GAMBLING REGULATIONS
Title 4. Business Regulations
Division 18. California Gambling Control Commission
&
Title 11. Law
Division 3. Gambling Control
(As captured February 24, 2006)

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TITLE 4. BUSINESS REGULATIONS; DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION

CHAPTER 1. GENERAL PROVISIONS

12002. General Definitions

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

(a) "Bureau" means the Bureau of Criminal Identification and Information in the California Department of Justice.

(b) "California Games" means controlled games that feature a rotating player-dealer position, as described in Penal Code section 330.11.

(c) "Commission" means the California Gambling Control Commission.

(d) "Conviction" means a plea or verdict of guilty or a plea of *nolo contendre*, irrespective of a subsequent order of expungement under the provisions of Penal Code section 1203.4, 1203.4a, or 1203.45, or a certificate of rehabilitation under the provisions of Penal Code section 4852.13. Any plea entered pursuant to Penal Code section 1000.1 does not constitute a conviction for purposes of Business and Professions Code section 19859, subdivisions (c) or (d) unless a judgment of guilty is entered pursuant to Penal Code section 1000.3.

(e) "Deadly weapon" means any weapon, the possession or concealed carrying of which is prohibited by Penal Code section 12020.

(f) "Division" means the Division of Gambling Control in the California Department of Justice. For the filing of any reports or forms, Division refers to the Sacramento office of the Division of Gambling Control.

(g) "Executive Director" means the executive officer of the Commission, as provided in Business and Professions Code section 19816.

(h) "Gambling Control Act" or "Act" means Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code.

(i) "Registrant" means a person having a valid registration issued by the Commission.

Authority: Sections 19811, 19823, 19824,19840, 19841, 19853(a)(3), and 19854, Business and Professions Code.
Reference: Sections 7.5, 19800, 19805, 19811, 19816, and 19951, Business and Professions Code.

12004. Change of Address

A registrant or licensee shall report to the Commission any change of address within ten days of such change on a form entitled "Notice of Address Change" CGCC-032 (New 06-05), which is attached in Appendix A to this Chapter.

Authority: Section 19811, 19823, 19824, 19853(a)(3), 19864, and 19984, Business and Professions Code.
Reference: Sections 19850 and 19852, Business and Professions Code.

APPENDIX A

State of California
California Gambling Control Commission
CGCC – 032 (New 06-05)

Commission Use Only

Date to DGC:_____

NOTICE OF ADDRESS CHANGE

SECTION 1: INFORMATION

Full Legal Name:

Gambling Establishment Affiliation, if any:

Type of License / Registration (or Designated Agent):

SECTION 2: CHANGE OF BUSINESS ADDRESS

Previous Business Address:

Street City State Zip Code

New Business Address:

Street City State Zip Code

SECTION 3: CHANGE OF MAILING ADDRESS, IF DIFFERENT FROM BUSINESS ADDRESS

Previous Mailing Address:

Street City State Zip Code

New Mailing Address:

Street City State Zip Code

SECTION 4: CHANGE OF PHONE NUMBER OR E-MAIL ADDRESS

Previous Phone Number: ( )

Previous E-mail Address (Optional):

New Phone Number: ( )

New E-mail Address (Optional):

SECTION 5: DECLARATION

I specifically request that all notices and written communications be sent to the new address listed above.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this form is true, correct, and complete.

Signature: _____

Printed Name and Title:

Date:

NOTICE OF ADDRESS CHANGE INSTRUCTIONS

Type or print (in ink) all information requested on this form.

Retain a photocopy of the completed form for your permanent records.

A separate form is required for each registered/licensed person/entity.

If the form is returned at any point in the processing, please follow the enclosed directions and resubmit it in a timely manner.

You are responsible for providing the appropriate information. If a question is not applicable, indicate with "N/A."

You must initial and date any corrections, changes, or other alterations.

Any individual or entity who holds a State Gambling License (including Key Employee License), Registration, or a CGCC-issued Work Permit is required to submit a Notice of Address Change Form within TEN days of such change.

SECTION 1: INFORMATION

Provide your full legal name and list all other names if applicable. State your Gambling Establishment Affiliation (i.e. Name of Gambling Establishment), if any, as well as the type of license/registration that you hold (i.e. Owner, Key Employee, Work Permit). If you are the Designated Agent, please state.

SECTION 2: CHANGE OF BUSINESS ADDRESS

and

SECTION 3: CHANGE OF ADDRESS

You must provide your complete previous address and new address.
Even if only part of the address is changing, you must fill in all the blanks.

SECTION 3: CHANGE OF PHONE NUMBER OR E-MAIL ADDRESS

You must provide your complete previous phone number and new phone number. Providing an e-mail address is optional.

SECTION 4: DECLARATION

Sign and date the form under penalty of perjury. A form must be signed and dated to be considered complete.

CHAPTER 2. WORK PERMITS

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS

Section 12100. Definitions

The following definitions govern the construction of the regulations contained in this Chapter:

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

(b) "Gambling Enterprise Employee" has the same meaning as defined in Business and Professions Code section 19805, subdivision (l).

(c) "Gambling Establishment" or "Establishment" has the same meaning as defined in Business and Professions Code section 19805, subdivision (m).

(d) "Regular Work Permit" or "Work Permit" means a work permit issued pursuant to Business and Professions Code section 19912 for a period of no more than two years.

(e) "Temporary Work Permit" means a work permit issued pursuant to this article to a prospective gambling enterprise employee in accordance with Business and Professions Code section 19824, subdivision (f), valid for a period not to exceed 120 days from the date of issuance.

Authority: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19800, 19811, 19816 and 19912, Business and Professions Code.

Section 12101. Forms

The following forms shall be used as specified in this chapter:

(a) "Renewal Work Permit Application Form" means the "Application for Work Permit Renewal" CGCC 023 (Rev. 12-03) which is hereby incorporated by reference.

(b) "Replacement Badge Application" means the "Application for Replacement Work Permit Badge" CGCC 026 (Rev. 10-02) which is hereby incorporated by reference.

(c) "Transfer of Work Permit Application Form" means the "Application for Transfer of Work Permit" CGCC 022 (Rev. 10-02) which is hereby incorporated by reference.

(d) "Work Permit Application Form" means the "Application for Regular and Temporary Work Permit" CGCC 021 (Rev. 08-03) which is hereby incorporated by reference.

Authority: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19800, 19811, 19816 and 19912, Business and Professions Code.

ARTICLE 2. REGULAR WORK PERMITS

Section 12104. Term of Work Permit

As provided in Business and Professions Code section 19912, a work permit issued by the Commission is valid for two years. If a temporary work permit is issued, the term of the subsequently issued regular work permit shall run from the date of the issuance of the temporary work permit.

Authority: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19800, 19811, 19816 and 19912, Business and Professions Code.

Section 12105. Mandatory and Discretionary Grounds for Denial of Work Permit

(a) An application for a work permit shall be denied by the Commission if either of the following applies:

(1) The applicant meets any of the criteria for mandatory disqualification under Business and Professions Code section 19859.

(2) The applicant is found unqualified pursuant to the criteria set forth in subdivisions (a) or (b) of Business and Professions Code section 19857.

(b) An application for a work permit may be denied by the Commission if it finds any of the following:

(1) Cause set forth in Business and Professions Code section 19914, subdivision (a), paragraphs (1) through (9), inclusive.

(2) Within ten years immediately preceding the submission of the application, the applicant was convicted of any of the following offenses:

(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 a violation of the Gambling Control Act.

(E) A misdemeanor involving dishonesty or moral turpitude whether or not the applicant was granted relief pursuant to Sections 1203.4, 1203.4a, or 1203.45 of the Penal Code.

(c) The grounds for denial set forth in this section apply in addition to any grounds prescribed by statute.

(d) The criteria set forth in this section shall constitute grounds for objection to the issuance of a work permit by a city, county, or city and county pursuant to Business and Professions Code section 19912.

(e) The provisions of Business and Professions Code sections 19857, 19859, and 19914, subdivision (a) shall be deemed incorporated by reference into this regulation for the purposes set forth in this section. For the purposes of this section, the criteria incorporated by reference in these regulations from Business and Professions Code section 19914, subdivision (a), apply to conduct or events occurring prior to the filing of an application for a work permit.

Authority: Sections 19811, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 19800, 19811, 19816, 19857, 19859, 19911, 19912 and 19914(b), Business and Professions Code.

ARTICLE 3. TEMPORARY WORK PERMITS

Section 12120. Temporary Work Permits

(a) While the Division is processing an application for a regular work permit, and subject to section 12122, the Executive Director, or any employee of the Commission designated in writing by the Executive Director, may issue a temporary work permit pursuant to this article, which shall be valid for no more than 120 days. The duration of the temporary work permit shall not substantially exceed the estimated time to process and consider the application for a regular work permit, but may be extended if necessary; provided that in no event shall a temporary work permit be valid for more than 120 days. Any temporary work permit issued in accordance with this article shall not create a property right in its holder. In order to protect the public, each temporary work permit shall be issued subject to the conditions specified in section 12128.

(b) Upon issuance or denial of a regular work permit by the Commission, the temporary work permit previously issued shall become void and shall not be used thereafter.

(c) If the regular work permit is not issued within 120 days of the issuance of the temporary work permit, the applicant may submit an application for a new temporary work permit to the Commission. The Executive Director shall waive the fee for the new temporary work permit upon request of the applicant.

(d) In the event that the regular work permit is issued prior to action by the Executive Director on the application for the temporary work permit, the application for the temporary work permit shall be deemed withdrawn and no further action will be taken on it.

(e) If an application for a temporary work permit is incomplete, the Executive Director may request in writing any information needed in order to complete the application. The Executive Director shall allow the applicant 30 days in which to furnish the information. If the applicant fails to respond to the request, the temporary work permit application shall be deemed abandoned and no further action will be taken on it.

(f) If the applicant submits a request for withdrawal of his or her application for a regular work permit, the application for a temporary work permit shall be deemed abandoned and no further action will be taken on it by the Executive Director.

Authority: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19801(j), 19811, 19816, 19866, 19910 and 19912, Business and Professions Code.

Section 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, in addition to the regular work permit fee of $ 250.00 paid pursuant to Business and Professions Code section 19915.

(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 Bureau 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 Division 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 Gambling Control 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 Gambling Control Act or other provisions of law from holding a work permit.

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

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

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

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

Section 12124. Effect of Denial or Cancellation of Temporary Work Permit

Denial of an application for a temporary work permit or cancellation of a temporary work permit shall not suspend the processing and review of the related application for a regular work permit.

Authority: Sections 19811(a), 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code. **Reference**: Sections 19824, 19910 and 19912, Business and Professions Code.

Section 12126. Processing Times for Temporary Work Permit

Applications for issuance of a temporary work permit by the Executive Director shall be processed within the following time frames:

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(b) A temporary work permit shall be either granted or denied within no more than 15 working days after the filing of a complete application.

Authority: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code.
Reference: Sections 15375 and 15376, Government Code; and Sections 19824(f) and 19912, Business and Professions Code.

Section 12128. Cancellation of Temporary Work Permit

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

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

(1) The Commission determines that it has received reliable information that the holder of the temporary work permit is ineligible under subsection (c) of section 12122, has failed to reveal any fact material to the holder's qualification for a temporary work permit, or has supplied information to the Commission that is untrue or misleading as to a material fact pertaining to the criteria for issuance of temporary work permits.

(2) Pursuant to Business and Professions Code section 19826, the Division recommends denial of a regular work permit to the applicant.

(3) The applicant's regular work permit application is referred by a vote of the Commission for an evidentiary hearing pursuant to Business and Professions Code section 19825, and the Commission directs the Executive Director to cancel the temporary work permit.

(4) The Executive Director receives from the applicant a request to withdraw his or her application for a regular work permit.

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

(1) Notify the temporary work permit holder, the gambling establishment, the local law enforcement agency, and the Division in writing of the cancellation of the temporary work permit and the grounds thereof.

(2) Require the holder of the license for the gambling establishment or its hiring authority to terminate immediately any employment of the holder covered by the cancelled temporary work permit.

(3) Notify the temporary work permit holder that he or she is required to surrender the temporary work permit to the Commission not more than ten days following the date that the notice of cancellation was mailed or such greater time as is authorized by the Executive Director.

Authority: Sections 19811, 19823, 19824, 19840 and l9841, Business and Professions Code.
Reference: Sections 10, 19801, 19816, 19824(f) and 19912(a) and (d), Business and Professions Code.

ARTICLE 4. CHANGE IN PLACE OF EMPLOYMENT--WORK PERMIT TRANSFER

Section 12130. Change in Place of Employment--Work Permit Transfer

(a) The holder of a currently valid regular work permit may apply for a new work permit for a different place of employment in accordance with this article.

(b) The Executive Director shall issue a regular work permit to an applicant for a new place of employment if all of the following conditions are met:

(1) The applicant has applied for a work permit transfer by completing the Commission's transfer of work permit application form.

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

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

(ii) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the work permit transfer request.

(iii) A nonrefundable $ 25.00 fee payable to the Commission.

(iv) Information concerning the new employer 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.

(3) The applicant possesses a valid work permit issued by the Commission or the Division that has been issued or renewed within a two-year period immediately preceding the date that the work permit transfer application is received by the Commission. The applicant shall provide the Commission with a photocopy of the valid work permit.

(4) The applicant seeks to change his or her place of employment from the gambling establishment for which the valid work permit was issued to a different licensed gambling establishment for which a work permit issued by the Commission is required by the Act.

(5) The Executive Director is not aware of any cause for revocation of the work permit.

(c) A work permit issued pursuant to this section shall be valid during the unexpired term of the previously issued work permit.

(d) If a work permit is issued pursuant to this section, the Executive Director shall promptly inform the Division in writing of this decision.

(e) Upon issuance of a regular work permit pursuant to this section for the applicant's new place of employment, the regular work permit issued for the previous employer shall become void and shall not be used thereafter.

Authority: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19801, 19816, 19824(f) and 19912(d), Business and Professions Code.

Section 12132. Processing Times for Application to Change Place of Employment

Applications submitted pursuant to section 12130 shall be processed within the following time frames:

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(b) A work permit shall be either granted or denied within no more than 15 working days after the filing of a complete application.

Authority: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code.
Reference: Sections 15375 and 15376, Government Code; and Sections 19824 and 19912, Business and Professions Code.

ARTICLE 5. REPLACEMENT WORK PERMIT BADGES

Section 12140. Replacement Work Permit Badges

(a) The Executive Director shall issue a replacement work permit badge to a gambling enterprise employee if all of the following conditions are met:

(1) The applicant has previously been issued a currently valid work permit.

(2) The applicant has applied for a replacement work permit badge by completing the Commission's replacement badge application.

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

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

(ii) A two by two inch color passport-style photograph taken no more than 30 days before submission to the Commission of the work permit transfer request.

(iii) A nonrefundable $ 25.00 fee payable to the Commission.

(iv) Information concerning the gambling establishment for which the replacement badge is requested: 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, authorizing agent, or hiring authority of the establishment.

(4) The Executive Director is not aware of any cause for revocation of the work permit.

(b) A replacement work permit badge issued pursuant to this section shall be valid during the unexpired term of the previously issued work permit.

(c) Upon issuance of the replacement work permit badge, the previously issued work permit badge for that gambling establishment shall become void and shall not be used thereafter.

Authority: Sections 19811, 19823, 19824, 19840, 19841 and 19912, Business and Professions Code.
Reference: Sections 10, 19801, 19816, 19824(f) and 19912, Business and Professions Code.

Section 12142. Processing Times for Application to Replace Work Permit Badge

Applications submitted pursuant to section 12140 shall be processed within the following time frames:

(a) The maximum time within which the Executive Director shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for filing, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is five working days after receipt of the application.

(b) A replacement work permit badge shall be either issued or denied within no more than 15 working days after the filing of a complete application.

Authority: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions Code; and Section 15376, Government Code.
Reference: Sections 15375 and 15376, Government Code; and Sections 19824 and 19912, Business and Professions Code.

CHAPTER 2.1. THIRD-PARTY PROVIDERS OF PROPOSITION PLAYER SERVICES: REGISTRATION; LICENSING

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS

Section 12200. Definitions.

(a) Except as otherwise provided in section 12002 and in subsection (b) of this regulation, the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

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

(2) "Applicant" means an applicant for registration or licensing under this chapter, including in the case of an owner that is a corporation, partnership, or any other business entity, all persons whose registrations or licenses are required to be endorsed upon the primary owner's registration or license certificate.

(3) "Authorized player" means an individual associated with a particular primary owner whose badge authorizes play in a controlled game on behalf of the primary owner, including the primary owner, all other owners, all supervisors, and all players. Only authorized players may perform the functions of a supervisor or player.

(4) "Badge" means a form of identification issued by the Commission identifying a registrant or licensee.

(5) [RESERVED]

(6) [RESERVED]

(7) [RESERVED]

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

(9) [RESERVED]

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

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

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

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

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

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

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

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

(11) [RESERVED]

(12) "License" means a license issued by the Commission pursuant to article 3 of this chapter.

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

1. Primary owner,

2. Owner,

3. Supervisor, and

4. Player.

(B) All "other employees" (as defined in this section) of the primary owner who are present in the gambling establishment during the provision of proposition player services under the primary owner's proposition player contract shall be licensed as "other employee" and shall be required to submit an application and be approved or denied based upon the same criteria that apply to a player.

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

(D) No licensee, other than an owner, supervisor, or player, may

possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.

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

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

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

(16) "Owner" includes all of the following:

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

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

(C) Any funding source.

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

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

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

(20) "Proposition player contract" or "contract" means a written contract, the terms of which have been reviewed and approved by the Division, between the holder of a state gambling license and a primary owner acting as an independent contractor for the provision of third-party proposition player services in the gambling establishment.

(21) "Rebate" means a partial return by an authorized proposition player of chips or money to a patron who has lost the chips or money to the authorized player through play in a controlled game at a gambling establishment.

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

(23) "Registration" means a registration issued by the Commission pursuant to this chapter.

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

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

(C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor's registration or license may also perform the functions of a player. No registrant, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play in the performance of a proposition player contract.

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

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

(26) "Supervisor" means an individual who, in addition to any supervisorial responsibilities, has authority, on behalf of the primary owner, to provide or direct the distribution of currency, chips, or other wagering instruments to players engaged in the provision of third-party proposition player services in a gambling establishment.

(27) "Supplemental information package" means all of the documentation and deposits required by each of the following forms (which are hereby incorporated by reference) to be submitted to the Commission in response to a summons issued by the Division pursuant to Section 12205.1:

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

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

(C) Supervisors, as defined in Section 12200, shall complete the form Level II Supplemental Information (DGC-APP. 033, New 08/04) for a level II investigation.

(D) Other employees and players, as defined in Section 12200, shall complete the form Level I Supplemental Information (DGC-APP. 032, New 08/04) for a level I investigation.

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

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

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

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

Section 12200.1. Certificate.

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

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

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

Section 12200.3. Badge.

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

(b) A badge authorizing play in a controlled game shall be of a distinctly different color than a badge which identifies a registrant or licensee, but does not authorize play. If an individual ceases to be employed by or affiliated with a particular primary owner, that individual shall surrender his or her badge to the primary owner. The primary owner shall notify the Commission and the Division in writing within ten (10) days of the change in status using the Change in Status Form for a Third Party Proposition Player Services Registration (CGCC-441,

Rev. 09/04), which is hereby incorporated by reference; with this form, the primary owner shall submit the registrant's or licensee's badge.

(c) The words "TPP PLAYER REGISTRANT," "NON-PLAYER TPP REGISTRANT," "TPP PLAYER LICENSEE," OR "NON-PLAYER TPP PLAYER LICENSEE" in capital letters shall be prominently displayed on the front of the badge. The first name of the registrant or licensee shall appear on the front of the badge. The full name of the registrant or licensee shall be printed on the reverse side of the badge, together with the registrant's or licensee's category of registration or licensing as an owner, supervisor, player, or other employee.

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

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

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

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

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

Section 12200.5. Replacement of Badge.

(a) Upon submission of a request, the Executive Director shall issue a replacement badge if all of the following conditions are met:

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

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

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable twenty-five dollar ($25) fee, payable to the Commission.

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

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

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

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

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

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

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

(a) Upon submission of a request, the Executive Director shall issue a player transfer badge, reinstatement badge, or additional badge if all of the following conditions are met:

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

(2) The request is complete and has been submitted on the form Request for an Additional/Transfer/Reinstatement Third Party Proposition Player Services Registration/License (CGCC-439, Rev. 09/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable one hundred and twenty-five dollar ($125) fee payable to the Commission.

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

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

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

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

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

Reference: Section 19984, Business and Professions Code

Section 12200.7. Proposition Player Contract Criteria.

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

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

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

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

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

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

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

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

(7) A detailed description of the location, applicable security measures, and purpose of any currency, chips, or other wagering instruments that will be stored, maintained, or kept within the gambling establishment by or on behalf of the primary owner.

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

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

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

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

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

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

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

(15) A full disclosure of any financial arrangements entered into during the term of the contract for any purpose between the house and any registrant or licensee covered by the proposition player contract. If there is no financial consideration that passes under the contract, a statement to that effect shall be included.

(16) That any legal dispute between the primary owner and the house, including any exclusion of a registered or licensed owner, player, or supervisor covered by the contract with the house shall be reported in writing within ten (10) days by the primary owner and the house to both the Commission and the Division.

(17) That the primary owner and the house shall report in writing within ten (10) days to both the Commission and the Division the identity of any registrant whose activities are covered by the proposition player contract and who is arrested in the gambling establishment by a peace officer, who is removed from the gambling establishment by a peace officer or the house, or who is involved in a patron dispute regarding his or her activities in the gambling establishment that is the subject of a report to a peace officer and that results in removal of one or more individuals.

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

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

(20) That any tipping arrangements shall be specified in the contract andthat percentage tips shall not be given. If there are no tipping arrangements, a statement to that effect shall be included.

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

(22) That the contract is a complete expression of all agreements and financial arrangements between the parties; that any addition to or modification of the contract, including any supplementary written or oral agreements, must be approved in advance by the Division pursuant to Section

12200.10B (Review and Approval of Amendments to Proposition Player Contracts) before the addition or modification takes effect.

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

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

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

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

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

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

(g) A primary owner may contract with more than one gambling establishment at the same time; a gambling establishment may contract with more than one primary owner at the same time. This subsection is not intended to prohibit a contract in

which a gambling establishment and a primary owner agree that one primary owner shall be the exclusive provider of proposition player services to that gambling establishment.

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

Section 12200.9. Review and Approval of Proposition Player Contracts.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Requests to review and approve an amendment to a proposition player contract shall be submitted with an application for approval (see Section 12200.9(a)(3)(A)) along with an executed copy of the contract, a five hundred dollar ($500) nonrefundable application fee, and a four hundred and fifty dollar ($450) deposit as required by Title 11, California Code of Regulations section 2037(a)(2)(B). The Division may require an additional sum to be deposited to pay the final costs of the review and approval or disapproval of the amendment. Any money received as a deposit in excess of the costs incurred in the review and approval or disapproval of the amendment shall be refunded and an itemized accounting shall be provided to the primary owner or the primary owner's designee.

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

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

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

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

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

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

Section 12200.11. Extension of Proposition Player Contracts.

(a) An application for approval of a contract to continue proposition player services shall include all of the following:

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

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

(3) An executed copy of the contract.

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

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

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

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

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

Section 12200.13. Playing Book.

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

(b) The playing book shall be prepared and maintained as follows:

(1) The playing book form shall be reviewed and approved or disapproved during the review of the contract by the Division.

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

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

(B) The name of the gambling establishment where play occurred.

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

(D) Beginning and ending balances.

(E) Individual identification of all fills and credits affecting the balance.

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

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

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

(I) The name of the primary owner.

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

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

Section 12200.14. Organization Chart and Employee Report.

(a) No later than September 1, 2004, each registered or licensed primary owner shall submit a current organization chart and a listing of all employees by name and title to the Division and the Commission. The listing of employees shall be submitted on the form Third Party Proposition Player Services Employee Report (CGCC-440, Rev. 09/04), which is hereby incorporated by reference.

(b) Upon renewal of the registration or license, each registered or licensed primary owner shall submit an updated organization chart and a listing of all employees by name and title to the Division and the Commission.

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

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

Section 12200.15. Transfers and Sales.

(a) . If any registered or licensed owner wishes to sell in whole or in part any ownership interest to any unregistered or unlicensed person, the owner must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a TPP registrant or licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, shall accompany the application for registration or licensing.

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

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

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

Section 12200.16. Inspections and Investigations.

(a) When requested by a representative of the Division, a registrant or licensee shall immediately permit the Division representative, in accordance with the request, to inspect, copy, or audit all requested documents, papers, books, and other records of the registrant or licensee related to the provision of proposition player services. If the records are maintained in electronic form and the registrant or licensee is requested to do so, the registrant or licensee shall provide a printed copy in English pursuant to this section within 24 hours of the request.

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

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

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

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

Section 12200.17. Emergency Orders.

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

Authority: Sections 19840, 19841, and 19984, Business and Professions Code
Reference: Sections 19984 and 19931, Business and Professions Code

Section 12200.18. Revocation.

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

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

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

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

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

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

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

(g) The registrant or licensee committed, attempted, or conspired to commit any embezzlement or larceny against a gambling licensee or proposition player registrant or on the premises of a gambling establishment.

(h) The registrant or licensee has been lawfully excluded from being present upon the premises of any licensed gambling establishment for any reason relating to cheating or any violation of the Gambling Control Act by the registrant or licensee.

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

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

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

(l) Any owner knowingly permitted one or more of the owner's supervisors or players to commit any act described in subsections (a) to (k), inclusive.

(m) Any owner knew, or failed to implement reasonable oversight procedures that would have apprised the owner, that one or more of the registrants or licensees was in violation of one or more provisions of this chapter or of the Gambling Control Act and failed or refused to take action to prevent the recurrence of the violation or violations.

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

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

Section 12200.20. Annual Fee.

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

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

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

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

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

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

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

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

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

issuance of the license, one-third to be submitted three months thereafter, and one-third to be submitted six (6) months thereafter.

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

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

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

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

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

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

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

Section 12200.21. Compliance.

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

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

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

ARTICLE 2. REGISTRATION

Section 12201. Registration.

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

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

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

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

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

(f) Registration is non-transferable.

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

Section 12202. Application for Registration.

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

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

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

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

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

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

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

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

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

Section 12203. Processing of Applications for Initial Registration.

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

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

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

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

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

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

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

(a) Renewal applications for owners shall be received no later than 120 days prior to the expiration of the current registration, together with the five hundred dollar ($500) application fee. If an application is received after this 120-day deadline, an expedited processing fee of sixty dollars ($60) shall be submitted with the

application. If an expedited processing fee is due but has not been received, a registration renewal shall not be issued.

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

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

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

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

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

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

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

Section 12203.1. Temporary Player Registration.

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

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

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

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

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

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

Section 12203.2. Temporary Player Registration: Application; Criteria.

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

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

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

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

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

(2) The applicant has, within the ten (10) year period immediately

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

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

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

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

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

(E) A misdemeanor involving dishonesty or moral turpitude.

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

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

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

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

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

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

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

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

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

Section 12203.3. Processing Times for Temporary Player Registration.

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

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

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

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

Section 12203.5. Cancellation of Temporary Registration.

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

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

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

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

(3) The Executive Director receives from the applicant a request to withdraw his or her application for regular registration.

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

(1) Notify the temporary registration holder, the primary owner, the contracted gambling establishment, and the Division in writing of the cancellation of the temporary registration and the grounds for cancellation.

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

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

Section 12204. Ineligibility for Registration.

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

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

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

(c) The applicant has, within the ten (10) year period immediately preceding the submission of the application, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Gambling Control Act, or dishonesty or moral turpitude, not including convictions which have been expunged or dismissed as provided by law.

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

(e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(f) The applicant would be ineligible for a state gambling license under Business and Professions Code section 19858.

(g) The applicant has violated one or more of the prohibitions set forth in Subsections 12200.7(b)(5), (11), or (20) or Subsections 12200.7(c)(1) and (3).

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

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

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

Section 12205. Cancellation of Regular Registration.

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

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

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

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

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

Section 12205.1. Transition to Licensing.

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

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

(c) If the registration expires by operation of law, the former registrant shall submit a new Request for Conversion of a Third Party Proposition Player Services Registration to a License (CGCC-437, Rev. 09/04**)** and a new five hundred dollar ($500) nonrefundable application fee.

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

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

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

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

ARTICLE 3. LICENSING

Section 12218. Request to Convert Registration to License.

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

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

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

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

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

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

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

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

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

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

Section 12218.1. Subsequent Registrants.

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

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

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

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

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

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

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

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

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

(1) The maximum time within which the Commission shall notify the applicant in writing that a request or a resubmitted request is complete and accepted for initial processing by the Commission, or that a request or a resubmitted request is deficient and identifying what specific additional information is required, is 20 days after receipt of the request. For the purposes of this section, "request" means the Request for Conversion of a Third Party Proposition Player Services Registration to a License (CGCC-437, Rev. 09/04), which was incorporated by reference in Section 12218. A request is not complete unless accompanied by both a copy of the summons from the Division setting a deadline for filing the request with the Commission and the supplemental information package required by section 12218(c)(3) for review by the Division pursuant to paragraph (3) of this subsection (a) for persons affiliated with the primary owner to whom the summons was addressed. The supplemental information shall not be reviewed for completeness by the Commission.

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

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

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

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

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

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

Section 12218.11. Ineligibility for Licensing.

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

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

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

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

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

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

(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(g) The requester would be ineligible for a state gambling license under Business and Professions Code section 19858.

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

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

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

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

Section 12218.13. Term of License.

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

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

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

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

CHAPTER 2.2. GAMBLING BUSINESSES: REGISTRATION; LICENSING.

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS

Section 12220. Definitions.

(a) Except as otherwise provided in section 12002 and in subsection (b) of this regulation, the definitions in Business and Professions Code section 19805 shall govern the construction of this chapter.

(b) As used in this chapter:

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

(2) "Applicant" means an applicant for registration or licensing under this chapter, including in the case of an owner that is a corporation,

partnership, or any other business entity, all persons whose registrations or licenses are required to be endorsed upon the primary owner's registration or license certificate.

(3) "Authorized player" means an individual associated with a particular primary owner whose badge authorizes play in a controlled game on behalf of the primary owner, including the primary owner, all other owners, all supervisors, and all players. Only authorized players may perform the functions of a supervisor or player.

(4) "Badge" means a form of identification issued by the Commission identifying a registrant or licensee.

(5) [RESERVED]

(6) [RESERVED]

(7) [RESERVED]

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

(9) [RESERVED]

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

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

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

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

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

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

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

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

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

(12) [RESERVED]

(13) "License" means a license issued by the Commission pursuant to article 3 of this chapter.

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

1. Primary owner,

2. Owner,

3. Supervisor, and

4. Player.

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

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

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

(14) "Licensee" means a person having a valid license.

(15) "Organization chart" means a chart that identifies the names and titles of all owners, as defined in section 12220, supervisors, and any persons

having significant influence over the operation of gambling business; the percentage of ownership, if any, held by each identified individual or entity; the reporting relationship for each identified individual or entity; and the job title and number of persons in each of the job titles that report to each individual or entity identified on the organization chart.

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

(17) "Owner" includes all of the following:

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

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

(C) Any funding source.

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

(19) "Playing Book" means a record documenting each session of play by an individual player.

(20) "Primary Owner" means the owner specified in subparagraph (A) of paragraph (17) of this subsection.

(21) "Rebate" means a partial return by an authorized player of chips or money to a patron who has lost the chips or money to the authorized player through play in a controlled game at a gambling establishment.

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

(23) "Registration" means a registration issued by the Commission pursuant to this chapter.

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

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

(C) A primary owner and an owner may also perform the functions of a supervisor or player, and the holder of a supervisor's registration

may also perform the functions of a player. No registrant, other than an owner, supervisor, or player, may possess, direct, or otherwise control currency, chips, or other wagering instruments used for play as part of the operation of a gambling business.

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

(25) "Session of play" as used in Section 12220.13 ("Playing Book") means a continuous work shift performed by a player.

(26) "Supervisor" means an individual who, in addition to any supervisorial responsibilities, has authority, on behalf of the primary owner, to provide or direct the distribution of currency, chips, or other wagering instruments to affiliated registrants or licensees who are authorized to play.

(27) "Supplemental information package" means all of the documentation and deposits required by each of the following forms (which are hereby incorporated by reference) to be submitted to the Commission in response to a summons issued by the Division pursuant to Section 12225.1.

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

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

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

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

(28) "Transfer Badge" means a badge issued by the Commission pursuant Section 12220.6 which authorizes an individual registrant or licensee to work as an employee or independent contractor for a subsequent primary owner after having ceased to work for an initial primary owner.

Authority: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19805 and 19853(a)(3), Business and Professions Code

Section 12220.1. Certificate.

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

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

Authority: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19805 and 19853(a)(3), Business and Professions Code

Section 12220.3. Badge.

(a) All individuals registered or licensed as primary owners, owners, supervisors, players, or other employees of the primary owner shall wear in a prominently visible location a numbered badge issued by the Commission when present in a gambling establishment during the operation of the gambling business.

(b) A badge authorizing play in a controlled game shall be of a distinctly different color than a badge which identifies a registrant or licensee, but does not authorize play. If an individual ceases to be employed by or affiliated with a particular primary owner, that individual shall surrender his or her badge to the primary owner. The primary owner shall notify the Commission and the Division in writing within ten (10) days of the change in status using Change in Status Form for a Gambling Business Registration (CGCC-541, Rev. 09/04), which is hereby incorporated by reference; with this form, the primary owner shall submit the registrant's or licensee's badge.

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

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

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

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

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

Authority: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19805 and 19853(a)(3), Business and Professions Code

Section 12220.5. Replacement of Badge.

(a) Upon submission of a request, the Executive Director shall issue a replacement badge if all of the following conditions are met:

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

(2) The request is complete and has been submitted on the form Request for Replacement Gambling Business Badge (CGCC-538, New 06/04), which is hereby incorporated by reference.

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable twenty-five dollar ($25) fee payable to the Commission.

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

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

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

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

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

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

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

(a) Upon submission of a request, the Executive Director shall issue a player transfer badge, reinstatement badge, or additional badge if all of the following conditions are met:

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

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

(3) The requester has supplied all of the following to the Commission:

(A) A nonrefundable one hundred and twenty-five dollar ($125) fee payable to the Commission.

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

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

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

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

Authority: Sections 19811, 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19805 and 19853(a)(3), Business and Professions Code

Section 12220.13. Playing Book.

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

(b) The playing book shall be prepared and maintained as follows:

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

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

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

(B) The name of the gambling establishment where play occurred.

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

(D) Beginning and ending balances.

(E) Individual identification of all fills and credits affecting the balance.

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

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

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

(I) The name of the primary owner.

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

Authority: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19805 and 19853(a)(3), Business and Professions Code

Section 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 Division and the Commission. The listing of employees and independent contractors shall be submitted on the form Gambling Business Employee and Independent Contractor Report (CGCC-540, Rev. 09/04), which is hereby incorporated by reference.

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

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

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

Section 12220.15. Transfers and Sales.

(a) . If any registered or licensed owner wishes to sell in whole or in part any ownership interest to any unregistered or unlicensed person, the owner must first notify the Commission in writing to request approval of the transaction. The transferee must apply for and be approved as a registrant or licensee. Evidence of the transferor's agreement to transfer the interest and, if applicable, the proposed articles of incorporation, shall accompany the application for registration or licensing.

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

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

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

Section 12220.16. Inspections and Investigations.

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

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

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

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

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

Section 12220.17. Emergency Orders.

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

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

Section 12220.18. Revocation.

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

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

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

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

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

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

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

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

(h) The registrant or licensee has been lawfully excluded from being present upon the premises of any licensed gambling establishment for any reason relating to cheating or any violation of the Gambling Control Act by the registrant or licensee.

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

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

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

(l) Any owner knowingly permitted one or more of the owner's supervisors or players to commit any act described in subsections (a) to (k), inclusive.

(m) Any owner knew, or failed to implement reasonable oversight procedures that would have apprised the owner, that one or more of the registrants or licensees was in violation of one or more provisions of this chapter or of the Gambling Control Act and failed or refused to take action to prevent the recurrence of the violation or violations.

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

Section 12220.20. Annual Fee.

(a) (1) No later than September 1 of each year, beginning September 1, 2004, each registered primary owner shall submit to the Commission the annual fee set forth in subsection (c) of this section, based on the total number of registrations or licenses affiliated with the primary owner on the immediately preceding August 1. The payment due September 1 of each year shall be based on the total number of registrations affiliated with the primary owner on August 1 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 which is due shall be credited against the following year's annual fee obligation, unless the primary owner no later than February 1, 2005 submits a written refund request to the Executive Director.

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

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

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

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

issuance of the license, one-third to be submitted three months thereafter, and one-third to be submitted six (6) months thereafter.

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

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

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

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

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

Authority: 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

Section 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) application fee.

(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.

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

Section 12220.21. Compliance.

(a) Registrants and licensees shall comply with game rules approved by the Division, including but not limited to the rules regarding player-dealer rotation and table wagering.

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

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

Section 12220.23. Exclusion

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

(b) An owner-licensee of a gambling establishment may exclude any registered or licensed gambling business and shall notify the Commission and Division in writing within five (5) days following the exclusion.

Authority: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19853(a)(3) and 19930, Business and Professions Code

ARTICLE 2. REGISTRATION

Section 12221. Registration.

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

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

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

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

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

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

(g) Registration is non-transferable.

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

Section 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 the individual applicant and the designated agent, or, if the applicant is a business entity, by the chief executive officer or other designated officer of the business entity.

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

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

(2) A completed Application for 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 Bureau for an automated background check and response.

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

(c) An applicant that is an individual shall complete and submit the form 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 Division as required for the application and as requested by the Commission or Division to carry out the policies of this state relating to controlled gambling.

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

Section 12223. Processing of Applications for Initial and Renewal Registration.

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

(b) Upon determination that an application for registration is complete, the application shall be processed within 60 days and the Executive Director shall either issue the registration and the badge applied for or shall notify the applicant of denial and the grounds therefor under Section 12224.

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

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

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

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

Section 12224. Ineligibility for Registration.

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

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

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

(c) The applicant has, within the ten (10) year period immediately preceding the submission of the application, been convicted of a misdemeanor involving a firearm or other deadly weapon, gaming or gaming-related activities prohibited by Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code, violations of the Gambling Control Act, or dishonesty or moral turpitude, not including convictions which have been expunged or dismissed as provided by law.

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

(e) The applicant would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(f) The applicant would be ineligible for a state gambling license under Business and Professions Code section 19858.

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

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

Section 12225. Cancellation of Registration.

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

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

(1) Provide written notice to the registrant and the Division of the cancellation of the registration and the grounds thereof, and provide written notice of

the cancellation to the primary owner, if the registrant is not the primary owner and to all gambling establishments.

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

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

Section 12225.1. Transition to Licensing.

(a) The Division shall summon persons registered as primary owners, owners, supervisors, players, and other employees for the purpose of applying for licenses under this chapter. The Division shall summon primary owners, owners, supervisors, players, and other employees as expeditiously as possible in light of available program resources. The registration of any registrant that fails or refuses to submit a Request for Conversion of a Gambling Business Registration to a License (CGCC-537, New 06/04))(see section 12233(c)) including any fees to the Commission within 30 days of receiving a summons from the Division shall expire by operation of law on the following day. Prior to and during review of a request to convert a registration to a license, a registration shall remain valid and may be renewed by the registrant as necessary, upon application and approval of renewal of registration.

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

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

(d) Except as provided for in subsection (b), a request to convert a registration to a license shall require only payment of a sum of money that in the judgment of the Director of the Division, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

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

Authority: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19853(a)(3), 19867, Business and Professions Code

ARTICLE 3. LICENSING

Section 12233. Request to Convert Registration to License.

(a) A request to convert a registration to a license shall be submitted to the Commission only in response to a written summons from the Division to a primary owner pursuant to Section 12225.1. Each primary owner's request shall be accompanied by the requests of all affiliated owners, supervisors, players, and other employees.

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

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

(1) A completed Request for Conversion of a Gambling Business Registration to a License (CGCC-537, New 06/04), which is hereby incorporated by reference.

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

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

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

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

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

Authority: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19853(a)(3) and 19867, Business and Professions Code

Section 12234. Withdrawal of Request to Convert Registration to License.

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

(b) The Commission shall not grant the request unless the requester has established that withdrawal of the request would be consistent with the public interest and the policies of the Gambling Control Act and this chapter. If a request for withdrawal is denied, the Division may go forward with its investigation and make a

recommendation to the Commission upon the request, and the Commission may act upon the request to convert as if no request for withdrawal had been made.

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

Authority: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19853(a)(3) and 19869, Business and Professions Code

Section 12235. Processing Times--Request to Convert Registration to License.

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

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

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

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

(4) Pursuant to Business and Professions Code section 19868, the Division shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Division is in receipt of both the completed request pursuant to paragraph (2) of this subsection (a) and the completed supplemental information package pursuant to

paragraph (3) of this subsection (a). If the Division has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

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

Authority: Sections 19840, 19841, and 19853(a)(3), Business and Professions Code
Reference: Sections 19853(a)(3) and 19868, Business and Professions Code

Section 12236. Ineligibility for Licensing.

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

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

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

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

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

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

(f) The requester would be ineligible for a state gambling license under any of the criteria set forth in Business and Professions Code section 19859, subdivisions (b), (e), or (f).

(g) The requester would be ineligible for a state gambling license under Business and Professions Code section 19858.

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

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

Section 12237. Term of License.

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

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

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

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

CHAPTER 4. GAMBLING EQUIPMENT MANUFACTURERS OR DISTRIBUTORS

Section 12300. Definitions.

(a) Except as provided in section 12002 and in subsection (b) of this regulation, the definitions in Business and Professions Code section 19805 shall govern the construction of the regulations contained in this chapter:

(b) As used in this chapter only:

(1) "Antique collector" means any individual that sells, exchanges, or otherwise transfers five or fewer antique slot machines, as defined in Penal Code section 330.7, during any calendar year. For purposes of computing the number of antique slot machines transferred during any calendar year, transactions in which a registered manufacturer or distributor acts as an agent or broker on behalf of an antique collector shall not be counted or included. "Antique collector" does not include any individual who is otherwise a manufacturer or distributor within the meaning of paragraph (7) of this subsection.

(2) "Class B" refers to any manufacturer or distributor that has no place of business in the State of California and that does not transport gambling equipment to a destination within the State of California, other than transportation of gambling equipment from an out-of-state location to a tribal gaming facility in this state in compliance with the requirements of section 7.4.5 of the applicable Tribal-State Gaming Compact and the procedures established by agreement thereunder. All other manufacturers or distributors are Class A.

(3) "Essential Parts" means and includes any of the following:

(A) Game and pay table programmed media, whether in programmable read-only memory or erasable programmable read-only memory.

(B) Other electronic or magnetic storage media containing programming or data that affect the outcome of the game.

(4) "Executive Director" means Executive Director of the Commission or such other person who may be designated by the Commission.

(5) "Gambling equipment" means any slot machine or device as defined in section 330b or 330.1 of the Penal Code. "Gambling Equipment" also includes (A) any essential part and (B) any inoperable slot machine or device that is substantially complete and repairable or that can be made operable with the installation of one or more essential parts. Any reference to slot machines or devices has the meaning defined in Penal Code sections 330b and 330.1.

(6) "Manufacture or distribute" and "manufacture or distribution" refer to the activities of a manufacturer or distributor specified in paragraph (7) of this subsection.
(7) "Manufacturer or Distributor" means any person that manufactures, including the assembly, production, programming, or modification of, distributes, sells, leases, inspects, tests, repairs, refurbishes, or stores gambling equipment in this state or for use in this state. Manufacturer or distributor includes, in addition to in-state manufacturers and distributors, persons performing these functions in a location outside of this state with respect to gambling equipment intended for operation in this state.
(8) "Registration" means registration with the Commission under this chapter.

Authority: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code; and Section 337j, Penal Code.
Reference: Section 19841(r), Business and Professions Code; and Section 337j(e)(1), Penal Code.

Section 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 these regulations.
(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) 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), 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.

Authority: Sections 19823, 19824, 19840 and 19841(r), 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.

Section 12301.1. Claim of Exemption by Antique Collector; Form.

(a) An antique collector may obtain an exemption from registration under this chapter if the antique collector satisfies all of the following requirements:

(1) Submits a completed Antique Collector Claim of Exemption CGCC 039 (Rev. 11/03), which is hereby incorporated by reference, in which the antique collector declares under penalty of perjury in the form specified in Section 2015.5 of the Code of Civil Procedure that the information provided in the application is accurate and complete.

(2) The antique collector maintains and retains in California for a period of five years a record of each transaction showing the names and addresses of all parties to the transaction.

(b) Any antique collector who intends to sell, exchange, or transfer more than five antique slot machines within a calendar year shall register as a manufacturer or distributor as otherwise required by this chapter.

(c) The records of slot machine transactions and the inventory of slot machines in the possession of any antique collector shall be subject to inspection by representatives of the Commission or the Division during normal business hours.

Authority: Sections 19823, 19824, 19840 and 19841(r), 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; Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

Section 12302. Delegation of Authority; Process Times.

(a) The Executive Director shall review and grant or deny applications for registration in accordance with this chapter.

(b) The Executive Director shall approve an application for registration under this chapter if the application satisfies the requirements of section 12301(b) of this chapter.

(c) The Executive Director shall notify the applicant in writing within ten business days of receiving the application, that the application or resubmitted application is complete and accepted for filing, or that the application or resubmitted application is deficient. If an application for registration is incomplete, the Executive Director shall request in writing any information required in order to complete the application. If the applicant fails to provide the required information within 45 days, the application shall be deemed abandoned and no further action will be taken on it.

Upon determination that an application for registration is complete, the application shall be processed within ten business days and the Executive Director shall either issue the registration applied for or shall notify the applicant of denial and the grounds therefor.

(d) Notwithstanding any other provision of this chapter, including subsection (a) of Section 12301, the time within which to register as a manufacturer or distributor shall be extended during any time required by the Executive Director for consideration of a registration application that has been resubmitted pursuant to subsection (c) of this section.

Authority: Sections 19823, 19824, 19840 and 19841, Business and Professions Code.
Reference: Sections 19805(b) and 19841(r), Business and Professions Code.

Section 12303. Conditions of Registration.

(a) Each manufacturer or distributor shall, as a condition of continued registration, comply with the following continuing requirements:

(1) Submit in duplicate to the Commission, at its office in the City of Sacramento, within 30 days after the close of each calendar quarter, a report on sales and shipments of gambling equipment as follows:

(A) Except as provided in subparagraph (D) of this paragraph (1), for each shipment of gambling equipment received or sent out by the manufacturer or distributor from or to a location in the State of California during the preceding calendar quarter, the report shall include all of the following information:

(i) The name and address of the sender.

(ii) The name and address of the recipient.

(iii) The date of shipment,

(iv) The bill of lading number.

(v) The manufacturer of each item of gambling equipment if different from the sender.

(vi) The model (no.) of each item of gambling equipment.

(vii) The year of manufacture (if known) of each slot machine or device/essential part shipped.
(viii) The manufacturer's serial number, if any, of each slot machine or device/essential part.
(ix) The number of units of each type, manufacturer, and model (no.) of slot machine/essential part.

(B) For each sale, lease, or other transfer of gambling equipment not otherwise reportable under subparagraph (A) of this paragraph, and any transfer as an agent or broker on behalf of an antique collector, during the preceding calendar quarter by the manufacturer or distributor from or to a location within the State of California, the report shall include all of the following information:
(i) The names and addresses of all parties to the sale or lease.
(ii) The date of the contract of sale or lease.
(iii) The date of shipment or delivery of the gambling equipment.
(iv) The name of the manufacturer of the gambling equipment if different from the seller.
(v) The year of manufacture (if known) of each slot machine or device/essential part sold.
(vi) The manufacturer's serial number, if any, of each slot machine or device/essential part.
(vii) The number of units of each type, manufacturer, and model (no.) of slot machine/essential part.

(C) If a manufacturer or distributor delivers or ships gambling equipment to a purchaser or other recipient at a location in this state for subsequent transportation in interstate or foreign commerce as provided in California Penal Code section 330.8, the purchaser or other recipient shall be a registrant under this chapter. These transactions shall be reported pursuant to subparagraph (B) of this paragraph.

(D) Any shipment of gambling equipment sent by a manufacturer or distributor to a tribal gaming facility or sent by a tribal gaming facility to a manufacturer or distributor that is reported to the Division pursuant to the terms of the transportation agreement required by Section 7.4.5 of the applicable Tribal-State Gaming Compact, need only be reported to the Commission by reference to the recipient and date of the report sent to the Division, if the report provided to the Division specifies the manufacturer, model (no.), and manufacturer's serial number of the gambling equipment shipped and the shipment is transported in full compliance with all of the requirements of the transportation agreement, including the following:
(i) The gambling equipment shall be located in a locked compartment or sealed container within the conveyance while being transported.
(ii) The gambling equipment shall not be accessible for use while being transported, and,
(iii) No gambling equipment shall be operated except on the Tribe's lands.

(E) The report shall also include a list of all items of gambling equipment or essential parts in the possession or custody of the registrant at any location in this state (other than a shipment in transit) during the reporting period and the address of

each business location of the registrant in this state at which each listed item of gambling equipment or essential part was stored or otherwise located.

(F) The report shall include a statement that it is accurate and complete within the personal knowledge of the designated representative who executes the report, and a declaration under penalty of perjury that it is true and correct, signed by the designated representative in the form specified in Code of Civil Procedure section 2015.5.

(G) The initial quarterly report required by this section shall be for the first calendar quarter of 2003 and shall be submitted and received no later than 30 days following the close of that calendar quarter.

(2) Advise the Commission in writing of any new California business location or any termination of an existing business location, within 15 days following the change.

(3) Submit to any representative of the Commission or the Division any additional information requested by the representative concerning the registrant's activities as a manufacturer or distributor, including copies of any records maintained or retained pursuant to Title 15, United States Code, section 1173. The information shall include a statement that the information is accurate and complete within the personal knowledge of the designated representative who executes the report, and a declaration under penalty of perjury that it is true and correct, signed by the designated representative in the form specified in Code of Civil Procedure section 2015.5.

(4) Submit to inspection and examination by the Division of all premises where gambling equipment is manufactured, sold, or distributed, pursuant to Business and Professions Code section 19827(a)(1)(B).

(5) Submit to audits by representatives of the Commission, upon request, during normal business hours in order to verify the accuracy of reporting under this chapter.

(b) The Commission may deny or revoke a registration, upon any of the following grounds, after a duly noticed hearing:

(1) The manufacturer or distributor has failed or refused to comply with any requirement of this chapter.

(2) The manufacturer or distributor has violated Penal Code sections 330a, 330b, 330.1, or 330.8.

(c) This section shall become operative on August 1, 2003, and applies to reports for all quarters beginning with the report for the third quarter of 2003, which report shall contain data reflecting the new requirements for the months of July, August, and September.

Authority: Sections 19801(g), 19823, 19824, 19827(a)(1), 19840 and 19841(r), Business and Professions Code.
Reference: Sections 19841(r), 19930 and 19931, Business and Professions Code.

Section 12304. Fines.

(a) In addition to, or in lieu of, any denial or revocation of registration under Section 12303(b), any violation of this chapter other than as provided in subsection (c) of this section shall be subject to a fine not to exceed ten thousand dollars ($10,000) upon first offense and twenty thousand dollars ($20,000) upon any second or subsequent offense for each separate violation, as provided by Business and Professions Code section 19930, subdivision (c).

(b) Each day a violation continues shall be deemed a separate violation commencing after receipt of notice of violation by the manufacturer or distributor from the Commission or Division or 30 days after commencement of the violation, whichever first occurs.

(c) A manufacturer or distributor shall be liable for a civil penalty not to exceed five hundred dollars ($500) per business day for each business day that the report required by Section 12303(a)(1) is overdue. For purposes of this chapter, the report shall be deemed overdue if not received by the Commission within 30 calendar days following the last day of the calendar quarter for which the report is required.

Authority: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code.
Reference: Sections 19841(r), 19930 and 19931, Business and Professions Code.

Section 12305. Availability of Records.

(a) Copies of any and all records provided to the Commission by applicants and registrants under this chapter shall be provided upon request to the Division and made available upon request to any law enforcement agency.

(b) Upon request of the Commission, copies of the following records shall be provided by the Division to the Commission:

(1) Any and all records received by the Division from manufacturers and distributors,

(2) Any and all transportation agreements and amendments to transportation agreements entered into with gaming tribes under the Tribal-State Gaming Compacts referred to in section 12306,

(3) Any and all records received by the Division pursuant to transportation agreements entered into with gaming tribes under the Tribal-State Gaming Compacts referred to in section 12306.

Authority: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code.
Reference: Sections 19805(b) and 19841, Business and Professions Code.

Section 12306. Applicability on Indian Lands.

This chapter does not apply to the manufacture or distribution of gambling equipment conducted upon Indian lands in this state on which class III gaming has been authorized, in accordance with a Compact between a federally recognized Indian Tribe and the State of California, as provided in Section 11 of the Indian Gaming Regulatory Act of 1988 (P.L. 100-497), Title 25, United States Code, section 2710 and any amendments thereto; provided, that the manufacture or distribution is not prohibited by the laws of the United States and is limited to gambling equipment that is used or for use in the Tribe's gaming operation, including the sale of gambling equipment previously acquired for use in the Tribe's gaming operation.

Authority: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code.
Reference: Section 19841(r), Business and Professions Code; and Title 25, United States Code, section 2710.

Section 12308. Penal Code Applicability.

Nothing in this chapter shall be construed to make lawful the manufacture, distribution, or transportation of any slot machine or device in violation of any provision of chapter 10 (commencing with section 330) of Title 9 of Part 1 of the Penal Code.

Authority: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code.
Reference: Section 19841(r), Business and Professions Code; and Chapter 10 (commencing with Section 330) of Title 9 of Part 1, Penal Code.

Section 12309. Forms.

(a) Applications for registration under section 12301(b) shall be submitted on the Application for Registration of Manufacturers or Distributors of Gambling Equipment CGCC 025 (Rev. 11-03), which is hereby incorporated by reference.
(b) Quarterly Report CGCC 040 (rev. 11/03), which is hereby incorporated by reference, may but need not be used for submission of reports required by Section 12303.

Authority: Sections 19823, 19824, 19840, 19841(r) and 19864, Business and Professions Code.
Reference: Sections 19841(r) and 19951(a), Business and Professions Code; Section 2015.5, Code of Civil Procedure; Section 330.8, Penal Code; Chapter 24 (commencing with Section 1171) of Title 15 of the United States Code.

Section 12310. Uniform Tribal Gaming Regulation Exemption.

There shall be exempt from this chapter all Class B manufacturers and distributors that are subject to requirements of a Tribal Gaming Agency pursuant to a uniform regulation (1) that has been approved by the Association of Tribal and State Gaming Regulators, and is in effect as provided in Section 8.4.1 of the Tribal-State Gaming Compacts, and (2) that includes the requirement for manufacturers and distributors to provide quarterly reports to the Commission pertaining to gaming device shipments pursuant to the Transportation Agreements entered into by Tribal Gaming Agencies and the State Gaming Agency pursuant to Section 7.4.5 of the Tribal-State Gaming Compacts, which reports are verified by a declaration under penalty of perjury signed by the designated representative of the manufacturer or distributor that the report is true and correct.

Authority: Sections 19823, 19824, 19840 and 19841(r), Business and Professions Code.
Reference: Section 19841(r), Business and Professions Code.

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

Section 12342. Initial and Renewal 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. 01-05).

(2) Application for Key Employee License, CGCC-031 (Rev. 01-05).

(3) Cardroom Applicant Supplemental Information for State Gambling License, DGC-APP. 015A (Rev. 09-04).

(4) Cardroom Applicant – Business Supplemental Information for State Gambling License, DGC-APP. 015B (New 09-04).

(5) Gambling Establishment Supplemental Information for State Gambling License, DGC-APP. 015C (New 09-04).

(6) Cardroom Key Employee Supplemental Information for State Gambling License, DGC-APP. 016A (Rev. 09-04).

(7) Cardroom Applicant's Spouse Supplemental Background Information for State Gambling License, DGC-APP. 009A (Rev. 09-04).

(8) Renewal Supplemental Information for State Gambling/Key Employee License and Instructions to Renewal Applicants, DGC-APP. 017A (Rev. 12-04).

(9) Declaration of Full Disclosure, DGC-APP. 005 (Rev. 09-04).

(10) Authorization to Release Information, DGC-APP. 006 (Rev. 09-04).

(11) Applicant's Declaration, Acknowledgment and Agreement (Community Property Interest), DGC-APP. 011 (Rev. 09-04).

(12) Applicant's Declaration, Acknowledgment and Agreement (Sole and Separate Property), DGC-APP. 012 (Rev. 09-04).

(13) Spouse's Declaration, Acknowledgment and Agreement (Community Property Interest), DGC-APP. 013 (Rev. 09-04).

(14) Spouse's Declaration, Acknowledgment and Agreement (Sole and Separate Property), DGC-APP. 014 (Rev. 09-04).

(15) Report of Annual Gross Revenues DGC-APP. 018 (Rev. 09-03).

(16) Declaration of Compliance With The Requirement for Public Notice of Application for a Gambling License, DGC-LIC. 100 (Rev. 07-03).

(17) Instructions for Public Notice of an Application for a Gambling Establishment License, DGC-LIC. 102 (Rev. 07-03).

(18) Public Notice of An Application for a Gambling Establishment License, DGC-LIC. 102A (Rev. 7-03).

(19) Appointment of Designated Agent, DGC-APP. 008 (Rev. 09-03).

(20) Employee Work Permit Certification, DGC-APP. 019 (Rev. 09-03).

(21) Key Employee Report, DGC-LIC. 101(Rev. 07-03).

(22) Instructions to Applicants, DGC-APP. 007 (Rev. 12-04).

(23) Instructions to Applicant's Spouse, DGC-APP .010 (Rev.12-04).

(24) Notice to Applicants, DGC-APP. 001 (Rev. 09-04).

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

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

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

(28) Tax Information Authorization (IRS 8821, Rev. April 2004).

Authority: Business and Professions Code sections 19811, 19824,19840, and 19841
Reference: Business and Professions Code sections 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865, 19866, 19867, 19876, 19880, 19881, 19883, 19890, 19893, 19951, and 19982

Section 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. 01-05) and the Application for Key Employee License, CGCC-031 (Rev. 01-05), both of which are incorporated by reference 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). In addition, an applicant shall submit with the application, any supplemental information required by section 12342 for review by the Division pursuant to paragraph (3) of this subsection. The supplemental information shall not be reviewed for completeness by the Commission.

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

(3) The Division 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 Division from the Commission. Notwithstanding this subsection, subsequent to acceptance of the supplemental information as complete, the Division 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 Division shall, to the extent practicable, submit its recommendation to the Commission within 180 days after the date the Division is in receipt of both the completed application pursuant to paragraph (2) of this subsection and the completed supplemental information pursuant to paragraph (3) of this subsection. If the Division has not concluded its investigation within 180 days, then it shall inform the applicant and the Commission in writing of the status of the investigation and shall also provide the applicant and the Commission with an estimated date on which the investigation may reasonably be expected to be concluded.

(5) The Commission shall grant or deny the application within 120 days after receipt of the final written recommendation of the Division 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.

Authority: Business and Professions Code sections 19811, 19824, 19840 and 19841.
Reference: Business and Professions Code sections 19841 and 19868.

Section 12344. License Renewals

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

(1) A completed form application:

(A) Applicants for a state gambling license shall use the form "Application for State Gambling License, CGCC-030 (Rev. 01-05)."

(B) Applicants for a key employee license shall use the form "Application for Key Employee License, CGCC-031 (Rev. 01-05)."

(2) A completed form entitled "Renewal Supplemental Information for State Gambling/Key Employee License and Instructions to Renewal Applicants, DGC-APP.017A (Rev. 12-04)" together with any documents required by the form.

(3) A nonrefundable application fee in the amount of five hundred dollars ($ 500).

(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).

(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 Division of Gambling Control determines that further investigation is needed, the applicant shall submit an additional sum of money that, in the judgment of the Director of the Division, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

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

Section 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. 01-05) and the Application for Key Employee License, CGCC-031 (Rev. 01-05), both of which are incorporated by reference 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). In addition, an applicant shall submit with the application, any supplemental information required by section 12342 for review by the Division.

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

(4) The Division 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 (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.

Authority: Business and Professions Code sections 19811, 19824, 19840 and 19841.
Reference: Business and Professions Code sections 19868 and 19876.

Section 12359. Request for Additional Permanent Tables

(a) The owner licensee of a gambling establishment may apply to operate additional tables on a permanent basis by submitting the following to the Executive Director:

(1) A completed and signed application form entitled "Application for Additional Authorized Permanent Tables" CGCC–027 (New 06-05), which is attached in Appendix A to this Chapter.

(2) A non-refundable application fee of $500, made payable to the California Gambling Control Commission, plus a Division review deposit made payable to the Division of Gambling Control, pursuant to California Code of Regulations, title 11, section 2037.

(b) The Commission shall not grant the application if any of the following are disclosed by the application or the results of the investigation of the applicant by the Division:

(1) The requested increase in the number of tables would exceed the number of tables allowed to be operated by the local jurisdiction for either the particular cardroom or the jurisdiction in which the gambling establishment is located.

(2) The requested increase in the number of tables has been denied by the local jurisdiction in which the gambling establishment is located.

(3) The gambling establishment's state gambling license is suspended or is subject to conditions precluding the approval of an increase in the number of tables.

(4) The gambling establishment has outstanding fees, deposits, fines, or penalties owing to the Commission or to the Division.

(c) A request by an applicant to withdraw the application shall result in the application being considered abandoned and unused deposit amounts returned, with no further action to be taken by the Commission.

(d) Commission staff shall commence the initial review and shall forward the application to the Division for investigation within 7 days of receipt of the application. The Division shall complete its review and return its findings to the Commission within 25 days of receipt of the application from the Commission. Commission staff shall then complete the review and set the request on the Commission agenda within 90 days of receiving the Division's findings and advise the applicant of the agenda date and any required table fees due. If the request for additional permanent tables is approved, applicant must pay the required tables fee due before placing the additional tables in operation.

Authority: Sections 19811, 19823, 19824,19840, 19841, 19864 and 19951, Business and Professions Code.
Reference: Sections 19951, Business and Professions Code.

APPENDIX A

State of California
California Gambling Control Commission
CGCC – 027 (New 06-05)

Commission Use Only
Fee Received:_____
Date to DGC:_____

APPLICATION FOR ADDITIONAL AUTHORIZED PERMANENT TABLES

Please refer to the instructions when completing the application. Type or print (in ink) all information requested on this application form.
If additional space is needed, please note response on a separate sheet of paper and attach to the application. .
Any corrections, changes, or other substitutions must be initialed and dated by the applicant.
Do not misstate or omit any material fact(s) as each statement made herein is subject to verification.

PLEASE SEND COMPLETED APPLICATIONS TO CGCC at: P.O. Box 526013, Sacramento, CA 95852-6013

Attach non-refundable $500 application fee (*payable to the California Gambling Control Commission)*
Attach review deposit, pursuant to Cal. Code of Regulations, title 11, section 2037 (*payable to the Division of Gambling Control)*

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Name of Gambling Establishment:

Business Address:

Street City State Zip Code

Mailing Address (*if different than Business Address*):

Street City State Zip Code

Business Telephone Number: ( )

Business Facsimile Number (if applicable): ( )

SECTION 2: TABLE INFORMATION

A) Number of Presently Authorized Permanent Tables:	
B) Number of Requested Additional Permanent Tables:	
C) Total Number of Proposed Tables: (Total Amount of A and B)	

SECTION 3: DECLARATION

I request approval to operate additional permanent tables, described in Section 2, at the gambling establishment described in Section 1.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this application is true, correct, and complete.

Signature of Owner Licensee:_____

Print Name:

Date: / /

Designated Contact for this Application

Telephone Number: ( )

APPLICATION FOR ADDITIONAL AUTHORIZED PERMANENT TABLES

Retain a photocopy of the complete application packet for your permanent records.

Applications not fully and accurately completed (including all required supporting materials) will be returned to the sender for completion. If the application is returned at any point in the processing, the applicant will need to follow the directions included with it and resubmit it in a timely manner. If any or all information is not provided, the application may be delayed, returned for completion, or denied.

The applicant is responsible for providing the appropriate information needed to determine eligibility for additional authorized permanent tables. If a question is not applicable, indicate with "N/A." If additional space is needed, use a separate sheet of paper and precede each response with the applicable section and item. Attach the paper to the back of the application.

Items required for the application to be considered complete:

- Application for Additional Authorized Permanent Tables (CGCC-027)
- A non-refundable $500 application fee (*payable to: the California Gambling Control Commission*)
- A Division review deposit, pursuant to California Code of Regulations, title 11, section 2037 (*payable to the Division of Gambling Control)*

SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Provide the legal name of the entity and any alternative names for the same business entity. You must notify the Commission of any name, address or telephone number changes. Your information is used to provide proper identification of your file, to contact you, and/or to determine your eligibility. Personal information contained in the *Additional Authorized Permanent Tables CGCC-027* may be disclosed to the public in accordance with the Gambling Control Act (Business and Professions Code section 19821(b)).

SECTION 2: TABLE INFORMATION

Indicate the number of tables that the gambling establishment currently has and the number it is requesting.
Also provide the total number of tables that the gambling establishment wishes to operate.
Please note that all requests are subject to compliance with local ordinances and state gambling laws.

SECTION 3: DECLARATION

Sign and date the application under penalty of perjury. An application must be signed and dated to be considered complete. The designated contact person for this application must also be included, if applicable.

CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS

ARTICLE 1. GENERAL PROVISIONS

Section 12360. Chapter Definitions

The definitions in Business and Professions Code section 19805 govern the construction of this chapter. As used in this chapter:

(a) "Licensee" means "owner licensee" as defined in Business and Professions Code section 19805, subdivision (y).

Authority: Section 19840, Business and Professions Code
Reference: Section 19805, Business and Professions Code

ARTICLE 2. EMERGENCY PREPAREDNESS AND EVACUATION PLAN

Section 12370. Emergency Preparedness and Evacuation Plan

(a) As used in this section:

(1) "Critical Incident" means a crisis situation involving the threat of serious injury or death and includes not only natural disasters, but also human-caused events, such as terrorist acts.

(2) "Plan" means an emergency preparedness and evacuation plan.

(b) For the purpose of ensuring the physical safety of patrons, employees, and any other person while in the gambling establishment, each gambling establishment licensed for five or fewer tables shall promptly develop and implement a plan for the gambling establishment which includes, but is not limited to, the following:

(1) Response plan for fire and other critical incidents.

(2) Location of a telephone available for placing a 911 emergency call.

(3) Procedure for securing or protecting the gambling establishment's cash or equivalent assets and records.

(4) Facility evacuation routes and procedures.

(5) A diagram of the establishment showing the exits.

(6) A description of how exits are marked.

(c) For the purpose of ensuring the physical safety of patrons, employees, and any other person while in the gambling establishment, each gambling establishment licensed for more than five tables shall promptly develop and implement a plan which includes, but is not limited to, the following:

(1) Clear, written policies listing the job titles of the personnel who are responsible for making decisions, monitoring emergency response actions, and securing or protecting the gambling establishment's cash or equivalent assets and records;

(2) Procedures addressing:

(A) Fires,

(B) Earthquakes, Floods and other Natural Disasters,

(C) Bomb Threats,

(D) Hazardous Spills or Toxic Exposure,

(E) Criminal Incidents,

(F) Other Critical Incidents, and

(G) Provisions for first aid and for obtaining emergency medical assistance for patrons, employees, and other persons while in the gambling establishment;

(3) Specific instructions for stopping business activities;

(4) Facility evacuation procedures, including a designated meeting site outside the facility, a process to account for employees after an evacuation, and a process to ensure that all patrons have been evacuated; and

(5) Specific training and practice schedules.

(d) Each plan shall be consistent with state and local requirements. Beginning November 1, 2004, each licensee shall submit a copy of its current plan as part of its annual renewal application. Beginning January 1, 2005, as part of its annual renewal application, each licensee shall submit two copies of its current plan, and:

(1) If the responsible local authority provides reviews, the licensee shall send documentation of the areas reviewed by the responsible local authority and whether or not the responsible local authority approved those areas of the plan under the responsible local authority's jurisdiction, pursuant to Health and Safety Code section 13143.5, subdivision (f). Health and Safety Code section 13143.5, subdivision (f)(2) provides that any fee charged pursuant to the enforcement authority of subdivision (f) shall not exceed the estimated reasonable cost of providing the service for which the fee is charged. The Commission may send one copy of the plan to the Division to review those areas of the plan not under the responsible local authority's jurisdiction.

(2) If the responsible local authority does not provide reviews, the licensee shall send the plan to the State Fire Marshall, and shall send the Commission documentation of whether or not the State Fire Marshall has approved the plan's fire and panic safety provisions. The Commission shall send one copy of the plan to the Division to review either subsection (b)(3) or subsections (c)(1), (c)(2)(E) and (c)(3), depending on the number of tables for which the gambling establishment is licensed.

(e) Each licensee shall, at least annually, provide for the review of the requirements of the plan with employees, ensuring that each employee has a general understanding of the provisions of the plan applicable to his or her position and understands his or her specific duties under the plan and the appropriate exit or exits to be used, where applicable. This annual review shall be documented, including signatures by the employee and the licensee or key employee who provided the review, as part of the licensee's application for renewal. When a new employee begins work, a licensee or key employee shall review the requirements of the plan with the new employee, ensuring that each new employee has a general understanding of the provisions of the plan applicable to his or her position and understands his or her specific duties under the plan and the appropriate exit or exits to be used, where applicable.

(f) If the Commission determines that the licensee's plan does not address the elements set forth in this regulation, then the Commission may issue a determination identifying the deficiencies and specifying a time certain within which those deficiencies shall be cured.

(g) Failure by a licensee to develop and implement a plan, or to cure a deficiency identified pursuant to subsection (f), constitutes an unsuitable method of operation and also may result in denial of an application for license renewal or in suspension or revocation of its existing license.

(h) In addition to any other remedy under this section, the Commission may assess a civil penalty of at least $500 but no more than $5000 for each violation of this section.

Authority: Sections 19811, 19824, 19840, Business and Professions Code
Reference: Sections 19801, 19823, 19841, 19860, 19920, 19924, Business and Professions Code

ARTICLE 4. ACCOUNTING AND FINANCIAL REPORTING

Section 12400. Definitions.

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

(b) As used in this chapter:

(1) "Authorized game" means a controlled game approved by the Division of Gambling Control.

(2) "Dealer's bank" means the total amount of moneys a dealer of the gambling establishment has on deposit with the gambling establishment for chip trays.

(3) "Drop" means the total amount of compensation collected from patrons of a gambling establishment to play in controlled games.

(4) "Fiscal year" means the annual period used by a licensee for financial reporting purposes.

(5) "Group I licensee" means a licensee with a reported gross revenue of $10 million or more for the preceding fiscal year.

(6) "Group II licensee" means a licensee with a reported gross revenue of $2 million or more but less than $10 million for the preceding fiscal year.

(7) "Group III licensee" means a licensee with a reported gross revenue of less than $2 million for the preceding fiscal year.

(8) "Jackpot" means a gaming activity appended to the play of an authorized game in a gambling establishment in which a prize is awarded based on predetermined criteria.

(9) "Jackpot administrative fee" means a fee to cover all expenses incurred by the licensee for administering a jackpot.

(10) "Licensee" means "owner licensee" as defined in Business and Professions Code section 19805(y).

(11) "Player's bank" means the total amount of moneys a patron of the gambling establishment has on deposit with the gambling establishment.

Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code.
Reference: Sections 19805 and 19841, Business and Professions Code.

Section 12401. Accounting Records.

Each licensee shall:

(a) Maintain accurate, complete, and legible records of all transactions pertaining to gross revenue as defined in Business and Professions Code Section 19805(p). Records must be maintained in sufficient detail to support the amount of revenue reported to the Commission in renewal applications.

(b) Maintain accounting records identifying the following:

(1) Revenues, expenses, assets, liabilities, and equity for the gambling establishment.

(2) Records of all player's banks, dealer's banks, credit transactions, returned checks, and drop for each table (either by shift or other accounting period).

(3) Records required by the licensee's written system of internal controls.

(4) Records of all jackpot moneys contributed by the gambling establishment, jackpot moneys collected from patrons, or both, and moneys withdrawn for either jackpot administrative fees or payment to patrons.

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

Section 12402. Chart of Accounts.

Each licensee shall:

(a) Maintain a uniform chart of accounts and accounting classifications in order to ensure consistency, comparability, and effective disclosure of financial information. The chart of accounts shall provide the classifications necessary to prepare a complete set of financial statements including but not limited to a statement of financial position, a statement of operations, a statement of changes in equity, a statement of cash flows, or other statements appropriate for the licensee. If the licensee elects to submit to the Division and the Commission copies of its federal income tax return as provided in Section 12403, the chart of accounts shall contain classifications necessary to prepare the licensee's federal income tax return.

(b) Within 90 days of the effective date of these regulations, submit the chart of accounts to the Commission for approval. The Commission shall submit a copy of the chart of accounts to the Division for review and comment. The Division shall provide the Commission with comments, if any, within 15 days of the submission to the Division. If the Division does not respond within 15 days, it shall be deemed that the Division does not object to the chart of accounts or have comments. The Commission shall then have 30 days to approve, reject, request additional information, or approve with modification(s) the chart of accounts and advise the licensee.

(c) Not use a chart of accounts other than the approved chart of accounts, but may create subaccounts for some or all accounting classifications. The licensee may alter the account numbering system, provided that the licensee maintains and provides to the Commission a cross reference to the approved chart of accounts no later than 30 calendar days following the end of the fiscal year in which the change occurs.

(d) Keep a general ledger, which documents all accounting transactions completed and posted to accounts listed in the chart of accounts referred to in subsection (a) of this section. General accounting records shall be maintained on a double entry system of accounting with recorded transactions supported by detailed subsidiary records, including but not limited to ledgers, invoices, purchase orders, and other source documents.

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

Section 12403. Financial Statements and Reporting Requirements.

(a) A licensee shall prepare financial statements covering all financial activities of the licensee's gambling operation for each fiscal year, in accordance with generally accepted accounting principles unless otherwise provided in this section. If the licensee (or a person or entity that has an interest, control, or common control with the licensee) owns or operates lodging, food, beverage, or any other non-gambling operation at the establishment, the financial statements must reflect the results of the gambling operation separately from those non-gambling operations.

(1) A Group I licensee shall engage an independent accountant licensed by the California Board of Accountancy to audit the licensee's annual financial statements in accordance with generally accepted auditing standards.

(2) A Group II licensee shall engage an independent accountant licensed by the California Board of Accountancy to review the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards. The Division or Commission may require the licensee, or the licensee may elect, to engage, an independent accountant licensed by the California Board of Accountancy to audit the annual financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

(A) Inadequate internal control procedures;

(B) Insufficient financial disclosure;

(C) Material misstatement in financial reporting;

(D) Inadequate maintenance of financial data; or

(E) Irregularities noted during an investigation.

(3) A Group III licensee with a gross revenue of $500,000 or more per year shall prepare financial statements including at a minimum a statement of financial position, a statement of income or statement of operations, and disclosure in the form of notes to the financial statements. If the licensee is unable to produce the financial statements, it shall engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards, including full disclosure in the form of notes to the financial statements. The Division or Commission may require the licensee, or the licensee may elect, to engage an

independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

(A) Inadequate internal control procedures;

(B) Insufficient financial disclosure;

(C) Material misstatement in financial reporting;

(D) Inadequate maintenance of financial data; or

(E) Irregularities noted during an investigation.

(4) (A) A Group III licensee with a gross revenue of less than $500,000 per year shall prepare financial statements that include, at a minimum, a statement of financial position and a statement of income or statement of operations. If the licensee is unable to produce the financial statements, it shall do one of the following:

1. Engage an independent accountant licensed by the California Board of Accountancy to perform a compilation of the licensee's annual financial statements in accordance with standards for accounting and review services or with currently applicable professional accounting standards and management may elect not to provide footnote disclosures as would otherwise be required by generally accepted accounting principles.

2. Submit to the Division and Commission no later than 120 calendar days following the end of the year covered by the federal income tax return, copies of the licensee's complete signed and duly filed federal income tax return for the tax year in lieu of the financial statements as otherwise required under this section.

(B) The Division or Commission may require the licensee, or the licensee may elect, to engage an independent accountant licensed by the California Board of Accountancy to compile or review the licensee's financial statements in accordance with standards for accounting and review services, or to audit the financial statements in accordance with generally accepted auditing standards, if there are concerns about the licensee's operation or financial reporting, including but not limited to:

1. Inadequate internal control procedures;
2. Insufficient financial disclosure;
3. Material misstatement in financial reporting;
4. Inadequate maintenance of financial data; or
5. Irregularities noted during an investigation.

(b) Unless otherwise provided in this section, a licensee shall submit copies of the annual financial statements, with the independent auditor's or accountant's report issued to meet the requirements under this section, to the Division and Commission no later than 120 calendar days following the

end of the fiscal year covered by the financial statements. If a management letter is issued, a copy of the management letter must also be submitted to the Division and Commission, including the licensee's reply to the management letter, if any.

(c) The Division or Commission may request additional information and documents from either the licensee or the licensee's independent accountant, regarding the annual financial statements or the services performed by the accountant.

(d) The Division or Commission may require the licensee to engage an independent accountant licensed by the California Board of Accountancy to perform a fraud audit in the event that fraud or illegal acts are suspected.

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

Section 12404. Records and Reports of Monetary Instrument Transactions.

(a) A gambling establishment, as defined in section 19805(m) of the Business and Professions Code, is required to file a report of each transaction involving currency in excess of $10,000, in accordance with section 14162(b) of the Penal Code.

(b) A gambling establishment shall comply with sections 5313 and 5314 of Title 31 of the United States Code and with sections 103.21, 103.22, 103.23, 103.63, and 103.64 of Title 31 of the Code of Federal Regulations, and any successor provisions.

(c) A gambling establishment, regardless of gross revenue, shall make and keep on file at the gambling establishment a report of each transaction in currency in excess of $10,000. These reports shall be available for inspection at any time as requested by the Division or the Commission. These reports shall include, but not be limited to:

(1) Patron's name

(2) Patron's address

(3) Patron's identification

(4) Amount of transaction

(5) Type of transaction

(6) Date of transaction.

(d) Nothing in this section shall be deemed to waive or to suspend the requirement that a gambling establishment make and keep a record and file a report of any transaction otherwise required by the Division or the Commission.

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

Section 12405. Record Retention and Disclosure.

All records required to be maintained by the Gambling Control Act or by these regulations shall be retained by the licensee within California for at least seven years after such records are made. Upon request of the Division or Commission, a licensee shall provide the Division or Commission with copies of such records, within the time period specified in the request. If the records are maintained in electronic form and the licensee is requested to do so, the licensee shall provide a printed copy pursuant to this section.

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

Section 12406. Language.

A licensee shall make and maintain all books, accounts, and other financial records in English.

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

TITLE 11. LAW; DIVISION 3. GAMBLING CONTROL

CHAPTER 1. THE DIVISION OF GAMBLING CONTROL

ARTICLE 1. DIVISION OF GAMBLING CONTROL POWERS AND JURISDICTION

Section 2000. Jurisdiction.

The following regulations are adopted by the Director of the Division of Gambling Control (Division) pursuant to the Gambling Control Act ("Act") commencing with Business and Professions Code section 19800.

Authority: Sections 19826(f) and 19827 of the Business and Professions Code.
Reference: Sections 19826 and 19827 of the Business and Professions Code.

Section 2001. Exemptions and Extensions for Compliance.

Upon a showing of good cause, the Director, in his or her sole discretion, may grant a temporary exemption or extension of time only for any of the requirements or deadlines provided for in these regulations. Such exemption or extension shall be in writing and designate a specific time period for the exemption or extension.

Authority: Sections 19826(f) and 19827 of the Business and Professions Code.
Reference: Section 19826 of the Business and Professions Code.

ARTICLE 2. DEFINITIONS

Section 2010. Definitions.

For purposes of these regulations, the following terms have the following meanings:

(a) "Act" means the California Gambling Control Act, Chapter 5 (commencing with Section 19800), of Division 8, of the Business and Professions Code.

(b) "Approval" means authorization by the Division for certain acts, transactions, events and/or processes as provided in the Act.

(c) "Chip" means a tangible representative of value issued by a licensee to a patron to use only as a wager at table games or as a tip while playing at table games at a licensee's gambling establishment.

(d) "Day" means calendar day unless otherwise specified.

(e) "Designated Agent" means a person(s) appointed by the owner(s) of a gambling establishment or the primary owner of a third-party provider of proposition player services or gambling business to serve as their representative.

(f) "Gaming Activity" means any activity or event including, but not limited to, jackpots, bonuses, promotions, cashpots, tournaments, etc., that is appended to or relies upon any controlled game.

(g) "Wager" means a sum of money or thing of value risked or bet on the outcome of a controlled game.

Authority: Sections 19800, 19801, 19803, 19810, 19850 and 19910, Business and Professions Code.
Reference: Sections 19805(f), 19851, 19854, 19867, 19880, and 19890, Business and Professions Code and Sections 15001, 15001.1, and 15001.2, Government Code.

ARTICLE 3. ADMINISTRATION

Section 2020. Service of Notices, Orders and Communications.

(a) Except as otherwise provided by law or these regulations, notices and other written communications shall be sent to an applicant, licensee, or designated agent by first-class mail, at the address of the establishment, unless a different address is otherwise designated by the applicant, licensee, or designated agent.

(b) The time specified in any such notice or communication shall commence to run from the date such mailing is postmarked.

(c) Any change of address shall be reported to the Division, in writing within 10 days of such change, and shall specifically request that all notices and written communications be sent to the changed address.

Authority: Sections 19826 and 19827 of the Business and Professions Code.
Reference: Section 19827 of the Business and Professions Code.

ARTICLE 4. LICENSURE QUALIFICATIONS AND REQUIREMENTS

Section 2030. Designated Agent.

(a) An applicant or a licensee may designate a person(s) to serve as their agent(s), on a form Appointment of Designated Agent, DGC-APP. 008 (Rev.09-03), incorporated by reference into Title 4, CCR, section 12270. The Division retains the right to exercise its discretion to disapprove, in whole or in part, such designation.

(b) In the discretion of the Division, an applicant or licensee may be required to appoint a designated agent(s) if the Division determines the need for such an agent(s) exists.

Authority: Sections 19826, and 19827 of the Business and Professions Code, and Stats. 1997, c. 867 (S.B.8), Section 66.5.
Reference: Sections 19826.

Section 2033. Irregular Operation, Tournament or Special Event Authorization and Fees.

(a) The Division may approve a request by an owner of a gambling establishment to operate, on a limited and temporary basis, more tables than the gambling establishment is authorized to operate by the state.

(b) The request shall be submitted on a form provided by the Division, Request for a Certificate to Operate Additional Tables on a Temporary Basis, form DGC-LIC. 040 (Rev. 7-99), which is hereby incorporated by reference, and shall be accompanied by the appropriate fees as required in Sections 19951 and 19952 of the Business and Professions Code. Failure to do so may result in the denial of the request.

(c) The request shall be submitted to the Division at least 30 days prior to the date of the proposed event for which approval of the temporary increase in tables is sought. Failure to submit a timely request may result in the denial of the request. The Division will act on the request within 7 working days after the appropriate fee and request are received by the Division.

(d) The request shall not be granted if the requested temporary increase in the number of tables will exceed the number of tables allowed to be operated by the local jurisdiction where the gambling establishment is located.

Authority: Sections 19826 and 19827of the Business and Professions Code.
Reference: Sections 19951 and 19952 of the Business and Professions Code.

Section 2037. Schedule of Investigation and Processing Costs.

(a) An applicant shall submit a deposit in accordance with Business and Professions Code sections 19867 and 19984, and Title 4, CCR, Chapters 2.1 and 2.2, in addition to the application fee required under Business and Professions Code section 19951(a), before the Division initiates any background investigation or review related to a license, a finding of suitability, or an approval. During the investigation or review, the Director may require an applicant to deposit any additional sums as are required to pay all costs and charges of the investigation or review. Additional deposits are due to the Division within fifteen (15) days from the date of the request for the required deposit. All costs and charges of the investigation or review must be paid before the Division may approve a contract or make a recommendation to the California Gambling Control Commission. The investigation or review concludes upon the California Gambling Control Commission's approval or denial of the application or the granting of a request to withdraw the application. For contracts, the review concludes upon the Division's approval or denial of the application or the request to withdraw the application. At the conclusion of the investigation or review, the Division shall provide the applicant with an itemized accounting of the costs incurred and shall refund any unused portion of the deposit.

(1) The Division's schedule of deposits for investigation and processing costs under Business and Professions Code section 19867 shall be as follows:

(A) An applicant (Sole Proprietor, Corporation, Partnership, Shareholder, Partner, etc.), other than a trust, for an initial State Gambling License, shall submit a deposit in the amount of $5,000;

(B) An applicant for an initial State Gambling License that is a trust shall submit a deposit in the amount of $900;

(C) An applicant for an initial State Gambling License as an uninvolved spouse with community property interest shall submit a deposit in the amount of $750;

(D) An applicant for an initial Key Employee License shall submit a deposit in the amount of $1,200;

(E) An applicant (Sole Proprietor, Corporation, Partnership, Shareholder, Partner, etc.), other than a Trust, for a Renewal of a State Gambling License, shall submit a deposit in the amount of $600;

(F) An applicant for a Renewal of a State Gambling License as an uninvolved spouse with community property interest shall submit a deposit in the amount of $200;

(G) An applicant for a Renewal of a Key Employee License shall submit a deposit in the amount of $200;
(H) If after a review it is determined that further investigation is needed, a deposit in the amount of $200 shall be required for the review of an application for a Renewal of a State Gambling License for a Trust.
(I) An application for a Game or Gaming Activity review shall be accompanied by a deposit in the amount of $315; and
(J) If after a review it is determined that further investigation is needed, a deposit in the amount of $252 shall be required to review an amendment or change to any Division-approved game or gaming activity.

(2) The Division's schedule of deposits for investigation and processing costs under Business and Professions Code section 19984 and Title 4, CCR, Chapters 2.1 and 2.2, shall be as follows:
(A) An application for Proposition Player Contract approval shall be accompanied by a deposit in the amount of $600;
(B) An application for Proposition Player Contract Amendment approval shall be accompanied by a deposit in the amount of $450.
(C) A completed supplemental information package as defined in Title 4, CCR, Chapters 2.1 and 2.2 for Primary Owner or Owner shall be accompanied by a deposit in the amount of $5,000;
(D) A completed supplemental information package as defined in Title 4, CCR, Chapters 2.1 and 2.2 for a Supervisor shall be accompanied by a deposit in the amount of $1,200;
(E) A request for an expedited review of a Proposition Player Contract shall be accompanied by a deposit in the amount of $360;
(F) If after a review of the supplemental information package as defined in Title 4, CCR, Chapters 2.1 and 2.2 of a Player or Other Employee it is determined that further investigation is needed, a deposit in the amount of $315 shall be required;

Authority: Sections 19826, 19867, and 19984, Business and Professions Code.
Reference: Sections 19805(b), (i), and (j), 19827, 19853(b), 19867, 19950(b), 19951, and 19984, Business and Professions Code.

Section 2038. Required Forms.

In accordance with Title 11, CCR, section 2071, an applicant shall request approval from the Division prior to offering for play any game or gaming activity. The following application forms and instructions for making such requests are hereby incorporated by reference:
(a) DGC-APP. 026 (Rev. 01/05) Application for Game Review
(b) DGC-APP. 027 (Rev. 01/05) Application for Gaming Activity Review

Authority: Sections 19826(f) and (g), Business and Professions Code.
Reference: Sections 19826(f) and (g), and 19866, Business and Professions Code.

ARTICLE 5. OPERATION OF GAMBLING ESTABLISHMENTS

Section 2050. Owner or Key Employee on Premises.

(a) A gambling establishment shall have on the premises, at all times that the establishment is open to the public, an owner licensee or a key employee who shall have the responsibility and authority to ensure immediate compliance with the Act and these regulations.

(b) Subdivision (a) notwithstanding, gambling establishments with a reported gross revenue of less than $200,000 for the preceding fiscal year, upon written request by the owner licensee, the Division, in its discretion, may approve a written plan whereby the owner licensee or a designated employee, who shall have the responsibility and authority to ensure compliance with the Act and these regulations, shall be promptly available by telephone. The plan shall identify each such individual by name, title, and telephone contact number, as well as identifying the days and hours available as the designated contact.

Authority: Sections 19826(f) and 19827, Business and Professions Code.
Reference: Sections 19920 and 19924, Business and Professions Code.

Section 2051. Gambling Chips.

Each gambling establishment shall maintain a set of chips for use at gambling tables. These chips shall be designed, manufactured, and constructed so as to prevent, the counterfeiting of such chips, and licensees may be required to submit their chips to the Division for approval.

Authority: Sections 19824A(f), 19825 and 19830 of the Business and Professions Code, and Stats. 1997, c. 867 (S.B.8), Section 66.5.
Reference: Section 19918 of the Business and Professions Code.

Section 2052. Information to be Furnished by Licensees.

(a) On or before January 1 and July 1 of each year, the gambling establishment shall submit to the Division a written report which identifies every person who at any time during the prior six months, received, or had a right to receive, payments which were calculated or based upon the earnings, profits or receipts generated from controlled gambling at the gambling establishment.

(b) On or before January 1 and July 1 of each year, the gambling establishment shall submit to the Division a written report which identifies every person to whom, at any time during the prior six months, any interest in the assets, earnings, profits or receipts of the gambling establishment have been pledged or hypothecated.

(c) Within five days of any owner licensee or key employee obtaining knowledge or notice of any possible violation of the Act or these regulations, a written report shall be submitted to the Division, which details the nature of the violation, the identities of those persons involved in the violation, and describes what actions have been taken to address the violation.

Authority: Sections 19826(f) and 19827 of the Business and Professions Code.
Reference: Section 19924 of the Business and Professions Code.

Section 2053. Adequate Financing.

(a) The Division may require a gambling establishment to present satisfactory evidence that there is adequate financing available to protect the public's health, safety and welfare.

(b) A gambling establishment shall maintain a separate, specifically designated, insured account with a licensed financial institution in an amount not less than the total value of the chips in use by the gambling establishment. The funds from that account may only be used to redeem the chips of that gambling establishment. That account may not be used as collateral, or encumbered or hypothecated in any fashion. Alternatively, the Division may allow the gambling establishment to provide some other form of security acceptable to the Division, in lieu of maintaining the required account.

(c) A gambling establishment shall maintain a separate, specifically designated, insured account with a licensed financial institution in an amount not less than the total amount of the monies that patrons of that gambling establishment have on deposit with the gambling establishment. The funds from that account may only be used to return to the patrons the balance of monies on deposit with the gambling establishment. That account may not be used as collateral, or encumbered or hypothecated in any fashion. Alternatively, the Division may allow the gambling establishment to provide some other form of security acceptable to the Division, in lieu of maintaining the required account.

Authority cited: Sections 19826(f) and 19827 of the Business and Professions Code.

Reference: Sections 19920 and 19924 of the Business and Professions Code.

ARTICLE 6. GENERAL REPORTING

Section 2060. Employee Reports.

(a) Upon request of the Division, a licensee shall promptly supply a list of all employees and each employee's job classification and job description.

(b) Within 10 days after making any changes in the organizational structure, an owner licensee shall submit to the Division an updated chart identifying such changes.

(c) On or before January 15 and July 15 of each year, each owner licensee shall submit a report identifying key employees, on a form provided by the Division, Key Employee Report, form DGC-LIC. 101 (Rev. 07-03), incorporated by reference into Title 4, CCR, section 12270.

Authority: Sections 19826(f), and 19827 of the Business and Professions Code, and Stats. 1997, c. 867 (S.B.8), Section 66.5.
Reference: Sections: 19805(q) and 19826 of the Business and Professions Code.

ARTICLE 7. GAMES

Section 2070. Unsuitable Gaming Activities.

It shall be an unsuitable method of operation for a gambling establishment to:

(a) Offer for play any game that is prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law;

(b) Offer for play any gaming activity which is not authorized by the Division pursuant to the Act and these regulations for play at that gambling establishment;

(c) Fail to display at every table where a game is offered, the specific name of the game, or the variation thereof, that is then available for play at the table;

(d) Fail to give ample notice of the fee collection rates applicable to each table to the patrons of the gambling establishment;

(e) Fail to determine and collect applicable fees from all players at the table prior to the start of play of any hand or round; and,

(f) Fail to place in a conspicuous place, or make readily available to the patrons, a printed list of the rules of play for each gaming activity offered at the gambling establishment.

Authority cited: Sections 19826(f) and 19827 of the Business and Professions Code.
Reference: Sections 19801, 19826, 19866, and 19920 of the Business and Professions Code.

Section 2071. Gaming Activity Authorization.

(a) As part of the application for initial licensure, every applicant shall submit to the Division a report identifying all gaming activities proposed to be offered at the gambling establishment. The report shall include, but not be limited to, the following:

(1) The name of each gaming activity;

(2) The rules for each gaming activity, including, where applicable, a description of the event that determines the winner of the gaming activity, the wagering conventions, and the fee collection and assessment methods;

(3) A glossary of distinctive terms or phrases used in each gaming activity;

(4) A statement for each gaming activity that explains why that gaming activity is not prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law; and,

(5) Such other information the Division, in its discretion, requests.

Unless a reported gaming activity is specifically disapproved by the Division, all gaming activities identified in the required report shall be deemed authorized upon issuance of the initial license. It shall be an unsuitable method of operation to offer for play any gaming activity that was not specifically identified in the required report, without first obtaining authorization from the Division to do so.

(b) At any time after initial licensure, a gambling establishment may request the Division to authorize a gaming activity which has not been previously authorized by the Division, for use at that establishment. Within 30 days of a request for authorization of a gaming activity, the Division shall review the request for completeness and notify the licensee of any deficiencies in the request, or that the request is complete. Within 90 days from the date a licensee is notified that the request is complete, the Division shall act on the

request. The request shall include, but not be limited to, the following:

(1) The name of each requested gaming activity;
(2) The rules for each requested gaming activity, including, where applicable, a description of the event that determines the winner of the gaming activity, the wagering conventions, and the fee collection and assessment methods;
(3) A glossary of distinctive terms or phrases used in each gaming activity;
(4) A statement for each gaming activity that explains why that gaming activity is not prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law; and,
(5) Such other information the Division, in its discretion, requests.

It shall be an unsuitable method of operation to offer for play any requested gaming activity without first obtaining authorization from the Division to do so.

(c) The Division, in its sole discretion, may temporarily authorize the play of a gaming activity during the pendency of the Division's review. The Division, in its sole discretion, may withdraw this temporary authorization at any time. Such temporary authorization does not create any presumption as to the suitability or lawfulness of the gaming activity, nor does it create any right, of any nature whatsoever, to the continuing play of the temporarily authorized gaming activity at the establishment.

(d) If upon subsequent review it is determined by the Division that a gaming activity is prohibited or made unlawful by statute, local ordinance, regulation, or final judgment by a competent court of law, then the authorization for that gaming activity shall be withdrawn.

(e) Within 10 days of service of notice from the Division either disapproving of, or withdrawing authorization for, a gaming activity as provided in subdivisions (a), (b) and (d) above, an objection thereto may be filed with the Director. The Director, in his or her discretion, may then grant or deny the objection. Judicial review of the Director's decision is subject to the limitation of Business and Professions Code Section 19804.

Authority: Sections 19826 and 19827 of the Business and Professions Code.
Reference: Sections 19801, 19826, 19865, 19866, 19920, 19924, and 19932 of the Business and Professions Code.

Section 2072. Report of Gaming Activities.

On or before January 1 and July 1 of each year, each licensed gambling establishment shall submit a report to the Division identifying all gaming activities offered at the gambling establishment at any time during the prior six months. The report shall include, but not be limited to, the following:

(a) The name of each gaming activity;
(b) The rules for each gaming activity, including, where applicable, a description of the event that determines the winner of the gaming activity, the wagering conventions, and the fee collection and assessment methods;
(c) A glossary of distinctive terms or phrases used in each gaming activity;
(d) The dates on which each gaming activity was offered;
(e) Copies or transcripts of all advertisements used to promote the gaming activity; and,
(f) Such other information the Division, in its discretion, requests.

Authority: Sections 19826 and 19827 of the Business and Professions Code.
Reference: Sections 19826 and 19866 of the Business and Professions Code.

ARTICLE 13. TRANSITIONAL PROVISIONS

Section 2140. Definitions.

For purposes of this Article, the following terms have the following meanings:

(a) "Annual registration" means a registration issued under the former Gaming Registration Act (former Business and Professions Code Section 19800 et seq.).

(b) "Conditional registration" means a registration issued pursuant to former Business and Professions Code Section 19807(c).

(c) "Provisional license" means a license that is either granted by operation of law pursuant to Statutes of 1997, Chapter 867, Section 62, or is issued by the Director pursuant to that section.

Authority: Sections 19826(f) and 19827 of the Business and Professions Code.
Reference: Stats. 1997, c. 867 (S.B.8), Section 62.

Section 2141. Provisional Licenses.

(a) A provisional license is held subject to the same conditions, restrictions, and limitations on the authorization granted by the predecessor annual or conditional registration.

(b) A provisional license is held subject to all terms and conditions under which a state gambling license is held pursuant to the Act.

(c) A provisional license creates no vested right to the issuance of a state gambling license.

Authority: Sections 19826(f) and 19827 of the Business and Professions Code.
Reference: Stats. 1997, c. 867 (S.B.8), Section 62(a) and (b)(1).

Section 2142. Presumption of Suitability.

(a) Every natural person who holds a provisional license as a result of holding a valid and unexpired annual registration, on December 31, 1997, shall be rebuttably presumed to be suitable for licensure pursuant to the Act.

(b) The rebuttable presumption described in Stats. 1997, ch. 867, section 62(g) subdivision (a) shall not apply to any other holder of a provisional license.

Authority: Sections 19826(f) and 19827 of the Business and Professions Code.
Reference: Stats. 1997, c. 867 (S.B.8), Section 62(c) and (g).