 and/or legal basis for any recommendation as well as the Bureau's recommendation to
23 the Commission and any supplemental documents provided to the Commission at the
24 time of the report and recommendation.

25
26 Any applicant for any license, permit, or finding of suitability for whom Commission
27 staff has issued a recommendation of denial or imposition of conditions shall be given
28 notice by certified mail of the Commission meeting at which the application is
29 scheduled to be heard and the Commission staff recommendation at least 10 days
30 prior to the meeting. The applicant shall be afforded the opportunity to:

31 (1) Address the Commission by way of an oral statement at a noticed Commission
32 meeting, and/or may submit documents in support of the application, or

33 (2) Request an evidentiary hearing.

34 (b) If the applicant requests an evidentiary hearing or the Commission elects to have an
35 evidentiary hearing, the Executive Director shall set the matter for hearing pursuant to
36 Business and Professions Code sections 19870 and 19871, or pursuant to Business
37 and Professions Code section 19825 (conducted pursuant to Chapter 5 (commencing
38 with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

39 (1) If the hearing is to proceed pursuant to Business and Professions Code section
40 19825 (Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title
41 2 of the Government Code; California Code of Regulations, title 1, section 1000 et
42 seq.), the hearing shall be before an administrative law judge sitting on behalf of

1 the Commission. Notice shall be effected pursuant to Government Code section
2 11500 et seq.

3 (2) If the hearing is to proceed pursuant to Business and Professions Code sections
4 19870 and 19871, notice shall be effected by the Commission, and the hearing
5 before the Commission shall be conducted pursuant to Business and Professions
6 Code section 19871:

7 (A) The Bureau or Commission staff or Deputy Attorney General or other
8 representative presenting the case (Complainant) shall provide the applicant,
9 at least 30 calendar days prior to the hearing, a list of potential witnesses with
10 the general subject of the testimony of each witness and shall disclose and
11 make available copies of all documentary evidence intended to be introduced
12 at the hearing and not previously provided, reports or statements of parties
13 and witnesses and all other writings containing relevant evidence, including
14 all evidence made available to the Commissioners. The applicant shall
15 provide Complainant with similar information to be introduced at the hearing
16 and not previously provided at least ten calendar days prior to the hearing.
17 The Commissioners may prohibit testimony of a witness that is not disclosed
18 and may prohibit the introduction of documents that have not been disclosed.

19 (B) Nothing in this section confers upon an applicant a right to discovery of the
20 Commission's or Bureau's confidential information or to require production of
21 any document or information the disclosure of which is otherwise prohibited
22 by any provision of the Gambling Control Act, or is privileged from disclosure
23 or otherwise made confidential by law. Documentary evidence may be
24 redacted as needed to prevent the disclosure of confidential information.
25 Exculpatory or mitigating information shall not be withheld from the applicant,
26 but may be redacted.

27 (C) Within the guidelines of subsection (b)(2)(A) above, each party shall have the
28 right to call and examine witnesses; to introduce relevant exhibits and
29 documentary evidence; to cross-examine opposing witnesses on any relevant
30 matter, even if the matter was not covered in the direct examination; to
31 impeach any witness, regardless of which party first called the witness to
32 testify; and to offer rebuttal evidence. If the applicant does not testify on the
33 applicant's own behalf, the applicant may be called and examined as if under
34 cross-examination.

35 (D) The hearing need not be conducted according to technical rules of evidence.
36 Any relevant evidence may be considered, and is sufficient in itself to support
37 findings if it is the sort of evidence on which responsible persons are
38 accustomed to rely in the conduct of serious affairs, regardless of the
39 existence of any common law or statutory rule that might make improper the
40 admission of that evidence over objection in a civil action. A presiding officer,
41 which shall be an administrative law judge or an attorney designated by the
42 Commission, shall rule on the admissibility of evidence and on any objections
43 raised.

- 1 (E) Oral evidence shall be taken upon oath or affirmation, which may be
2 administered by a staff member of the Commission or by a Commissioner.
- 3 (F) The hearing shall be stenographically or electronically recorded by the
4 Commission.
- 5 (G) At the conclusion of the hearing, the Commission shall take the matter under
6 submission and may schedule future closed session meetings for
7 deliberation. In taking the matter under consideration, any Commissioner
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9 appropriate method. Within 30 days of the conclusion of the hearing, the
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11 Professions Code section 19870, subdivision (c), and shall serve the decision
12 by certified mail on the applicant and on any business entity with which the
13 applicant is associated.

- 14 (3) At the hearings described in subsections (b)(1) and (2) above, the burden of proof
15 rests with applicant to demonstrate why a license, permit, or finding of suitability
16 should be issued or not conditioned. The applicant may choose to represent
17 himself, herself, or itself, or may retain an attorney or lay representative at his,
18 her, or its own expense. A representative of the Bureau shall present the reasons
19 why the license, permit, or finding of suitability should not be granted or should be
20 granted with conditions imposed. In the event that the Bureau does not present
21 the case, the Commission may seek outside representation or one or more
22 Commission staff members shall be segregated and present the case.

23 (c) If the application is denied or conditions imposed:

- 24 (1) The Commission's decision shall provide the effective date of the decision and
25 may include further directions as to stay provisions or orders to divest.
- 26 (2) If the denied applicant is an officer, director, employee, agent, representative, or
27 independent contractor of a corporation licensed, registered, or found suitable by
28 the Commission, the denied applicant shall resign according to the date specified
29 in the decision and shall so notify the Commission in writing.
- 30 (3) If the denied applicant is an officer or director of a corporation licensed, registered,
31 or found suitable by the Commission, the corporation shall immediately remove
32 that person from office and shall so notify the Commission in writing. If the denied
33 applicant is an employee, agent, representative, or independent contractor of a
34 corporation licensed, registered, or found suitable by the Commission, the
35 corporation shall terminate its relationship with that person pursuant to the date
36 specified in the decision and shall so notify the Commission in writing. The denied
37 applicant and the corporation licensed, registered, or found suitable by the
38 Commission shall comply with Business and Professions Code section 19882.
- 39 (4) If the denied applicant is a general or limited partner in a general or limited
40 partnership licensed, registered, or found suitable by the Commission, the denied
41 applicant shall resign as partner. If the denied applicant is an owner or holder of an
42 interest in a limited partnership licensed, registered, or found suitable by the
43 Commission, the denied applicant and the limited partnership shall comply with

1 Business and Professions Code section 19892 and shall so notify the Commission
2 in writing.

3 (5) If the denied applicant is a principal in a business entity not otherwise described
4 above which is licensed, registered, or found suitable by the Commission, the
5 denied applicant shall resign his or her position within that entity and divest
6 whatever interest is held in that entity pursuant to the timelines and instructions
7 specified in the decision, and shall so notify the Commission in writing. The
8 business entity shall remove the denied applicant from any principal role in the
9 business entity and shall so notify the Commission in writing.

10 (6) An applicant denied a license, permit, registration, or finding of suitability, or whose
11 license, permit, registration, or finding of suitability has had conditions imposed
12 upon it may request reconsideration by the Commission within 30 days of notice of
13 the decision. The request shall be in writing and shall outline the reasons for the
14 request, which must be based upon either newly discovered evidence or legal
15 authorities that could not reasonably have been presented before the
16 Commission's issuance of the decision or at the hearing on the matter, or upon
17 other good cause for which the Commission in its discretion decides merits
18 reconsideration. The Commission Chair may delegate to the Executive Director
19 the authority to determine whether to place requests for reconsideration on the
20 Commission agenda or to act on them at the Commission staff level. If placed on
21 the Commission agenda, the applicant requesting reconsideration shall be notified
22 of the date and time of the agenda item. The granting or denial of reconsideration
23 is at the discretion of the Commission. The Commission shall notify the applicant
24 requesting reconsideration whether or not reconsideration is granted or denied
25 within 30 days of the applicant's request. If the Commission grants reconsideration,
26 the effective date of the decision shall be stayed or vacated, at the Commission's
27 discretion, while the decision is reconsidered.

28 (d) An appeal of a denial or imposition of conditions by the Commission shall be subject to
29 judicial review under Code of Civil Procedure, section 1085 (pursuant to Business and
30 Professions Code, section 19870, subdivision (e)). Neither the right to petition for
31 judicial review nor the time for filing the petition shall be affected by failure to seek
32 reconsideration.

33 (e) Proceedings to revoke, suspend, or discipline a license, registration, permit, finding of
34 suitability, or other approval shall be pursuant to Chapter 10 of these regulations.

35 Authority: Sections 19804, 19870 and 19872, Business and Professions Code.

36 Reference: Sections 19866, 19870, 19879, 19883, 19892, Business and Professions Code.

37
38 Chapter 6. State Gambling Licenses and Approvals for
39 Gambling Establishments, Owners, and Key Employees

40 **12348. Mandatory and Discretionary Grounds for Denial of Application for a**
41 **State Gambling License or Key Employee license.**

42 (a) An application for a state gambling license or key employee license shall be denied by the
43 Commission if any of the following apply:

- 1 (1) The Commission finds that the applicant is ineligible, unqualified, disqualified, or
2 unsuitable pursuant to the criteria set forth in the Act or other applicable law or that
3 granting the license would be inimical to public health, safety, welfare, or would
4 undermine the public trust that gambling operations are free from criminal or
5 dishonest elements.
- 6 (2) The Commission finds that the local ordinance does not conform to the requirements
7 of Business and Professions code section 19860.

8 (b) An application for a state gambling license may be denied if:

- 9 (1) The Commission finds that the applicant meets any of the criteria for license denial
10 set forth in Business and Professions Code section 19862, subdivision (a).
- 11 (2) The Commission finds that an applicant has attempted to communicate or has
12 communicated *ex parte*, as that term is defined in Business and Professions Code
13 section 19872, subdivision (e), with one or more Commissioners, through direct or
14 indirect means, regarding the merits of the application while the application is
15 pending disposition at the Bureau or the Commission.
- 16 (3) The Commission finds that the applicant's past behavior calls into question the
17 applicant's qualification requirements and considerations outlined in Business and
18 Professions Code section 19856. Examples of past behavior that may be considered
19 include, but are not limited to:
- 20 (A) Convictions which demonstrate a pattern of disregard for the law,
21 (B) A conviction involving gambling or gambling-related activities,
22 (C) A final administrative decision concluding that there was a violation of law
23 involving gambling or gambling-related activities, or
24 (D) A conviction regarding or final administrative decision concluding that there was
25 a violation of campaign finance disclosure or contribution limitations applicable to
26 an election conducted pursuant to Business and Professions Code section
27 19960.
- 28 (4) The Commission finds that the applicant has, within ten years immediately
29 preceding the submission of the application, willfully or persistently violated any of
30 the following:
- 31 (A) Any regulation adopted by the Commission or Bureau.
32 (B) Any condition, limitation, or directive imposed on a previously held state
33 gambling or key employee license.
- 34 (c) The grounds for denial set forth in this section apply in addition to any grounds
35 prescribed by statute or any grounds that would support revocation under chapter 10
36 of these regulations.

37 **Authority:** Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19861, 19870, 19872, 19880,
38 19890, and 19982, Business and Professions Code.

39 **Reference:** Sections 19850, 19851, 19852, 19857, 19858, 19859, 19860, 19862, 19863, and 19960,
40 Business and Professions Code.



CALIFORNIA GAMBLING CONTROL COMMISS

Address: 2399 Gateway Oaks Drive, Suite 100 • Sacramento, CA
Phone: (916) 263-0700 • FAX: (916) 263-0452

ATTACHMENT B



Memorandum

Agenda Item # 16

To : Commissioners

Date : July 29, 2008

Via : Steven V. Giorgi, Executive Director
Terresa A. Ciau, Deputy Director – Licensing
Evelyn Matteucci, Chief Counsel

From : James B. Allen, Regulatory Actions Coordinator

Subject : TWO-YEAR LICENSE FEES, AND TWO-YEAR TPPS AND GAMBLING BUSINESS LICENSES;
IMPLEMENTATION OF CHAPTER 438, STATUTES OF 2007 (SB 730, FLOREZ);
CGCC-GCA-2008-R-1

PURPOSE

This is to inform the Commission of the completion of the formal rulemaking process for the above subject proposed regulatory action to amend the Commission's regulations contained in California Code of Regulations, Title 4, Division 18, and to place this matter before the Commission for consideration and final action.

RECOMMENDATION

Staff recommends that the Commission: (1) **Adopt, and Approve** for filing with the Office of Administrative Law (OAL), the final text of the two-year license fee regulations and two-year third-party proposition player services (TPPS) provider and gambling business license regulations (adopt Title 4 CCR Section 12008; and amend Title 4 CCR Sections 12122, 12200.14, 12200.20, 12202, 12203A, 12203.2, 12205.1, 12218.13, 12220.14, 12220.20, 12220.20A, 12222, 12237, 12301, 12342, 12343, 12344 and 12345, including conforming revisions to certain forms incorporated therein); and (2) **Authorize** staff to make any needed nonsubstantive changes. The recommended final text is included as Attachment A. The revised forms, which are provided in clean copy format, are included as Attachment B.

BACKGROUND

Introduced by Senator Florez, Senate Bill 730 (SB 730) (Chapter 438, Statutes of 2007) was passed by the Legislature on September 12, 2007 and signed by the Governor on October 10, 2007. SB 730 became effective on January 1, 2008. Among other things, SB 730 – an industry sponsored and supported measure – mandates that the Commission establish two-year license terms no later than August 1, 2008.¹ This has been accomplished with respect to all license types, except TPPS

¹ Business and Professions Code section 19876, subdivision (a), as amended by SB 730 (Ch. 438, Stats. 2007)

providers and gambling businesses, in a recently completed rulemaking.² SB 730 also requires the Commission to adopt regulations, by no later than January 1, 2009, that establish license application fees.³

This proposed regulatory action implements certain provisions of SB 730 by establishing two-year license application fees for gambling establishments, key employees, TPPS providers and gambling businesses. The proposed regulations also establish two-year license terms for TPPS providers and gambling businesses.

This rulemaking action began with publication of the 45-day public comment notice on June 6, 2008. A public hearing was not scheduled and the public comment period closed on July 21, 2008. No comments, objections or recommendations were received during the comment period.

ANALYSIS

General:

These proposed regulations establish a new section in Chapter 1 of Division 18 that contains the initial and renewal application fee schedule for all licenses, registrations and permits issued by the Commission. Accordingly, the application fee amounts specified in all other chapters of Division 18 would be deleted, and the fee amount referenced to this new single section within Chapter 1.

The license application fee amounts specified in this new section reflect an adjustment from a one-year (annual) license term to a two-year (biennial) license term for gambling establishments, key employees, TPPS providers and gambling businesses. The Commission recently established two-year license terms for gambling establishments and key employees, as mentioned above. In accordance with the provisions of SB 730, these proposed regulations further establish two-year license terms for TPPS providers and gambling businesses.

Application Fees:

Prior to SB 730, the Gambling Control Act (Act)⁴ set the license application fee at \$500.⁵ This and other fees have been set with the intention that they offset Commission and Bureau of Gambling Control (Bureau) costs in administering the various provisions of the Act.⁶ The license application fee amounts set by these proposed regulations are either the same as or lower than that which existed prior to SB 730.

² CGCC-GCA-2007-R-3; Two-Year Licensing of Gambling Establishments and Key Employees, effective June 24, 2008

³ Business and Professions Code section 19951, subdivision (a), as amended by SB 730 (Ch. 438, Stats. 2007)

⁴ Business and Professions Code sections 19800 through 19987

⁵ Business and Professions Code section 19951, subdivision (a), as written prior to SB 730 (Ch. 438, Stats. 2007)

⁶ Business and Professions Code section 19826, subdivision (g), section 19867, subdivision (a), section 19950, subdivision (a), section 19951, subdivisions (b) and (c), and section 19986, subdivision (j)

The application fee amounts for registrations and permits are unchanged from current regulation; the existing fee amounts were merely transferred to the new fee schedule section added to Chapter 1. The application fee amounts for licenses have been adjusted from a one-year to a two-year license term.

For primary owners and owners of gambling establishments, TPPS providers and gambling businesses, the license application fee amounts have been adjusted from an annual to a biennial payment schedule (\$500 annually adjusted to \$1000 biennially). Except for this annual to biennial payment schedule adjustment, the fee amounts are unchanged from current regulation ($\$500/\text{yr.} \times 2 \text{ yrs.} = \1000).

For key employees of gambling establishments, and supervisors of TPPS and gambling businesses, the payment schedules for the license application fees have been adjusted for the new two-year license term and the fee amount actually lowered in the process. Rather than doubling the current annual license application fee of \$500, the proposed action establishes a two-year fee of \$750. This action lowers the fee by 25% over the two-year license term ($\$500/\text{yr.} \times 2 \text{ yrs.} = \$1000 - \$750 = \250 reduction).

A doubling of the current annual license application fee for key employees could be overly burdensome for these licensees. SB 730 includes a provision that establishes personal, portable key employee licenses that are independent of a specific gambling establishment. Prior to SB 730, key employee licenses were endorsed upon the gambling establishment's license, and key employee renewal applications were required to be included with those of the gambling establishment as a single application package. State law required that the key employee's license application fee be assessed against the gambling license issued to the owner of the gambling establishment.⁷ Under SB 730, key employees will be renewing their licenses independent of the employing gambling establishment and will be responsible for paying their own license fees.⁸ Although key employees have supervisory and/or decision making responsibilities, they are still employees, and as such, should not carry the same licensing burden as the owners of the gambling establishment in which they work. Reducing the key employee license application fee by 25% should help to ease the burden of having to pay the fee themselves.

In addition, prior to SB 730, a new license and application fee was required each time a key employee changed from one employer to another. Under SB 730, the license application fee reduction noted above is further enhanced by the new portability of the key employee license, where key employees carry the same license from job-to-job, without having to pay another license application fee.

⁷ Business and Professions Code section 19951, subdivision (b), as written prior to SB 730 (Ch. 438, Stats. 2007)
⁸ Business and Professions Code section 19951, subdivision (b), as amended by SB 730 (Ch. 438, Stats. 2007)

Players and other employees of TPPS providers and gambling businesses are already licensed for a two-year term. These proposed regulations retain their current two-year license application fee of \$500.

The license application fee reduction for key employees and supervisors of licensed TPPS providers and gambling businesses will produce a projected annual revenue loss to the Gambling Control Fund of \$69,125. This revenue loss represents only 0.5% of the total annual budget expenditures for the Commission and the Bureau.⁹ As a result, this revenue loss is absorbable within existing resources, having a minimal and manageable fiscal impact upon the Commission and the Bureau.

TPPS Provider and Gambling Business License Terms:

SB 730 provides that all licenses renewed on or after August 1, 2008 shall expire 24 months after the date of the approval of the renewal application or after the expiration of the prior license, whichever is later.¹⁰ The Commission recently established two-year license terms for gambling establishments and key employees in another recently adopted rulemaking. This proposed action also establishes two-year terms for TPPS provider and gambling business licenses.

These proposed regulations benefit TPPS providers and gambling businesses by reducing the frequency of license renewal. The Commission and the Bureau have established license application and renewal processes that include detailed application forms and extensive applicant background investigations. Although necessary, these processes can be burdensome for the applicant. As a result of the two-year license term proposed by these regulations, the applicant's burden of license renewal is reduced by 50%.

This biennial, rather than annual, license renewal cycle also benefits the Commission and the Bureau by helping to free-up personnel resources, allowing them to refocus on other priority concerns. These personnel resources are needed at the Commission to help handle additional workload associated with the following functions, for which no budget augmentation has been provided:

- A. An independent licensing program for Key Employees (mandated by SB 730).
- B. Establishment of a licensing program for gambling equipment manufacturers and distributors.
- C. Implementation of minimum internal control standards for gambling establishments.

⁹ Estimated annual expenditures are \$12,421,000 in the Gambling Control Fund Condition Statement, 2008-09 Governor's Budget

¹⁰ Business and Professions Code section 19876, subdivision (a), as amended by SB 730 (Ch. 438, Stats. 2007)

At the Bureau, the personnel resources would be diverted to help handle workload associated with the following functions, for which no budget augmentation has been provided:

- A. Thorough and timely background investigations of applicants for all license types.
- B. The additional applicant background investigations resulting from the registration-to-license conversion of TPPS and gambling businesses.
- C. The additional applicant background investigations resulting from a new licensing program for gambling equipment manufacturers and distributors.

TPPS Provider and Gambling Business Employee Reports:

The submission due date for TPPS provider and gambling business employee reports is currently tied to the annual expiration of the license. Since this proposed action extends the term of these licenses to two years, the proposed action amends regulations to change the report submission due date to be the same as that specified for the annual fee (i.e., September 1 of each year). It is necessary for this form to be submitted at the same time as the payment of the annual fee, as the amount of this fee is based upon the total number of licenses affiliated with the owner. These employee report forms help the primary owner and the Commission to calculate the correct annual fee amount.

The regulations are also amended to delete the requirement that these forms and updated organizational charts be forwarded to both the Bureau and the Commission. Instead, the forms and charts are to be forwarded to only the Commission, and then electronically shared with the Bureau, eliminating the need for the registrant or licensee to send them to both agencies. The Commission and the Bureau have recently implemented a computer database where imaged documents can be electronically shared between the two agencies. This new system allows the Commission to lessen the burden upon the registrant or licensee by eliminating the duplicative workload.

TPPS Provider and Gambling Business Annual Fee:

Current regulations prescribe the due date for payment of the annual fee that the primary owners of licensed TPPS providers and gambling businesses are required to pay. Currently, the payment due date for this fee is tied to the annual expiration of these licenses. Since this proposed action extends the term of these licenses to two years, a new annual payment due date must be established that is not tied to the renewal of the license. The regulations are amended to change the annual fee payment due date to September 1 of each year, the same as is currently required of registered TPPS providers and gambling businesses. These amendments retain the current annual payment of this fee, even though the term of these licenses has been extended to two years.

Fiscal Impact:

This license application fee reduction for key employees and supervisors of TPPS providers and gambling businesses will produce a projected annual revenue loss to the Gambling Control Fund of \$69,125. This is based on a total of 553 licensed key employees, and supervisors of TPPS providers and gambling businesses. A two-year license application fee of \$1000 would produce a total of \$553,000, whereas a two-year fee of \$750 would produce \$414,750. The difference over a two-year period is \$138,250, or an annual revenue loss of \$69,125.

As previously stated above, this revenue loss represents only 0.5% of the total annual budget expenditures for the Commission and the Bureau. As a result, this revenue loss is absorbable within existing resources, having a minimal and manageable fiscal impact upon the Commission and the Bureau.

Business Impact:

The proposed action does not have a significant adverse economic impact on businesses. The cost to do business is the same, with or without the proposed regulations. The proposed regulations will impose a \$1000 license application fee every two years, rather than a \$500 fee every year. As a result, there is no net difference in fees. Further, the proposed regulations benefit some businesses by reducing the burden of license renewal by 50%. As a result, this proposed action does not impose any new requirement upon or require any additional action by any business. There is no new reporting or recordkeeping requirement mandated, nor are there any performance standards imposed, technologies or equipment specified, nor specific actions or procedures prescribed.

Alternatives Considered:

The purpose of these regulations is to implement the requirements of SB 730. No reasonable alternative to these regulations would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation. The alternatives that were considered and the reasons each alternative was rejected are as follows:

1. Simply double all current license application fees to accommodate the change from a one-year to a two-year license renewal cycle.

Reason for Rejection: Although a doubling of the license application fee would seem to be the most non-impacting upon business, the same may not be true for individuals such as key employees of gambling establishments or supervisors of TPPS providers and gambling businesses. As a result of SB 730, key employees are required to pay the license application fee themselves, whereas in the past, the owner of the gambling establishment was required to pay the fee. A 25% reduction in the license application fee for these individuals was viewed as the

better alternative, since it helps to ease this new financial burden upon key employees, without creating an unmanageable fiscal impact upon the Commission.

2. Establish a two-year license term, but keep license application fees at their current levels, thus reducing license fees by 50%.

Reason for Rejection: This alternative would result in an adverse fiscal impact, which would keep the Commission from carrying out its responsibility of assuring that gambling licenses are not issued to, or held by, unqualified or disqualified persons, or by persons whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

CRITICAL DATES

As previously mentioned, SB 730 requires the Commission to adopt regulations establishing license application fees by January 1, 2009. In order to ensure that this requirement is satisfied, this proposed action should be adopted and the Rulemaking File submitted to OAL at the earliest date possible. If approved at the Commission's August 28, 2008 meeting, the regulations could become effective as early as November 20, 2008. However, if approval were delayed until the September 23, 2008 meeting, the earliest effective date possible would be December 18, 2008.

CONCLUSION

There are a number of options available to the Commission, which include:

- (1) Approving the staff recommendation, as presented on page one,
- (2) Approving the staff recommendation with nonsubstantive changes,
- (3) Approving the staff recommendation with substantive changes,
- (4) Putting over the matter to a later meeting to permit additional public comment or for staff to address specified issues, and
- (5) Disapproving the staff recommendation.

If the Commission selects options 1 or 2, staff will close the record, complete the Rulemaking File and submit it to OAL. If the Commission selects option 3, it will be necessary for staff to notice a 15-day public comment period, and then bring the matter back for consideration at a later Commission meeting.¹¹ Option 5 would be appropriate if the Commission were to disagree fundamentally with policies reflected in a staff recommendation.

Staff recommends option (1).

¹¹ In general, any time a substantive change is made by the full Commission to a proposed regulation after completion of the initial APA public comment period, staff will need to notice a 15-day public comment period for the modified proposal.

ATTACHMENTS

☞ A – Proposed Regulation Text

☞ B – Revised Forms

COPIES TO

Tina Littleton, Lisa Rowell, Richard K. Mundy

ATTACHMENT A

CALIFORNIA GAMBLING CONTROL COMMISSION
SPECIFIC LANGUAGE OF PROPOSED REGULATIONS

TWO-YEAR LICENSE FEES
&
TWO-YEAR TPPS AND GAMBLING BUSINESS LICENSES
CGCC-GCA-2008-R-1

CALIFORNIA CODE OF REGULATIONS
TITLE 4. BUSINESS REGULATIONS.
DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

CHAPTER 1. GENERAL PROVISIONS.

§ 12008. Registration Fees; License Fees.

Every application for a registration or license issued pursuant to this division shall be accompanied by a fee that is authorized by Business and Professions Code section 19951(a). Every application for a work permit issued pursuant to Chapter 2 of this division shall be accompanied by a fee that is authorized by Business and Professions Code section 19915. The fee for the initial application and renewal of registrations, licenses or work permits issued pursuant to this division is as follows:

(a) For an initial and renewal Gambling License issued pursuant to Chapter 6, the fee is one thousand dollars (\$1000).

(b) For an initial and renewal Key Employee License issued pursuant to Chapter 6, the fee is seven hundred and fifty dollars (\$750).

(c) For an initial and renewal Work Permit issued pursuant to Chapter 2, the fee is as follows:

(1) For a Regular Work Permit, the fee is two hundred and fifty dollars (\$250).

(2) For a Temporary Work Permit, the fee is twenty-five dollars (\$25), in addition to the regular work permit fee in paragraph (1) of this subsection.

(d) For a Third-Party Proposition Player Services registration or license issued pursuant to Chapter 2.1, the fee is as follows:

(1) For an initial and renewal registration of all registration types, the fee is five hundred dollars (\$500).

(2) For a temporary player registration, the fee is twenty-five dollars (\$25), in addition to the regular player registration fee specified in paragraph (1) of this subsection.

(3) For an initial and renewal license as a primary owner or owner, the fee is one thousand dollars (\$1 000).

(4) For an initial and renewal license as a supervisor, the fee is seven hundred and fifty dollars (\$750).

(5) For an initial and renewal license as a player or other employee, the fee is five hundred dollars (\$500).

(e) For a Gambling Business registration or license issued pursuant to Chapter 2.2, the fee is as follows:

(1) For an initial and renewal registration for all registration types, the fee is five hundred dollars (\$500).

(2) For an initial and renewal license as a primary owner or owner, the fee is one thousand dollars (\$1 000).

(3) For an initial and renewal license as a supervisor, the fee is seven hundred and fifty dollars (\$750).

(4) For an initial and renewal license as a player or other employee, the fee is five hundred dollars (\$500).

(f) For a Gambling Equipment Manufacturer or Distributor Registration issued pursuant to Chapter 4, the fee is as follows:

(1) For an initial and renewal registration as a Class A Equipment Manufacturer or Distributor, the fee is five hundred dollars (\$500).

(2) For an initial and renewal registration as an "antique collector", within the meaning of Sections 12300(b)(1) and 12301(b)(10)(B), the fee is forty dollars (\$40).

(3) For a Class B Equipment Manufacturer or Distributor Registration, no fee is required.

Note: Authority cited: Sections 19811, 19824, 19840, 19841(a) and (r), 19853(a)(3), 19915, 19951(a) and 19984, Business and Professions Code. Reference: Sections 19915, 19841(r), 19853(a)(3), 19951(a) and 19984(b), Business and Professions Code.

CHAPTER 2. WORK PERMITS.

ARTICLE 3. TEMPORARY WORK PERMITS.

§ 12122. Criteria for the Issuance of Temporary Work Permits.

The Executive Director shall issue a temporary work permit if all of the following

requirements are met:

(a) The applicant has applied for a temporary work permit by completing the Commission's work permit application form, requesting issuance of a temporary work permit by checking the appropriate box on the application form, and submitting with the application a nonrefundable ~~\$ 25.00~~ temporary work permit fee as specified in paragraph (2) of subsection (c) of Section 12008, in addition to the regular work permit fee ~~of \$ 250.00 paid pursuant to Business and Professions Code section 19915 specified in paragraph (1) of subsection (c) of Section 12008.~~

(b) The applicant has supplied all of the following to the Commission:

(1) ~~The applicant's name, mailing address, residence street address (if different than mailing address), telephone number, e-mail address (optional), and date of birth.~~

(2) ~~A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the work permit application, which shall be in addition to the photograph submitted for the regular work permit.~~

(3) Information concerning the gambling establishment in which the position is available: ~~the name of the gambling establishment, mailing address, voice telephone number, facsimile number (if any), e-mail address (if any), the job title of the position, and the name of the owner, authorized agent, or hiring authority of the establishment.~~

(4) A Request for Live Scan Service (California Department of Justice Form BCII 8016, rev. 4/01,) confirming that the applicant has submitted his or her fingerprints to the BCII for an automated background check and response.

(c) ~~Neither the application in its entirety nor the results of the investigation of the applicant reported by the Bureau to the Commission up until the date of issuance of the temporary work permit discloses any of the following:~~

(1) The applicant has been convicted of any felony.

(2) The applicant has, within the 10-year period immediately preceding the submission of the application, been convicted of any of the following offenses, not including convictions which have been expunged or dismissed as provided by law:

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

(B) A misdemeanor involving gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part

1 of the Penal Code.

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

(D) A misdemeanor involving violations of the Act.

(E) A misdemeanor involving dishonesty or moral turpitude.

(3) The applicant has had an application for a gambling license or work permit denied.

(4) The applicant has had a gambling license or work permit revoked.

(5) The applicant is disqualified under the Act or other provisions of law from holding a work permit.

(d) The Bureau has reported one of the following to the Commission concerning the Request for Live Scan Service submitted to the BCII:

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

(2) No response from the BCII or Federal authorities has been received within the time period set forth in subsection (b) of Section 12126.

(e) The application and other information obtained during the review does not disclose any factor indicating that approval of the temporary work permit may in the judgment of the Executive Director present a danger to the public or to the reputation of controlled gambling in this state.

(f) The applicant is not ineligible under Business and Professions Code section 19859, subdivision (b), (e), (f), or (g), the terms of which are incorporated by reference and hereby expressly made applicable to applications for temporary work permits.

Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 19811, 19816, 19823, 19859 and 19912, Business and Professions Code.

CHAPTER 2.1. THIRD-PARTY PROVIDERS OF PROPOSITION PLAYER SERVICES.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

§ 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 Bureau and the~~

~~Commission. The listing of employees shall be submitted on the~~ Each licensed primary owner shall submit to the Commission, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed form Third Party Proposition Player Services Employee Report (CGCC-440 (Rev. 09/04)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Commission.

(b) ~~Upon renewal of the registration or license, each registered or licensed primary owner shall submit an updated organization chart and a listing of all employees by name and title form Third Party Proposition Player Services Employee Report (CGCC-440 (Rev. 09/04)) to the Bureau and the Commission.~~

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

Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code. Reference: Section 19984(b), Business and Professions Code

§ 12200.20. Annual Fee.

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

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

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

(c) The annual fee shall be computed as follows:

(1) Beginning September 1, 2004, each primary owner shall pay the annual sum of two thousand fifty dollars (\$2050) per registrant or licensee. This fee shall be retroactive to September 1, 2004. Any overpayment of fees previously paid that cannot be applied against an

installment payment that is due shall be credited against the following year's annual fee obligation, unless the primary owner no later than February 1, 2005 submits a written refund request to the Executive Director.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 2. REGISTRATION.

§ 12202. Application for Registration.

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

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

(1) Payment of a nonrefundable application fee in the amount of five hundred dollars (\$500) specified in paragraph (1) of subsection (d) of Section 12008.

(2) A completed Application for Third Party Proposition Player Services Registration (CGCC-435 (Rev. 9/04)), which is hereby incorporated by reference.

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

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

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

which is hereby incorporated by reference.

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

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

§ 12203A. Processing of Applications for Renewal of Registration.

(a) Renewal applications for owners shall be received no later than 120 days prior to the expiration of the current registration, together with the ~~five hundred dollar (\$500)~~ application fee specified in paragraph (1) of subsection (d) of Section 12008. If an application is received after this 120-day deadline, an expedited processing fee of sixty dollars (\$60) shall be submitted with the application. If an expedited processing fee is due but has not been received, a registration renewal shall not be issued.

(b) Renewal applications for supervisors, players, and other employees shall be received no later than 90 days prior to the expiration of the current registration, together with the ~~required five hundred dollars (\$500)~~ application fee specified in paragraph (1) of subsection (d) of Section 12008. If an application is received after this 90-day deadline, an expedited processing fee of sixty dollars (\$60) shall be submitted with the application. If an expedited processing fee is due but has not been received, a registration renewal shall not be issued.

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

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

under Section 12204.

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

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

(g) Nothing in this chapter shall require the Commission or Bureau to divulge to the applicant any confidential information received from any law enforcement agency or any information received from any person with assurances that the information would be maintained as confidential. Nothing in this chapter shall require the Commission or Bureau to divulge any information that might reveal the identity of any source of information or jeopardize the safety of any person.

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

§ 12203.2. Temporary Player Registration: Application; Criteria.

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

(a) The applicant has applied for a temporary player registration by completing the Commission's regular registration application form, requesting issuance of a temporary registration by checking the appropriate box on the application form, and submitting with the application a nonrefundable ~~twenty-five dollar (\$25)~~ temporary registration fee specified in paragraph (2) of subsection (d) of Section 12008, in addition to the regular registration fee of ~~five hundred dollars (\$500)~~ specified in paragraph (1) of subsection (d) of Section 12008.

(b) The applicant has supplied to the Commission all the documentation and fees required for a regular registration.

(c) Neither the application in its entirety, nor the results of the review of the applicant's criminal history up until the date of issuance of the temporary registration, discloses any of the

following:

- (1) The applicant has been convicted of any felony.
- (2) The applicant has, within the ten (10) year period immediately preceding the submission of the application, been convicted of any of the following offenses, not including convictions which have been expunged or dismissed as provided by law:
 - (A) A misdemeanor involving a firearm or other deadly weapon.
 - (B) A misdemeanor involving gaming or gaming-related activities prohibited by Chapter 9 (commencing with section 319) and Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.
 - (C) A misdemeanor involving a violation of an ordinance of any city, county, or city and county, which pertains to gambling or gambling-related activities.
 - (D) A misdemeanor involving violations of the Act.
 - (E) A misdemeanor involving dishonesty or moral turpitude.
- (3) The applicant has had an application for a gambling license, work permit, proposition player registration, proposition player license, gambling business registration, or gambling business license denied.
- (4) The applicant has had a gambling license, work permit, proposition player registration, proposition player license, gambling business registration, or gambling business license revoked.
- (5) The applicant is disqualified under the Act or other provisions of law from holding a temporary registration.
 - (d) The review of the applicant's criminal history has resulted in one of the following:
 - (1) A response has been received from the BCII or Federal authorities that is consistent with a finding that the applicant has not sustained any disqualifying criminal convictions, or,
 - (2) No response from the BCII or Federal authorities has been received within the time period set forth in subsection (a)(2) of Section 12203.3.
 - (e) The application and other information obtained during the review does not disclose any factor indicating that approval of the temporary registration may, in the judgment of the Executive Director, present a danger to the public or to the reputation of controlled gambling or proposition playing in this state.
 - (f) The applicant is not ineligible under Business and Professions Code section 19859,

subdivisions (b), (e), (f), or (g), the terms of which are incorporated by reference and hereby expressly made applicable to applications for temporary player registrations.

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

§ 12205.1. Transition to Licensing.

(a) As expeditiously as possible in light of available program resources, the Bureau shall summon persons registered as primary owners, owners, supervisors, players, and other employees for the purpose of applying for licenses under this chapter. The registration of any registrant that fails or refuses to submit a Request for Conversion of a Third Party Proposition Player Services Registration to a License (CGCC-437 (Rev. 04/08)), which is hereby incorporated by reference, including any fees to the Commission within 30 days of receiving a summons from the Bureau shall expire by operation of law on the following day. Prior to and during review of a request to convert a registration to a license, a registration shall remain valid and may be renewed by the registrant as necessary, upon application and approval of renewal of registration as provided in Section 12203A.

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

(c) If the registration expires by operation of law, the former registrant shall submit a new Request for Conversion of a Third Party Proposition Player Services Registration to a License (CGCC-437 (Rev. 04/08)) and a new ~~five hundred dollar (\$500) nonrefundable~~ application fee as specified in paragraph (1) of subsection (d) of Section 12008.

(d) The transition to licensing for registrations approved prior to April 30, 2004, shall be completed no later than July 1, 2008.

(e) Except as provided in subsection (c), a request to convert a registration to a license shall require only payment of a sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code sections 19867 and 19984(c).

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

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

19984, Business and Professions Code

ARTICLE 3. LICENSING.

§ 12218.13. Term of License.

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

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

~~(c) Beginning July 1, 2007, all initial and renewal licenses shall be issued for a period of one (1) year, except for player and other employee licenses, which shall be issued for a period of two (2) years.~~

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

CHAPTER 2.2. GAMBLING BUSINESSES: REGISTRATION; LICENSING.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS.

§ 12220.14. 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 and independent contractors to the Bureau and the Commission. The listing of employees and independent contractors shall be submitted on the~~ Each licensed primary owner shall submit to the Commission, pursuant to the schedule specified in subsection (a) of Section 12200.20, a completed form Gambling Business Employee and Independent Contractor Report (CGCC-540 (Rev. 09/04)), which is hereby incorporated by reference. Upon renewal of the license, each licensed primary owner shall submit an updated organization chart to the Commission.

~~(b) Upon renewal of the registration or license, each registered or licensed primary owner shall submit an updated organization chart and a listing of all employees and independent contractors~~ form Gambling Business Employee and Independent Contractor Report (CGCC-540 (Rev. 09/04)) to the Bureau and the Commission.

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

Note: Authority cited Sections 19840, 19841 and 19853(a)(3), Business and Professions Code. Reference Section 19853(a)(3), Business and Professions Code.

§ 12220.20. Annual Fee.

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

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

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

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

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

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

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

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

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

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

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

Note: Authority cited: Sections 19801, 19811, 19823, 19824, 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Sections 19853(a)(3), 19951, Business and Professions Code.

§ 12220.20A. Annual Fee as Applied to Those Registered or Licensed Under Chapter 2.1.

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

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

(2) The primary owner files an application for registration or licensure under this chapter and pays the ~~required five hundred dollar (\$500)~~ applicable application fee specified in subsection (e) of Section 12008.

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

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

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

Note: Authority cited: Sections 19840, 19841, ~~and 19853(a)(3) and 19951(a)~~, Business and Professions Code.
Reference: Sections 19853(a)(3) and 19951(a), Business and Professions Code.

ARTICLE 2. REGISTRATION.

§ 12222. Application for Registration.

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

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

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

specified in paragraph (1) of subsection (e) of Section 12008.

(2) A completed Application for Gambling Business Registration (CGCC-535 (Rev. 09/04)), which is hereby incorporated by reference.

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

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

(c) An applicant that is an individual shall complete and submit the form Gambling Business Registration Supplemental Information (CGCC-536 (Rev. 06/04)), which is hereby incorporated by reference.

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

Note: Authority cited: Sections 19840, 19841, ~~and 19853(a)(3)~~ and 19951(a), Business and Professions Code. Reference: Sections 19853(a)(3) and 19951(a), Business and Professions Code.

ARTICLE 3. LICENSING.

§ 12237. Term of License.

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

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

~~(c) Beginning July 1, 2007, all initial and renewal licenses shall be issued for a period of one (1) year, except for player and other employee licenses, which shall be issued for a period of two (2) years.~~

Note: Authority cited: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code. Reference: Section 19853(a)(3), Business and Professions Code.

CHAPTER 4. GAMBLING EQUIPMENT MANUFACTURERS OR DISTRIBUTORS.

§ 12301. Registration of Manufacturers or Distributors.

(a) Except as provided in Section 12310, and after December 31, 2002, no person may manufacture or distribute gambling equipment unless that person has a currently valid registration as a manufacturer or distributor in accordance with this chapter.

(b) Each manufacturer or distributor shall apply for registration with the Commission, using the form required by Section 12309. Any manufacturer or distributor in business on the effective date of this chapter shall submit an application for registration to the Commission within 30 days of the effective date of this chapter. An application for registration shall include all of the following:

(1) The applicant's name, Federal Employer Identification Number, if any, or Social Security Number, voice telephone number, facsimile telephone number, and address of its principal place of business and of each location in this state at which it conducts the business of manufacture or distribution of gambling equipment or gambling equipment parts, including a list of its storage facilities. For purposes of this paragraph, a vehicle used for storage or distribution of gambling equipment parts shall be deemed to be located at the address in this state where customarily garaged or kept when not in use.

(2) A statement specifying in which activities the applicant engages with respect to gambling equipment located, operated, or to be operated in this state, including, as applicable, manufacturing, distributing, selling, leasing, inspecting, testing, repairing, refurbishing, or storing.

(3) Whether the application is for registration as a class A or as a class B manufacturer or distributor.

(4) If the applicant is a business entity, the name, mailing address, voice telephone number, and facsimile telephone number, if any, of its chief executive officer, or other person designated by the entity to serve as the entity's representative.

(5) If the principal place of business of the applicant is located outside of this state, the applicant shall provide a copy or other evidence of current licensure in the jurisdiction in which it is located to manufacture or distribute gambling equipment, or shall submit a statement that licensure is not required by the jurisdiction in which it is located.

(6) A copy of the applicant's current registration with the United States Attorney General pursuant to the Gambling Devices Act of 1962, 15 United States Code section 1173, if the applicant is so registered. If the applicant is not so registered, the application shall include a statement that the applicant is not required to register under the Gambling Devices Act of 1962, Title 15 United States Code section 1173.

(7) Whether the manufacturer or distributor has currently designated an agent for service of process pursuant to the laws of this state by a filing with the Secretary of State and, if so, the name of the designated agent for service of process.

(8) A statement that the application is accurate and complete within the personal knowledge of the designated representative who executes the application.

(9) A declaration under penalty of perjury in the form specified in section 2015.5 of the Code of Civil Procedure signed by the designated representative that the application is true and correct.

(10) (A) Except as provided in subparagraph (B) of this paragraph, for class A registration, a nonrefundable application fee of ~~five hundred dollars (\$500)~~ as specified in paragraph (1) of subsection (f) of Section 12008 shall be submitted with the application for initial registration, and annually thereafter with each application for renewal at least thirty days prior to the anniversary date of initial registration. For class B registration, no fee shall be required for initial registration or renewal. Applications for renewal of class B registration shall be submitted annually at least thirty days prior to the anniversary date of initial registration.

(B) The nonrefundable annual application fee for a manufacturer or distributor applying for class A registration that sells, leases, inspects, tests, repairs, refurbishes, or stores only slot machines or devices that are "antique slot machines" within the meaning of Penal Code section 330.7 shall be ~~forty dollars (\$40)~~ as specified in paragraph (2) of subsection (f) of Section 12008, provided that this subparagraph does not apply to a person that is otherwise a manufacturer or distributor or who is an antique collector exempt from registration under Section 12301.1.

Note: Authority cited: Sections 19823, 19824, 19840, ~~and 19841(r) and 19951(a)~~, Business and Professions Code. Reference: Sections 19805(b), 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; and Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

**CHAPTER 6. STATE GAMBLING LICENSES AND APPROVAL FOR GAMBLING ESTABLISHMENTS,
OWNERS, AND KEY EMPLOYEES.**

ARTICLE 2. LICENSING.

§ 12342. Initial License Applications; Required Forms.

(a) Any person applying for a state gambling license or key employee license shall, as appropriate, complete the following forms, which are hereby incorporated by reference:

- (1) Application for State Gambling License, CGCC-030 (Rev. ~~04/08~~05/08).
- (2) Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. ~~04/08~~05/08).
- (3) Gambling Establishment Owner Applicant-Individual Supplemental Background Investigation Information, BGC-APP-015A (Rev. 04/08).
- (4) Gambling Establishment Owner Entity Supplemental Information for State Gambling License, BGC-APP-015B (Rev. 04/08).
- (5) Gambling Establishment Supplemental Information for State Gambling License, BGC-APP-015C (Rev. 04/08).
- (6) Gambling Establishment Key Employee Supplemental Background Investigation Information, BGC-APP-016A (Rev. 04/08).
- (7) Cardroom Applicant's Spouse Supplemental Background Information for State Gambling License, BGC-APP-009A (Rev. 11-07).
- (8) Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. ~~04/08~~05/08).
- (9) Declaration of Full Disclosure, BGC-APP-005 (Rev. 11/07).
- (10) Authorization to Release Information, BGC-APP-006 (Rev. 04/08).
- (11) Applicant's Declaration, Acknowledgment and Agreement (Community Property Interest), BGC-APP-011 (Rev. 11/07).
- (12) Applicant's Declaration, Acknowledgment and Agreement (Sole and Separate Property), BGC-APP-012 (Rev. 11/07).
- (13) Spouse's Declaration, Acknowledgment and Agreement (Community Property Interest), BGC-APP-013 (Rev. 11/07).
- (14) Spouse's Declaration, Acknowledgment and Agreement (Sole and Separate Property),

BGC-APP-014 (Rev. 11/07).

(15) Appointment of Designated Agent, BGC-APP-008 (Rev. 11/07).

(16) Key Employee Report, BGC-LIC-101 (Rev. 11/07).

(17) Instructions to Applicant's Spouse, BGC-APP-010 (Rev. ~~04/08~~05/08).

(18) Notice to Applicants, BGC-APP-001 (Rev. 11/07).

(19) Request for Live Scan Service (California Department of Justice Form BCII 8016, Rev. 4/01).

(20) Request for Copy of Personal Income Tax or Fiduciary Return, FTB-3516C1 (Rev. 06/03 side 1-PIT).

(21) Request for Copy of Corporation, Exempt Organization, Partnership, or Limited Liability Company Return FTB-3516C1 (Rev. 06/03 side 2-CORP).

(22) Request for Transcript of Tax Return IRS 4506-T, Rev. April 2006).

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19880, 19881, 19883, 19890, 19893, 19951 and 19982, Business and Professions Code.

§ 12343. Processing Times – Initial Applications.

(a) Except as provided in subsection (b), initial gambling or key employee license applications submitted pursuant to this chapter shall be processed within the following timeframes:

(1) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 20 days after receipt of the application. For the purposes of this section, "application" means the Application for State Gambling License, CGCC-030 (Rev. ~~04/08~~05/08) and the Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. ~~04/08~~05/08), referenced in Section 12342. An application is not complete unless accompanied by the fee of five hundred dollars (\$500) ~~specified in Business and Professions Code section 19951(a) specified in subsection (a) of Section 12008 for a gambling license or subsection (b) of Section 12008 for a key employee license~~. In addition, an applicant shall submit with the application, any supplemental information required by Section 12342 for

review by the Bureau pursuant to paragraph (3) of this subsection. The Commission shall not review the supplemental information for completeness.

(2) An application for a license and the supplemental information shall be forwarded by the Commission to the Bureau within 10 days of the date that the Commission determines that the application is complete.

(3) The Bureau shall review the supplemental information submitted for completeness and notify the applicant of any deficiencies in the supplemental information, or that the supplemental information is complete, within 30 days of the date that the application and supplemental information are received by the Bureau from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information as complete, the Bureau may pursuant to Business and Professions Code section 19866 require the applicant to submit additional information.

(4) Pursuant to Business and Professions Code section 19868, the Bureau shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Bureau is in receipt of both the completed application pursuant to paragraph (2) of this subsection and the completed supplemental information pursuant to paragraph (3) of this subsection. If the Bureau has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

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

(b) The processing times specified in subsection (a) may be exceeded in any of the following instances:

(1) The applicant has agreed to extension of the time.

(2) The number of licenses to be processed exceeds by 15 percent the number processed in the same calendar quarter the preceding year.

(3) The Commission must rely on another public or private entity for all or part of the

processing and the delay is caused by that other entity.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19841 and 19868, Business and Professions Code.

§ 12344. License Renewals.

(a) Each application for renewal of a state gambling license or for renewal of a key employee license shall be accompanied by all of the following:

(1) A completed application:

(A) Applicants for a state gambling license shall use the form "Application for State Gambling License, CGCC-030 (Rev. ~~04/08~~05/08)."

(B) Applicants for a key employee license shall use the form "Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. ~~04/08~~05/08)."

(2) A nonrefundable application fee in the amount of ~~five hundred dollars (\$500)~~ specified in subsection (a) of Section 12008 for a gambling license or subsection (b) of Section 12008 for a key employee license.

(b) Each key employee or other person whose name is required to be endorsed upon the license shall submit a separate application for renewal of that person's license, together with the application fee specified in subsection ~~(a)~~(b) of Section 12008.

(c) All applications for renewal of state gambling licenses and key employee licenses for a particular gambling establishment shall be submitted together as a single package to the California Gambling Control Commission.

(d) If, after a review of an application for renewal of a state gambling license or a key employee license, the Bureau determines that further investigation is needed, the applicant shall submit an additional sum of money that, in the judgment of the Chief of the Bureau, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

Note: Authority cited: Sections 19811, 19824, 19840, ~~and 19841, 19851, 19854 and 19951~~, Business and Professions Code. Reference: Sections 19851, 19876, 19854 and 19951, Business and Professions Code.

§ 12345. Processing Times – Renewal Applications.

(a) Except as provided in subsection (b), renewal gambling or key employee license

applications submitted pursuant to Section 12344 shall be processed within the following timeframes:

(1) An application for renewal of a gambling license or key employee license shall be filed by the owner licensee or the key employee with the Commission no later than 120 days prior to the expiration of the current license.

(2) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 10 days after receipt of the application. For the purposes of this section, "application" means the Application for State Gambling License, CGCC-030 (Rev. 04/0805/08) and the Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. 04/0805/08), referenced in Section 12342. An application is not complete unless accompanied by the fee of five hundred dollars (\$500) specified in Business and Professions Code section 19951(a) specified in subsection (a) of Section 12008 for a gambling license or subsection (b) of Section 12008 for a key employee license.

(3) An application for a license shall be forwarded by the Commission to the Bureau for processing within five days of the date that the Commission determines that the application is complete.

(4) The Bureau shall submit its written recommendation concerning the renewal application to the Commission no later than 45 days prior to the expiration of the current license.

(b) The processing times specified in paragraphs (2) through and including (4) of subsection (a) may be exceeded in any of the following instances:

(1) The applicant has agreed to extension of the time.

(2) The number of licenses to be processed exceeds by 15 percent the number processed in the same calendar quarter the preceding year.

(3) The Commission must rely on another public or private entity for all or part of the processing and the delay is caused by that other entity.

Note: Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code. Reference: Sections 19868 and 19876, Business and Professions Code.

ATTACHMENT B

APPLICATION FOR STATE GAMBLING LICENSE

CGCC-030 (Rev. 05/08)



State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

APPLICATION FOR STATE GAMBLING LICENSE

Pursuant to Business and Professions Code section 19850, every person who directly or indirectly receives any compensation, reward, percentage or share of money or property played in any controlled game in this state, shall apply for and obtain a state gambling license. A license certificate will be issued after the application for state gambling license is approved and will indicate the name of the "owner licensee". All other applicants are considered "endorsed licensees" and will not receive a separate license certificate, but their names will be endorsed on the license issued to the owner of the gambling enterprise.

Instructions:

Type or print legibly, in ink, all information requested on this application. If a question does not apply, write "N/A" (Not Applicable). Incomplete applications will be returned. You must provide truthful information in all your responses. All answers to questions in this application and on all supplemental documentation will be subject to verification. Any misrepresentation or failure to disclose information may constitute sufficient cause for denial or revocation of your gambling license.

Send the completed application package with required fees/deposits (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

Name of Gambling Establishment (Cardroom)	Name of Applicant (Individual or Entity)
Please check one box indicating whether you are applying for an <i>initial</i> or <i>renewal</i> license.	
<input type="checkbox"/> INITIAL	
Application Fee:	\$ 1000 Non-refundable (Owner Licensee and Endorsed Licensee)
Background Deposit:	\$ 5,000 (Owner Licensee and Endorsed Licensee) \$ 900 (Trust, Trustee, and Trustor) \$ 750 (Community Property Spouse) <i>Unused portion of background deposit will be refunded.</i>
NOTE: Initial applicants must also attach a completed Supplemental Background Information form, as indicated below:	
<u>Gambling Establishment (Cardroom):</u> Attach a Gambling Establishment Supplemental Information for State Gambling License, BGC-APP-015C (Rev. 04/08) form – <i>Owner Licensee to submit on behalf of gambling establishment</i>	
<u>Individual Applicants:</u> Attach a Gambling Establishment Owner Applicant – Individual Supplemental Background Investigation Information, BGC-APP-015A (Rev. 04/08) form	
<u>Entity Applicants:</u> Attach a Gambling Establishment Owner – Entity Supplemental Information for a State Gambling License, BGC-APP-015B (Rev. 04/08) form	
<u>*Trust Applicants:</u> Attach a Trust Supplemental Background Investigation Information, BGC-APP-143 (Rev. 05/08) form	
<i>*Contingent beneficiaries do not need to submit an application if benefits are contingent upon a specific future event or circumstance.</i>	
<input type="checkbox"/> RENEWAL	
Application Fee:	\$ 1000 Non-refundable (Owner Licensee and Endorsed Licensee)
Background Deposit:	\$ 600 (Owner Licensee) Other applicants may be responsible for background deposits upon notification from the Bureau of Gambling Control. <i>Unused portion of background deposit will be refunded.</i>

SECTION 1 – TYPE OF APPLICATION (check one box)
 Submit the information listed below with the required fees, except with your initial or renewal application.

Owner Licensee: The owner of the gambling enterprise for which the license certificate shall be issued
Sole Proprietors Submit one application with all sections completed *except* 3a and 3b
All other Owner Licensee Types including Trusts (As indicated in section 3a) Complete all sections *except* 4

Endorsed Licensee: Shall be endorsed on the gambling enterprise license certificate
Individual Applicants including Trustors and Trustees (As indicated in section 4) Complete sections 4, 5(B), and 7
Entity Applicants including Trusts (As indicated in section 3a) Complete sections 3, 5(B), and 7.

SECTION 2a – GAMBLING ESTABLISHMENT (CARDROOM) INFORMATION
 Attach a current organization chart for the gambling establishment (cardroom) that includes the owner, licensed or endorsed licensees, and all key employees.

Gambling Establishment (Cardroom) Name _____

Street Address _____

Mailing Address (If different than above) _____

Telephone Number () _____ Fax Number () _____ Website Address (if any) _____

Hours of Operation:		MON	TUES	WED	THURS	FRI	SAT	SUN
<input type="checkbox"/> 24 hrs/365 days	Open							
<input type="checkbox"/> Hours as indicated:	Close							

SECTION 2b – EMPLOYEE WORK PERMIT CERTIFICATION (check one box)

I certify that all gambling enterprise employees (employees of this gambling establishment) have complied with Business and Professions Code section 19912 by either:

Holding a valid gambling enterprise employee work permit issued in accordance with the applicable ordinance of the city or county in which his or her duties are performed, or,

Holding a valid gambling enterprise employee work permit issued by the California Gambling Control Commission.

SECTION 3a – ENTITY STRUCTURE (check one box)
 Attach a current organization chart for the entity, indicating the names and titles of any officers, shareholders, partners, members, etc. that are associated with the entity.

- | | | |
|--|--|--------------------------------------|
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Corporation: | <input type="checkbox"/> Trust: |
| <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Publicly Traded | <input type="checkbox"/> Revocable |
| <input type="checkbox"/> Joint Venture | <input type="checkbox"/> Private | <input type="checkbox"/> Irrevocable |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sub-Chapter S | |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Sub-Chapter C | |

SECTION 3b – ENTITY INFORMATION

Please provide the information below for the entity structure indicated in section 3a. Identify all individual officers (President, Secretary, Treasurer, and Chief Financial Officer), directors, shareholders, partners, members, etc. of the entity. For Trusts identify the Trustor and any Trustees. For officers and directors of corporations with no ownership, enter 0% in the ownership column. If a section does not apply, write "N/A" not applicable. If additional space is needed, please use separate sheets of paper.

Entity Name: _____

Street Address: _____

Telephone Number () _____ Fax Number () _____

Entity / Individual's Name	Title	Ownership / Membership Interest Percentage	Compensation Arrangement (Salary, hourly wage, incentives, bonuses, etc.)
		%	
		%	
		%	
		%	
		%	
		%	

SECTION 4 – INDIVIDUAL APPLICANT INFORMATION

Indicate your association with the business. (Check all that apply)

- | | | | |
|--|-------------------------------------|--|--|
| <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> Officer | <input type="checkbox"/> Financial Interest Holder | <input type="checkbox"/> Trustor |
| <input type="checkbox"/> General Partner | <input type="checkbox"/> Director | <input type="checkbox"/> Community Property Interest | <input type="checkbox"/> Trustee |
| <input type="checkbox"/> Limited Partner | <input type="checkbox"/> Landlord | <input type="checkbox"/> Other _____ | <input type="checkbox"/> Current Beneficiary |
| <input type="checkbox"/> Shareholder | <input type="checkbox"/> LLC Member | | |

Last Name _____ First Name _____ Middle Initial _____

Other names you have used or been known by (aliases, maiden name, nicknames, other name changes, legal or otherwise): _____

*Residence Address – Number/Street (See page 4 for note) _____ Apt. / Unit Number _____

City _____ County _____ State _____ Zip Code _____

*Mailing Address, if different than above: _____

Contact Numbers: Home: () _____ Work: () _____ Cell: () _____ E-mail Address (if any): _____

Birthdate (mm/dd/yyyy) _____ Gender: Male Female **Social Security Number (See page 4 for note) _____

SECTION 5 - RENEWAL INFORMATION		
Complete this section only if you are renewing your license. If you answer "Yes" to any of the questions below please provide an explanation on a separate sheet of paper and attach to the application.		
A) Gambling Establishment:		
1. Have there been any changes affecting ownership or controlling interest in this gambling establishment since last filing a State Gambling License application?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2. Have there been any changes to the terms (financial or otherwise) of the gambling establishment's lease or a change of landlord since last filing a State Gambling License application?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
B) Owner Licensee or Endorsed Licensee:		
1. Have you been a party to any civil litigation since last filing a State Gambling License application?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2. Have you been named in any administrative action affecting any license certification since last filing a State Gambling License application?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Have you been convicted of any crime (misdemeanor or felony) since last filing a State Gambling License application?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Have you acquired or increased a financial interest in a business that conducts lawful gambling outside the state since last filing a State Gambling License application?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Complete the following <i>only</i> if renewing as a Trust:		
5. Have there been (a) any amendments to the trust document or (b) any changes to a beneficiary, trustee, or trust asset since last filing a State Gambling License application?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
SECTION 6 - AUTHORIZED REPRESENTATIVE / DESIGNATED AGENT INFORMATION		
Last Name	First Name	Middle Initial
Relationship to Applicant: <input type="checkbox"/> Owner <input type="checkbox"/> Attorney <input type="checkbox"/> Employee <input type="checkbox"/> Other: _____		Business Name, if applicable
Mailing Address		
Telephone Number ()	Fax Number ()	E-mail Address (if any)
SECTION 7 - DECLARATION / SIGNATURE		
An applicant applying as an individual must sign on his or her own behalf. If applying as a business entity or trust, the chief executive officer or designated agent must sign on behalf of the entity.		
<i>I declare under penalty of perjury under the laws of the State of California that I have personally completed this form and know that the contents thereof, and the information contained herein, including all corrections, changes and other alterations, is true, accurate, and complete</i>		
Name of Individual Completing this Application (<i>typed or printed</i>)		Title
Signature		Date
<p>* You must provide your residence address to the Commission. Unless a separate mailing address is provided, the Commission will mail all correspondence to your residence address. Your residence address will not be displayed on the Commission's website and will not be provided to the public as a result of a request pursuant to the Public Records Act (Government Code section 6250 et seq.) or Business and Professions Code section 19821(b).</p> <p>**Disclosure of your U.S. social security number is mandatory. Business and Professions Code section 30 and Public Law 94-455 (42 USC section 405(c)(2)(C)) authorize collection of your social security number. Your social security number will be used exclusively for tax enforcement purposes, for purposes of compliance with any judgment or order for family support in accordance with Family Code section 17520 or for verification of licensure. If you fail to disclose your social security number, your application will not be processed and you will be reported to the Franchise Tax Board, which may assess a \$100 penalty against you.</p>		

APPLICATION FOR GAMBLING ESTABLISHMENT

KEY EMPLOYEE LICENSE

CGCC-031 (Rev 05/08)



State of California
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 220
Sacramento, CA 95833-4231
(916) 263-0700; Fax: (916) 263-0452
www.cgcc.ca.gov

APPLICATION FOR GAMBLING ESTABLISHMENT KEY EMPLOYEE LICENSE

Pursuant to Business and Professions Code section 19854 of the Gambling Control Act, every key employee shall apply for and obtain a key employee license issued by the California Gambling Control Commission. Licenses issued to key employees shall be for specified positions only, and shall be detailed on the endorsement described in Business and Professions Code section 19851(b).

Instructions:

Type or print legibly, in ink, all information requested on this application. If a question does not apply, write "N/A" (Not Applicable). Applications not fully and accurately completed will be returned.

You must provide truthful information in all your responses in this application. All information provided and all answers to questions will be subject to verification. Any misrepresentation or failure to disclose information required on this application may constitute sufficient cause for denial or revocation.

Send the completed application package with required fees/deposits (listed below) to: California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231. Please make all checks payable to the California Gambling Control Commission.

Applicant's Last Name	First Name	Middle Initial
Gambling Establishment (Cardroom) Name		
Please check one box indicating if you are applying for an <i>initial</i> or <i>renewal</i> license.		
<input type="checkbox"/> INITIAL		
Application Fee:	\$ 750 Non-refundable	
Background Deposit:	\$ 1,200	
	<i>Unused portion of background deposit will be refunded.</i>	
<input checked="" type="checkbox"/> initial applicants must also submit a completed <i>Gambling Establishment Key Employee Supplemental Background Investigation Information, BGC-APP-016A (Rev. 04/08)</i> form.		
<input type="checkbox"/> RENEWAL		
Application Fee:	\$ 750 Non-refundable	
Background Deposit:	No background deposit is required at time of application submission, however, you may be required to submit a background deposit upon notification by the Bureau of Gambling Control.	
	<i>Unused portion of background deposit will be refunded.</i>	

SECTION 1 – APPLICANT INFORMATION

Other names you have used or been known by (aliases, maiden name, nicknames, other name changes, legal or otherwise)

*Residence Address – Number/Street (See below for note)

Apt / Unit Number

City

County

State

Zip Code

*Mailing Address, if different than above

Contact Numbers

Cell

Home ()

Work: ()

Ext

Other

Fax

Birthdate (mm/dd/yyyy)

Gender

Male Female

**Social Security Number (See below for note)

SECTION 2 – JOB TITLE / DESCRIPTION

Job Title

Description of Job Duties

SECTION 3 - RENEWAL INFORMATION

Complete this section only if renewing your key employee license. If you answer "Yes" to any of the questions below, please provide an explanation on a separate sheet of paper and attach to the application.

1. Have you been a party to any civil litigation, named in any administrative action affecting any license or certification, or convicted of any crime since you last filed an application for a Key Employee License?

Yes No

2. Have you acquired or increased a financial interest in a business that conducts lawful gambling outside the state since last filing a Key Employee License application?

Yes No

SECTION 4 – AUTHORIZED REPRESENTATIVE/DESIGNATED AGENT INFORMATION (if any)

Last Name

First Name

Middle Initial

Relationship to Applicant

Self Attorney Other _____

Business Name, if applicable

Mailing Address

Telephone Number

()

Fax Number

()

E-mail Address (if any)

SECTION 5 –DECLARATION/SIGNATURE

I declare under penalty of perjury under the laws of the State of California that I have personally completed this form and know that the contents thereof, and the information contained herein, including all corrections, changes and other alterations, is true, accurate, and complete.

Signature of Applicant in Full (no initials)

Date

*You must provide your residence address to the Commission. Unless a separate mailing address is provided, the Commission will mail all correspondence to your residence address. Your residence address will not be displayed on the Commission's website and will not be provided to the public as a result of a request pursuant to the Public Records Act (Government Code section 6250 et seq.) or Business and Professions Code section 19821(b).

**Disclosure of your U.S. social security number is mandatory. Business and Professions Code section 30 and Public Law 94-455 (42 USC § 405(c)(2)(C)) authorize collection of your social security number. Your social security number will be used exclusively for tax enforcement purposes for purposes of compliance with any judgment or order for family support in accordance with Family Code section 17520 or for verification of licensure. If you fail to disclose your social security number, your application will not be processed and you will be reported to the Franchise Tax Board, which may assess a \$100 penalty against you.

Instructions to Applicant's Spouse

BGC-APP-010 (Rev. 05/08)

**DEPARTMENT OF JUSTICE
BUREAU OF GAMBLING CONTROL
INSTRUCTIONS TO APPLICANT'S SPOUSE**

The following forms and documentation must be submitted to the California Gambling Control Commission (Commission), as applicable, in conjunction with the submission of your spouse's application for a state gambling license as an owner. Originals are required unless otherwise stated. Any corrections, changes or other alterations must be initialed and dated by the applicant.

Review the following definitions to determine which best describes your interest in the gambling establishment. You are required to provide all forms, documents, and fees marked with an "X" under the applicable definition number on the table below.

DEFINITION 1: You are the spouse of an applicant, and your sole interest in the gambling establishment is your community property ownership interest. You will exercise no influence or control over the gambling operation and/or will not be involved in the management of the gambling operation.

DEFINITION 2: You are a spouse of an applicant whose ownership interest is his or her sole and separate property. You will exercise no influence or control over the gambling operation and/or will not be involved in the management of the gambling operation.

DEFINITION 3: You are the spouse of an applicant, and your sole interest in the gambling establishment is your community property ownership interest. You may exercise influence or control over the gambling operation and/or be involved in the management of the gambling operation. If this definition applies to you, complete the Application for State Gambling License form CGCC-030 (Rev. 05/08) and Gambling Establishment Owner Applicant-Individual Supplemental Background Investigation Information form BGC-APP-015A (Rev. 04/08).

DEFINITION 4: You are a spouse of an applicant whose ownership interest is his or her sole and separate property. You may exercise influence or control over the gambling operation and/or may be involved in the management of the gambling operation. If this definition applies to you, complete the Application for Gambling Establishment Key Employee License form CGCC-031 (Rev. 05/08) and Gambling Establishment Key Employee Supplemental Background Investigation Information form BGC-APP-016A (Rev. 04/08).

Forms/Documentation	DEFINITION 1	DEFINITION 2	DEFINITION 3	DEFINITION 4
	Cardroom Applicant's Spouse Supplemental Information for a State Gambling License (BGC-APP-009A (Rev. 04/08))	X		
Spouse's Declaration, Acknowledgment, and Agreement (Community Property Interest) (BGC-APP-013 (Rev. 11/07))*	X		REFER TO DEF. 3	REFER TO DEF. 4
Spouse's Declaration, Acknowledgment, and Agreement (Sole and Separate Property) (BGC-APP-014 (Rev. 11/07))**		X		
Declaration of Full Disclosure (BGC-APP-005 (Rev. 11/07))	X			
Authorization to Release Information (BGC-APP-006 (Rev. 04/08))	X			
Request for Live Scan Service (BCII 8016 (Rev. 04-01))	X			

Each applicant must submit a background investigation deposit that, in the judgment of the Director of the Bureau of Gambling Control (Bureau), will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867. An applicant is responsible for all costs incurred by the Bureau while conducting the background investigation. At the conclusion of the investigation, the applicant will receive an itemized accounting of all such costs. Monies received in excess of the actual costs incurred will be refunded to the applicant. A license will not be issued until all outstanding background investigation and issuance fees are received.

* This form should be completed and returned along with the "Applicant's Declaration, Acknowledgment, and Agreement (Community Property Interest) (BGC-APP-011 (Rev. 11/07))"

** This form should be completed and returned along with the "Applicant's Declaration, Acknowledgment, and Agreement (Sole and Separate Property) (BGC-APP-012 (Rev. 11/07))"

Bureau of Gambling Control
Trust Supplemental Background Investigation Information

BGC-APP-143 (Rev. 05/08)



BUREAU OF GAMBLING CONTROL
P. O. Box 168024
Sacramento, CA 95816-8024
(916) 263-3408; Fax (916) 263-3403

PLEASE READ THE FOLLOWING PARAGRAPHS CAREFULLY BEFORE YOU COMPLETE THIS FORM

The Gambling Control Act requires any "person" who is an owner of a gambling enterprise to apply for and obtain a state gambling license. Business and Professions (B & P) Code section 19850.

A "trust" is a "person." B & P Code section 19805(ad) provides that:

"Person," unless otherwise indicated, includes a natural person, corporation, partnership, limited partnership, trust, joint venture, association, or any other business organization. (Emphasis added.)

Thus, a trust that is an owner of a cardroom must be licensed, just as a limited partnership in the same position must be licensed. B & P Code section 19852 goes on to mandate that certain trust-related persons must also apply for and obtain a state gambling license before the trust itself can be licensed, and to authorize the Commission to require licensing of other specified trust-related persons. According to B & P Code section 19852, a trustee of a trust that is an owner of a gambling enterprise, must also apply for and obtain a state gambling license [B & P Code section 19852(e)]. Similarly, the Commission may in its discretion require that the trustor or the beneficiary of a trust that is an owner of a gambling enterprise apply for and obtain a state gambling license [B & P Code section 19852(e)].

"Trustor" means the same thing as "grantor," "donor," or "settlor": a person who creates a trust.

B & P Code section 19852, provides, in part:

Except as provided in Section 19852.2 [racetrack ownership], an owner of a gambling enterprise that is not a natural person shall not be eligible for a state gambling license unless each of the following persons individually applies for and obtains a state gambling license:

"(e) If the owner is a trust, then the trustee and, in the discretion of the commission, any beneficiary and the trustor of the trust." (Emphasis added.)

A current beneficiary must be licensed if either of the follows applies:

- (1) The beneficiary receives a distribution from a trust that is an owner of a gambling enterprise. (B & P Code section 19850.)
- (2) The beneficiary receives any percentage share of revenue from gambling activities. (B & P Code section 19852(g).) For example, under the terms of the Washington Family Trust, beneficiary William Washington is to receive 10% of the net gaming revenue from Washington's Cardroom every six months.

A current beneficiary who falls in either of the two above-noted categories must submit the following forms:

- One Application for State Gambling License, CGCC-030 (Rev. 05/08); and
- One Gambling Establishment Owner Applicant-Individual Supplemental Background Investigation Information, BGC-APP-015A (Rev. 04/08).

NOTE: Pursuant to B & P Code section 19859(g), any person less than 21 years of age is disqualified from receiving a gambling license. Thus, a current beneficiary who is less than 21 years of age cannot be licensed and accordingly should not submit an application. In lieu of the two forms required above of other current beneficiaries, the trustee shall submit, as part of the trust application package, a copy of a birth certificate or other documentation of the birth date and identity of the underage beneficiary.

A contingent or future beneficiary is not required to be licensed unless specifically directed to apply for a license by the Commission. However, a contingent or future beneficiary may elect to submit an application, if, for instance, the beneficiary wishes to avoid future delays in receiving income or a share in ownership from a cardroom when the future event occurs, for instance, the death of the current beneficiary.

The purpose of this Trust Supplemental Background Investigation Information form is to obtain information that is necessary to determine whether the applicant meets the requirements for licensure under state law. By completing this form, the applicant is providing information that will be used to make that determination.

This form is to be completed for all trusts. The trustee, trustor, and the beneficiary (if applicable) apply for licensure using the following forms:

- One Application for State Gambling License, CGCC-030 (Rev. 05/08); and
- One Gambling Establishment Owner Applicant-Individual Supplemental Background Investigation Information, BGC-APP-015A (Rev. 04/08).

If the trustee is also the trustor and the beneficiary, only one CGCC-030 and one BGC-APP-015A form needs to be submitted. In this situation, the applicant will indicate in Section 4 of the CGCC-030 form that he/she is applying in three separate capacities (trustee, trustor, and beneficiary).

The applicant must provide truthful information in all responses in this application. All answers to questions in this application, and all supplemental documentation provided by the applicant, will be subject to verification. Any misrepresentation or failure to disclose information required on this application may constitute sufficient cause for denial or revocation.

Type, or print legibly in blue or black ink, all information requested on this application. If a question does not apply to the applicant, write "N/A" (Not Applicable). Applications not fully and accurately completed will be returned to the applicant for completion.

Please send your completed Trust Supplemental Background Investigation Information form, along with a completed Authorization to Release Information form (BGC-APP-006 (Rev. 04/08)) to the California Gambling Control Commission at 2399 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833-4231.

Bureau of Gambling Control - Trust Supplemental Background Investigation Information

SECTION 1: TYPE OF TRUST AND TRUST INFORMATION				
A) TRUST NAME		B) ORIGINAL DATE OF TRUST		D) TYPE OF TRUST <input type="checkbox"/> REVOCABLE <input type="checkbox"/> IRREVOCABLE
		C) AMENDMENT DATE(S)		
E) NAME OF SUITABILITY APPLICANT (e.g., Cardroom, Proposition Player Provider)		F) RELATIONSHIP TO SUITABILITY APPLICANT (e.g., owner, shareholder, beneficiary)		
G) IF OTHER THAN ESTATE PLANNING, DESCRIBE THE PURPOSE OF THE TRUST				
H) EFFECTIVE DATE OF THE TRUST IF CONTINGENT, PLEASE EXPLAIN THE CONTINGENCY (e.g., death of the trustor)				
I) CURRENT MARKET VALUE OF TRUST ASSETS (ESTIMATED) \$				
J) TRUST TAX ID NUMBER		K) IS THE TRUST TAX ID NUMBER SEPARATE FROM THAT OF ANOTHER PERSON OR ENTITY? <input type="checkbox"/> YES <input type="checkbox"/> NO IF NO, COMPLETE BELOW, IF YES, GO TO SECTION 2		
1) NAME OF INDIVIDUAL (First, MI, Last) OR ENTITY ASSIGNED TAX ID NUMBER			2) RELATIONSHIP TO TRUST (e.g., trustor)	
3) ADDRESS (Number / Street / Apt)				
4) CITY		5) COUNTY		6) STATE
				7) ZIP CODE

SECTION 2: TRUST STRUCTURE			
LIST EACH TRUSTEE, TRUSTOR, AND BENEFICIARY. (If additional space is needed, attach a separate sheet of paper.)			
A) INDIVIDUAL'S NAME (First, MI, Last) OR ENTITY NAME	B) ADDRESS (City, State, Zip Code)	C) SPECIFY TRUSTEE, TRUSTOR, AND/OR BENEFICIARY	D) CONTINGENT*
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO

*CHECK "YES" IF THE INDIVIDUAL'S STATUS OR INTEREST IN THE TRUST IS CONTINGENT ON A FUTURE EVENT. (and describe the contingency(ies)). IF A BENEFICIARY CURRENTLY RECEIVES INCOME FROM THE TRUST, THAT PERSON IS NOT A CONTINGENT BENEFICIARY.

SECTION 2 - TRUST INFORMATION		
LIST EACH PERSON THAT HAS AUTHORITY OVER TRUST ASSETS AND/OR AUTHORITY OVER TRUST DISBURSEMENTS		
A) INDIVIDUAL'S NAME (First, MI, Last) OR ENTITY NAME	B) DISCRETIONARY AUTHORITY OVER TRUST INVESTMENTS <input type="checkbox"/> YES <input type="checkbox"/> NO	C) SIGNATURE AUTHORITY OVER TRUST DISBURSEMENTS <input type="checkbox"/> YES <input type="checkbox"/> NO
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
D) NAME OF CONTACT PERSON FOR THE APPLICANT	PHONE NUMBER ()	EMAIL ADDRESS (if any)
E) LIST THE NAME OF PERSON WHO PREPARES AND FILES THE TRUST'S FINANCIAL STATEMENTS AND TAX FORMS, IF APPLICABLE	F) IS THIS PERSON AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT? <input type="checkbox"/> YES <input type="checkbox"/> NO	
DESCRIBE DUTIES: (e.g., bookkeeping, preparation of audited financial statements, investment manager)		
G) IS THERE ANY COMMINGLING OF THE TRUST ASSETS WITH ASSETS NOT A PART OF THE TRUST? (If yes, provide details)..... <input type="checkbox"/> YES <input type="checkbox"/> NO		
H) IS ANY TRUSTEE ALSO A BENEFICIARY OF THE TRUST? (If yes, provide details if not listed in Section 2.) <input type="checkbox"/> YES <input type="checkbox"/> NO		

SECTION 3 - REQUIRED ADDITIONAL DOCUMENTATION
SUBMIT COMPLETED COPIES OF THE FOLLOWING DOCUMENTATION WITH THIS APPLICATION
<input type="checkbox"/> THE TRUST DOCUMENT AND ALL AMENDMENTS (signed copies)
<input type="checkbox"/> A PLAIN ENGLISH SUMMARY (in approximately two pages) OF THE TERMS OF THE TRUST? (including any amendments), INCLUDING CONTINGENCIES, IF ANY, THAT IMPACT THE STATUS OF INTERESTS IN THE TRUST AND/OR TRUST DISTRIBUTIONS
<input type="checkbox"/> ITEMIZED LIST OF (A) ALL TRUST ASSETS AND THEIR CURRENT ESTIMATED FAIR MARKET VALUES AND (B) ALL TRUST LIABILITIES FOR THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS APPLICATION
<input type="checkbox"/> ITEMIZED LIST OF ALL TRUST INCOME AND EXPENSES, INCLUDING THEIR DOLLAR VALUES, FOR THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS APPLICATION
<input type="checkbox"/> ITEMIZED LIST OF ALL DISTRIBUTIONS AND DISPOSITIONS OF TRUST ASSETS FOR THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS APPLICATION
<input type="checkbox"/> IRS FORM 4506-T (available at www.irs.gov)

SECTION 4 - DECLARATION AND SIGNATURE		
A PERSON HAVING AUTHORITY TO ACT ON BEHALF OF THE TRUST, INCLUDING THE AUTHORITY OVER TRUST INCOME AND ASSETS, MUST SIGN THIS FORM		
NAME AND TITLE OF PERSON COMPLETING THE APPLICATION		
I declare under penalty of perjury, under the laws of the State of California that I have personally completed this form and know that the contents thereof, and the information contained herein, are true, accurate and complete, and that this declaration is executed by me at		
_____ On _____		
CITY AND STATE	DATE	
PRINT FULL NAME	SIGNATURE	DATE

Resolution Concerning Delegation of Authority in Rulemaking

It is hereby resolved on August 28, 2008, by the California Gambling Control Commission that Chief Counsel Evelyn M. Matteucci is authorized:

- To sign certifications required by Government Code section 11343, pursuant to Government Code section 11343(f);
- To sign the Fiscal Impact Statement (Form 399) and any other forms required to obtain approval of regulations submitted to the Office of Administrative Law ("OAL").
- To make nonsubstantive changes during the OAL review period, to any regular or emergency regulation or other filing submitted to OAL.

This delegation is in effect until revoked by the Commission.

Certified by:



Dean Shelton, Chairman, California Gambling Control Commission


Date