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1 CALIFORNIA GAMBLING CONTROL COMMISSION
2 SPECIFIC LANGUAGE OF PROPOSED REGULATIONS
3 TRANSACTIONS
4 CGCC-GCA-2025-0X-R
5

6 TITLE 4. BUSINESS REGULATIONS.

7 DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.

8
9 CHAPTER 1. GENERAL PROVISIONS

10 ARTICLE 1. DEFINITIONS AND GENERAL PROCEDURES

11
12 § 12003. General Requirements.

13 (a) All books, accounts, financial records, and documents required by the
14 Commission or the Bureau must be in English.

15 (b) All records required by the Commission or Bureau must be maintained for a
16 minimum of five years, unless otherwise specified, in a secure location on the premises of
17 the gambling establishment or at the main offices of the TPPPS business licensee.
18 Records may be maintained at another facility within California when approved in
19 advance by the Bureau. Any change in ~~the an approved~~ location must be reported to the
20 Bureau by written notice, mailed or delivered, and approved prior to establishing or
21 changing a storage location. The location will be deemed approved if not disapproved by
22 the Bureau within 30 calendar days of receipt of the written notice.

23 (c) Each owner category licensee must allow Bureau representatives to inspect, copy,
24 or audit all requested documents, papers, books, and other records required by the Act or
25 this division within the time period specified in the request. The inspection may include
26 all hardware, associated equipment, and systems that support the operation of the licensed
27 activities. If the records are maintained in other than hardcopy form, the licensee must
28 provide a printed copy pursuant to this section upon request.

29 (d) Records may be kept, stored, and submitted in ~~a permanent form or media~~
30 hardcopy format or in any commonly available digital file format (e.g., .pdf, .docx, .xlsx,
31 .jpg, .mp3, .mp4), unless otherwise specified by Commission or Bureau regulations.

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1 Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19853 and 19984, Business and
2 Professions Code. Reference: Sections 19826, 19827, 19841, 19857, 19866 and 19984, Business
3 and Professions Code.
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ARTICLE 2. PROCEDURES FOR HEARINGS AND MEETINGS ON APPLICATIONS

§ 12068. Decisions Requiring Resignation or Divestiture.

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8 When an application is denied or conditions, limitations, or restrictions are imposed
9 under the Act or this chapter and that decision is final under Section 12066, any
10 requirements set forth in the decision must be complied with, and the following will
11 apply to the extent not inconsistent with the decision, as applicable:

12 ...

13 (e) Where the decision does not specify a time for removal and there is no other
14 controlling statutory or regulatory timeframe under paragraph (2) of subsection (a),
15 paragraph (2) of subsection (b), or paragraph (2) of subsection (d), the denied applicant
16 ~~specified person~~ must be removed no later than 60 days after the effective date of the
17 decision.

18 Authority cited: Sections 19811, 19823, 19824, 19840 and 19841, Business and Professions
19 Code. Reference: Sections 19823, 19824, 19825, 19870, 19871, 19876, 19882, 19883 and 19892,
20 Business and Professions Code.
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ARTICLE 4. FEES

§ 12090. Schedule of Fees Required for Applications, Approvals, and Registrations.

22
23
24 An applicant must submit the completed form and fee amount pursuant to this table
25 with their completed application. The Bureau may request additional background
26 investigation deposits pursuant to other statutes or regulations.
27
28

Form Number	Form Name	Fee Type and Amount
...
CGCC-CH3-02

Additions shown in blue, italic, and underline; Deletions shown in ~~red-strikeout~~.

Revision Date: July 14, 2025

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<u>CGCC-CH5-01</u>	<u>Application for Approval of a Transaction Agreement</u>	<u>For Transaction Agreements Requiring Prior Review and Approval:</u> <ul style="list-style-type: none">• <u>Application Fee: \$1,200</u>• <u>Deposit: \$444.00</u>
CGCC-CH7-07

1 Note: Authority cited: Sections 19841, 19876, 19915, 19951 and 19984, Business and
2 Professions Code. Reference: 19841, 19876, 19915, 19951 and 19984, Business and Professions
3 Code.
4

5 CHAPTER 3. CONDITIONS OF OPERATION FOR TPPPS BUSINESSES

6 ARTICLE 1. GENERAL PROVISIONS

7 ~~§ 12256. Transfers and Sales.~~

8 ~~(a) If any TPPPS owner type licensee wishes to sell in whole or in part any~~
9 ~~ownership interest to any unlicensed person, the TPPPS owner type licensee must first~~
10 ~~notify the Commission in writing to request approval of the transaction. The transferee~~
11 ~~must apply for and be approved as a TPPPS owner licensee. Evidence of the transferor's~~
12 ~~agreement to transfer the interest and, if applicable, the proposed articles of~~
13 ~~incorporation, must accompany the application for licensing.~~

14 ~~(b) The effective date of the sale must be at least 90 calendar days after receipt of the~~
15 ~~application for a TPPPS owner license, or such other shorter time period as will be set by~~
16 ~~the Executive Director with the agreement of the applicant.~~

17 ~~(c) Evidence of the final execution of a transfer or sale of an interest to a licensed~~
18 ~~person must be submitted in writing to the Commission within ten calendar days of the~~
19 ~~final transaction.~~

20 ~~(d) The TPPPS business licensee must notify the Bureau in writing within ten~~
21 ~~calendar days of any change to its ownership structure.~~

22 ~~Note: Authority cited: Sections 19840, 19841, and 19984, Business and Professions Code.~~
23 ~~Reference: Section 19826, and 19984, Business and Professions Code.~~
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CHAPTER 5. ACCOUNTING AND TRANSACTIONS ~~APPROVALS~~

ARTICLE 1. Definitions and General Provisions ~~Accounting and Financial Reporting~~

§ 12311. Definitions.

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

(b) As used in this chapter:

(1) “Control” as used in the definition of affiliate in Business and Professions Code Section 19805, subdivision (a), means the possession, direct or indirect, of the power to direct or cause the direction of a person.

~~(1)~~(2)...

~~(2)~~(3)...

~~(3)~~(4)...

~~(4)~~(5)...

~~(5)~~(6)...

~~(6) “Licensee” means cardroom business licensee or TPPPS business licensee, as appropriate.~~

(7) “Specified person” means an owner category licensee who is a natural person, except for an owner category licensee who is a natural person that holds 10 percent or less ownership interest and is not required to be licensed for any reason other than their ownership interest.

(8) “Transaction” means an exchange or transfer of goods, services, funds, or other thing of value.

(9) “Transaction agreement” means a document or documents that contain(s) the terms of a transaction.

Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19840, 19841, 19892, 19900, and 19984, Business and Professions Code. Reference: Sections 19805, 19840, 19841, 19853, 19892, 19900, 19901, 19902, 19903, 19904, 19905, 19906, and 19984, Business and Professions Code.

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§ 12311.2. General Provisions.

(a) An owner category licensee must maintain the following:

(1) All records containing information related to a transaction that is required to be reported under paragraphs (1) through (7) of subsection (d) of Section 12324, which may include transaction documentation, contracts, invoices, purchase orders, and receipts, including the modification thereof.

(2) All records relating to a transaction subject to Commission approval under Section 12326, which may include transaction documentation, contracts, invoices, purchase orders, and receipts, including the modification thereof.

(b) A TPPPS contract and all payments specified in the TPPPS contract are exempt from Article 3 of this chapter.

(c) Unless otherwise required by statute, regulation, or the Commission, transactions conducted with an institutional investor, as defined in subdivision (w) of Business and Professions Code section 19805, do not require licensure of the institutional investor.

(d) Patron chip transactions, extension of credit to patrons, and patron check cashing are exempt from this chapter.

(e) An owner category licensee may not enter into, or cause any other licensee or affiliate to enter into, any transaction agreement that limits contact with or restricts information that can be provided to officials or employees of the Commission, the Bureau, the Department of Justice, or any federal, state, or local agency with applicable enforcement or licensing authority.

(f) An owner category licensee may not enter into or structure any transaction agreement in a manner that interferes with, obscures, or discourages full disclosure of any transaction or that evades any requirements of any local ordinance or regulation, or any state or federal statute or regulation.

(g) An owner category licensee does not have a right to an evidentiary hearing pursuant to Section 12056 if the Commission withholds taking action on an Application for Approval of a Transaction Agreement, CGCC-CH5-01.

Note: Authority cited: Sections 19805, 19811, 19823, 19824, 19826, 19840, 19841, 19853, 19866, 19870, 19901, 19902, 19904 and 19984, Business and Professions Code. Reference: Sections 19823, 19824, 19841, 19866, 19870, 19901, 19902, 19904 and 19984, Business and Professions Code.

Additions shown in blue, italic, and underline; Deletions shown in ~~red-strikeout~~.

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§ 12312. Chapter 5 Records Retention and Maintenance; ~~General Provisions.~~

~~Each licensee must:~~

(a) Notwithstanding Section 12003, each owner category licensee must maintain ~~Maintain~~ all records required by this ~~article~~ chapter for a minimum of seven years.

(b) Each cardroom business licensee and TPPPS business licensee must, as applicable:

(1) Maintain accurate, complete, and legible records of all transactions pertaining to financial activities. Records must be maintained in sufficient detail to support the amount of revenue reported to the Bureau in renewal applications.

~~(2)~~(2) Maintain accounting records identifying the following, as applicable:

~~(A)~~(A) Revenues, expenses, assets, liabilities, and equity for the cardroom business licensee or TPPPS business licensee.

~~(B)~~(B) Records of all players' banks, dealers' banks, credit transactions, returned checks, and drop for each table (either by shift or other accounting period).

~~(C)~~(C) Records required by the licensee's written system of internal controls.

~~(D)~~(D) Records, separated by gaming activity, of all jackpot monies contributed by the cardroom business licensee, jackpot monies collected from patrons, and monies withdrawn for either jackpot administrative fees or payment to patrons.

~~(3)~~(3) 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 must provide the classifications necessary to prepare a complete set of financial statements including, but not limited to, a statement of financial position (balance sheet), a detailed statement of operations (income statement or profit and loss statement), a statement of changes in equity, a statement of cash flow, and other statements appropriate for the particular licensee. A chart of accounts must be submitted with an initial license application for review and approval by the Bureau.

~~(4)~~(4) Keep a general ledger, which documents all accounting transactions completed and posted to accounts listed in the chart of accounts referred to in paragraph (3) of subsection (b) ~~subsection (d)~~ of this section. General accounting records ~~must~~ shall be

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1 maintained on a double-entry system of accounting with recorded transactions supported
2 by detailed subsidiary records including, but not limited to, ledgers, invoices, purchase
3 orders, and other source documents.

4 Note: Authority cited: Sections 19811, 19824, 19840, 19841, 19853 and 19984, Business and
5 Professions Code. Reference: Sections 19826, 19841, 19857 and 19984, Business and Professions
6 Code.
7

ARTICLE 2. ACCOUNTING AND FINANCIAL REPORTING.

§ 12313. Financial Statements and Reporting Requirements.

11 (a) Each cardroom business licensee and TPPPS business licensee must prepare
12 financial statements covering all financial activities of that ~~cardroom business licensee or~~
13 ~~TPPPS business~~ licensee, as applicable, for each fiscal year, in accordance with generally
14 accepted accounting principles, unless otherwise provided in this section. If a cardroom
15 owner type licensee or affiliate owns or operates lodging, food, beverage, or any other
16 non-gambling operation at the gambling establishment, the financial statements must
17 reflect the results of the gambling operation separately from those non-gambling
18 operations.

19 ...

20 (c) Unless otherwise provided in this section, a cardroom business licensee or TPPPS
21 business licensee must submit copies of the annual financial statements with the
22 independent auditor's or accountant's report issued to meet the requirements under this
23 section, to the Bureau and the Commission no later than 120 calendar days following the
24 end of the fiscal year covered by the financial statements. If a management letter is
25 issued, a copy of the management letter must also be submitted to the Bureau, including
26 the licensee's reply to the management letter, if any.

27 (d) The Bureau or Commission may request additional information and documents
28 from either the cardroom business licensee or TPPPS business licensee or the licensee's
29 independent accountant, regarding the annual financial statements or the services
30 performed by the accountant.

31 (e) The Bureau or Commission may require the cardroom business licensee or
32 TPPPS business licensee to engage an independent accountant licensed by the California

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1 Board of Accountancy to perform a fraud audit in the event that fraud or illegal acts are
2 suspected by the Bureau or Commission.

3 Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19853 and 19984,
4 Business and Professions Code. Reference: Sections 19841, 19857 and 19984, Business and
5 Professions Code.
6

7 **§ 12316. Unclaimed or Abandoned Property.**

8 (a) A cardroom business licensee must establish written policies and procedures
9 which comply with California's Unclaimed Property Law (Code ~~of Civil Procedure~~,
10 section 1500 et seq.), regarding unclaimed chips, cash, and cash equivalents left at a
11 gaming table or in any player's bank or safe deposit box that has been deemed inactive by
12 the terms of the cardroom business licensee's policies and procedures, un-deposited
13 checks issued by the cardroom business licensee to a patron, and un-deposited checks
14 drawn on a cardroom business licensee's account.

15 ...

16 Note: Authority cited: Sections 19811, 19840, 19841 and 19920, Business and Professions
17 Code. Reference: Sections 19801 and 19841, Business and Professions Code; and Title 10,
18 Chapter 7 (Commencing with section 1500), Code of Civil Procedure.
19

20 **ARTICLE 3. TRANSACTION REQUIREMENTS.**

21 **§ 12322. General Requirements.**

22 *(a) The following provisions are required in the transaction agreement, as*
23 *applicable:*

24 *(1) For transaction agreements requiring prior approval pursuant to Section 12326:*

25 *(A) A provision stating that the owner category licensee is subject to the provisions of*
26 *the Act and the regulations of the Commission and the Bureau;*

27 *(B) A provision stating that the transaction agreement is subject to Commission*
28 *approval prior to becoming effective; and,*

29 *(C) A provision that prohibits any party to the transaction agreement from engaging*
30 *in any activity that requires a license prior to obtaining the required license.*

31 *(2) A provision that meets the requirements of Business and Professions Code section*
32 *19903, as applicable.*
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1 (3) A transaction agreement for the sale, assignment, transfer, or other disposition of
2 a cardroom business licensee or its entire gambling operation, must include a provision
3 for the handling of any outstanding gaming chips in accordance with Business and
4 Professions Code section 19906.

5 (4) A transaction agreement for the sale, assignment, transfer, or other disposition of
6 any ownership interest in an owner category licensee, or its entire gambling operation or
7 TPPPS operation, as applicable, must contain a provision requiring any proceeds
8 derived from the continued operation of that licensee, or its entire gambling operation or
9 TPPPS operation, as applicable, that would otherwise be payable to the new owner(s) to
10 be held in an escrow account and not disbursed until the new owner(s) have been
11 approved by the Commission for a license. This provision does not prevent the payment
12 of any taxes, operating expenses, preexisting obligations, preexisting dependent support,
13 debts related to the purchase of any ownership interest in a licensee, or other distribution
14 of proceeds approved by the Commission.

15 (5) Any lease between a cardroom business licensee and a landlord must contain a
16 provision acknowledging the requirements of paragraph (4) of subsection (a) of Section
17 12326 and that the cardroom business licensee carries the sole burden of complying with
18 the requirements of the Act, Commission regulations, and Bureau regulations, to the
19 extent any requirements are triggered by, or result from, the lease.

20 (b) A closing date specified in a transaction agreement that is required to receive
21 prior Commission approval is void if the closing date occurs prior to the date the
22 transaction agreement is approved by the Commission.

23 Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19840, 19841, 19892, 19900,
24 19901, and 19984, Business and Professions Code. Reference: Sections 19823, 19824, 19841,
25 19855, 19857, 19866, 19870, 19900, 19901, 19902, 19903, 19904, 19906, and 19984, Business
26 and Professions Code.

§ 12324. Annual Reporting Requirements for Transactions.

28 (a) The following transactions must be reported annually to the Bureau, unless
29 otherwise prohibited by state or federal law, as follows:

30 (1) All transactions conducted by a cardroom business licensee or TPPPS business
31 licensee; and,
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1 (2) All of the following transactions conducted by a cardroom endorsee licensee or a
2 TPPPS endorsee licensee, as applicable:

3 (A) Transactions related to the operation of controlled gambling; and,

4 (B) Transactions related to any activities that take place on the premises of a
5 gambling establishment.

6 (b) In a calendar year when a renewal application is required to be submitted, as
7 provided in Section 12114, the annual report must be submitted with the renewal
8 application. In a calendar year when a renewal application is not required to be
9 submitted, the annual report must be submitted in the month the renewal application is
10 ordinarily due.

11 (c) The annual report must include a summary of each transaction that occurred
12 within the last 12 months, in accordance with subsection (d). If there are no applicable
13 transactions, the annual report must include a statement to that effect.

14 (d) The summary of each transaction in the annual report must include the following:

15 (1) The date of the transaction;

16 (2) The names of the parties to the transaction;

17 (3) The purpose of the transaction;

18 (4) A description of any goods, services, funds, or other thing of value exchanged or
19 transferred, except for disclosure of any attorney-client privileged information;

20 (5) The value associated with the transaction;

21 (6) The names of all affiliates and specified persons of any party to the transaction, if
22 any; and,

23 (7) The Bureau identification number issued to the related transaction agreement, if
24 applicable.

25 (e) The following transactions do not need to be included in the annual report:

26 (1) Any payments to a government entity.

27 (2) Any payments to or services from a utility company that provides standard and
28 publicly available services such as electrical power, gas, phone, internet, storm drainage,
29 water, municipal waste management, cable television, streaming services, and/or satellite
30 television.

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1 (3) Any payments to or services from a publicly traded company that is providing
2 standard and publicly available services and has no other relationship to the owner
3 category licensee. This exemption does not apply to monies received or payments made in
4 connection with a loan from an institutional investor, as defined in subdivision (w) of
5 Business and Professions Code section 19805.

6 (4) Any payments to or services from an insurance company that is providing
7 standard and publicly available services and has no other relationship to the owner
8 category licensee.

9 (5) Any payments to employees for payroll.

10 (f) An owner category licensee that files for bankruptcy is not relieved of the annual
11 reporting requirements of this section.

12 (g) An owner category licensee is not required to submit the annual report described
13 in this section until at least 12 months have passed from the effective date of this section.
14 For the purpose of determining the initial due date of the report following the effective
15 date of this section, the requirements in subsection (b) will apply only after this 12-month
16 period has elapsed.

17 Note: Authority cited: Sections 19805, 19811, 19823, 19824, 19826, 19840, 19841, 19853, 19866,
18 19870, 19901, 19902, 19904 and 19984, Business and Professions Code. Reference: Sections
19 19823, 19824, 19841, 19866, 19870, 19901, 19902, 19904 and 19984, Business and Professions
20 Code.

§ 12326. Prior Commission Approval Required for Specified Transactions.

23 (a) In accordance with Section 12328, an owner category licensee must submit the
24 following transaction agreements to the Bureau for review and must receive approval
25 from the Commission:

26 (1) The sale, assignment, transfer, pledge, hypothecation, or other disposition of any
27 ownership interest in an owner category licensee, or its entire gambling operation or
28 TPPPS operation, as applicable, including, but not limited to, sale of corporate stock,
29 interest in a partnership, or membership interest in a limited liability company;

30 (2) The sale, assignment, grant, transfer, pledge, hypothecation, or other disposition
31 of an option to purchase any ownership interest in an owner category licensee, or its
32 entire gambling operation or TPPPS operation, as applicable;

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1 *(3) The transfer of possession, ownership, or title of a security interest in a security*
2 *provided for in subdivision (a) of Business and Professions Code section 19900;*

3 *(4) The sale, lease, transfer, assignment, encumbrance, or other disposition of any*
4 *real property or interest in real property associated with an owner category licensee*
5 *when the Commission has previously required the owner of that real property to be*
6 *licensed or approved for a reason associated with the real property;*

7 *(5) Any transaction agreement in which an owner category licensee obtains a*
8 *secured or an unsecured loan from any private individual(s) or entity for any funds for*
9 *the purchase of an owner category licensee. This provision does not apply to loans from*
10 *an institutional investor, as defined in subdivision (w) of Business and Professions Code*
11 *section 19805;*

12 *(6) Any transaction agreement between an owner category licensee, or an affiliate of*
13 *a licensee, and a person, or a person who is acting as an agent on behalf of a person,*
14 *who has been denied a license by the Commission, has had a license suspended or*
15 *revoked by the Commission, or within one year has had an application for Commission*
16 *approval withdrawn with prejudice;*

17 *(7)(A) The creation of any trust or estate that permits a person to take part in the*
18 *operation of an owner category licensee or that provides payment to a person from the*
19 *owner category licensee.*

20 *(B) The amendment of any trust or estate already licensed by the Commission in*
21 *which the amendment permits a new or different person to take part in the operation of*
22 *an owner category licensee or that provides payment to a new or different person from*
23 *the owner category licensee.*

24 *(b) An unlicensed person that is a party to the transaction agreement will not*
25 *perform any duty or obligation, confer any benefit, or receive any right, power, benefit,*
26 *service, privilege, compensation, interest, or assignment of interest prior to obtaining the*
27 *required license.*

28 *Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19840, 19841, 19892, 19900, 19901,*
29 *and 19984, Business and Professions Code. Reference: Sections 19805, 19823, 19824, 19841,*
30 *19853, 19857, 19858, 19866, 19870, 19878, 19900, 19901, 19902, 19903, 19904 and 19984,*
31 *Business and Professions Code.*
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1 **§ 12328. Application for Approval of a Transaction Agreement.**

2 (a) Pursuant to the requirements of Section 12326, the owner category licensee must
3 submit a complete application to the Bureau, which includes all of the following:

4 (1) A completed Application for Approval of a Transaction Agreement, CGCC-CH5-
5 01 (New XX/25), which is attached in Appendix A to this chapter;

6 (2) The applicable application fee and deposit required in Section 12090;

7 (3) A complete copy of the proposed transaction agreement; and,

8 (4) Complete copies of all documentation related to, and intended to effectuate, the
9 proposed transaction, as provided in the transaction agreement.

10 Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19900, 19901, 19905, 19951
11 and 19984, Business and Professions Code. Reference: Sections 19823, 19824, 19826, 19841,
12 19866, 19901, 19905 and 19984, Business and Professions Code.

13
14 **§ 12330. Application for Approval of a Transaction Agreement Requiring**
15 **Licensure.**

16 Any unlicensed person that is a party to a proposed transaction agreement that
17 requires prior Commission approval pursuant to Section 12326, and is required to be
18 licensed pursuant to the Act or Commission regulations, must individually submit the
19 applicable license application(s) to the Bureau within 30 calendar days from the date the
20 owner category licensee submits the application required by Section 12328.

21 Note: Authority cited: Sections 19850, 19851, 19852, 19853, 19855, and 19864, Business and
22 Professions Code. Reference: Sections 19850, 19851, 19852, 19853, 19855, and 19864, Business
23 and Professions Code

24
25 **§ 12332. Required License Maintenance.**

26 Owner category licensees must maintain any active license required by the Act or
27 Commission regulations until the transaction is closed, as applicable. Nothing in this
28 section requires the owner category licensee to remain operating for the duration of the
29 approval period.

30 Note: Authority cited: Sections 19811, 19823, 19824, 19826, 19840, 19841, 19901 and 19984,
31 Business and Professions Code. Reference: Sections 19823, 19824, 19841, 19855, 19866, 19870,
32 19901, 19902, 19904 and 19984, Business and Professions Code.

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1 **§ 12334. Processing Timelines and Requirements for an Application for Approval**
2 **of a Transaction Agreement.**

3 Pursuant to Section 12328, an Application for Approval of a Transaction Agreement,
4 CGCC-CH5-01, will be processed in accordance with the following timelines and
5 requirements:

6 (a) The Bureau will serve a notice to the applicant in writing within 10 business days
7 of receiving an application, which must include, at a minimum, information consistent
8 with one of the following:

9 (1) The application is deemed to be a complete application in accordance with
10 Section 12328 and is accepted for initial processing.

11 (2) The application is deemed to be deficient, including a request for specific
12 additional information required, and the requirements of subsection (b).

13 (b) If the applicant does not provide additional information requested by the Bureau
14 within 30 calendar days of service of the applicable notice, the application will be
15 deemed abandoned and no further action will be taken on the application by the Bureau
16 or the Commission. If an application is deemed abandoned, the applicant may submit a
17 new application for approval under this section.

18 (c) Subsequent to the service of a notice made in accordance with paragraph (1) of
19 subsection (a), the Bureau may serve additional notices to an applicant requesting
20 specific additional information or documentation. The Bureau's review period is
21 suspended upon the service of any notice made in accordance with this subsection until
22 the Bureau has received all requested information or documentation. This request is
23 subject to the requirements of subsection (b).

24 (d) Within 90 calendar days of receiving a complete application, the Bureau will
25 recommend to the Commission in writing, that the application be approved or denied.

26 The Bureau will, at a minimum, include in its recommendation the following information:

27 (1) A copy of the complete application as provided in Section 12328;

28 (2) Any concern(s) related to the application as it relates to possible violations of the
29 Act, Commission and Bureau regulations, and other laws related to controlled gambling;

30 (3) A summary of the proposed transaction, including any proposed changes in
31 ownership structure; and.

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1 (4) A brief summary of the Bureau's financial review of the source of funds for the
2 transaction, as applicable.

3 (e) Upon submission of the Bureau's recommendation to the Commission in
4 subsection (d), the Bureau will provide a copy of its recommendation to the applicant.

5 (f) Notice that the Application for Approval of a Transaction Agreement, CGCC-
6 CH5-01, has been scheduled at a Commission meeting must be served within 60 calendar
7 days after submittal of the application to the Commission by the Bureau, except that the
8 Commission may notify the applicant, in writing, that additional time not to exceed 30
9 days is needed.

10 (g) The requirements of Section 12006 apply to the service of any notice made
11 pursuant to this section.

12 (h) Notwithstanding the requirements of this section, if approval of a transaction
13 agreement requires any unlicensed person(s) to apply for licensure pursuant to Section
14 12330, the applicable application for Approval of a Transaction Agreement, CGCC-
15 CH5-01, will be processed in accordance with the timeframes required for license
16 applications pursuant to Business and Professions Code section 19868 and applicable
17 Commission regulations.

18 Note: Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19868, 19901 and 19984,
19 Business and Professions Code. Reference: Sections 19823, 19824, 19826, 19841, 19857, 19901
20 and 19984, Business and Professions Code.

ARTICLE 4. OWNERSHIP INTEREST DOCUMENTS.

§ 12336. Requirements for Documents Evidencing Ownership Interest in an 25 **Owner Category Licensee.**

26 (a) As applicable, each document evidencing an ownership interest in an owner
27 category licensee, including but not limited to, a stock certificate, shareholder
28 agreement, operating agreement, membership certificate, or partnership agreement, must
29 contain statements pursuant to the following:

30 (1) For corporations, statements in accordance with the requirements of Business
31 and Professions Code section 19882, subdivision (c) and section 19904.

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1 *(2) For limited liability companies and partnerships, a statement in accordance with*
2 *the requirements of Business and Professions Code section 19892, subdivision (d).*

3 *(b) Within 30 calendar days of the close of a transaction pursuant to subsection (a) of*
4 *Section 12326, the owner category licensee must confirm compliance with the*
5 *requirements of subsection (a) of this section by submitting written notification to the*
6 *Bureau and copying the Commission.*

7 *Note: Authority cited: Sections 19882, 19892 and 19904, Business and Professions Code.*

8 *Reference: Sections 19882, 19892 and 19904, Business and Professions Code.*

9 ///

Application for Approval of a Transaction Agreement

CGCC-CH5-01 (New **XX/25**)

Page 1 of 2

BUREAU USE ONLY
BGC ID# _____



MAIL COMPLETED FORM AND DEPOSIT TO:

BUREAU OF GAMBLING CONTROL
 P.O. Box 168024
 Sacramento, CA 95816-8024
 (916) 830-1700

COMMERCIAL/EXPRESS DELIVERIES ONLY

BUREAU OF GAMBLING CONTROL
 2450 Del Paso Road, Suite 100
 Sacramento, CA 95834

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE YOU COMPLETE THIS FORM

All information must be typed or printed legibly in blue or black ink. If the space available is insufficient, attach a separate sheet(s) of paper and precede each answer with the applicable section number. Please review California Code of Regulations, Title 4, Chapter 5 (commencing with Section 12311) prior to submitting a transaction agreement for review. A check or money order made payable to: Bureau of Gambling Control, must be submitted with this application. Failure to provide the requested information may result in the abandonment or denial of this application.

SECTION 1: BUSINESS INFORMATION

<input type="checkbox"/> CARDROOM BUSINESS LICENSEE <input type="checkbox"/> TPPPS BUSINESS LICENSEE <input type="checkbox"/> CARDROOM ENDORSEE LICENSEE <input type="checkbox"/> TPPPS ENDORSEE LICENSEE			
NAME OF OWNER CATEGORY LICENSEE			LICENSE NUMBER
MAILING ADDRESS (STREET, CITY, STATE, ZIP CODE)			
PRIMARY TELEPHONE NUMBER	ALTERNATE TELEPHONE NUMBER	EMAIL ADDRESS:	

SECTION 2: BRIEFLY EXPLAIN THE PURPOSE OF THE TRANSACTION AGREEMENT
Information provided must include all compensation or services and the party(ies) providing them. If additional space is needed, continue on a separate sheet(s) of paper and attach to this application form.

