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CALIFORNIA GAMBLING CONTROL COMMMISSION

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COMMENTS@CGCC.CA.GOV

APRIL - JUNE 2025

10 Commission
Licensing Meeting

24 2399 Gateway Oaks Drive
Sacramento, CA 95833
Hearing Room 100

10:00 AM Livestream - cgcc.ca.gov

JUN Licensing Meeting
2399 Gateway Oaks Drive
Sacramento, CA 95833
Hearing Room 100
Livestream - cgcc.ca.gov

8 Commission
Licensing Meeting
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Sacramento, CA 95833
Hearing Room 100
Livestream - cgcc.ca.gov



CONTRACTS AND EMPLOYMENT AGREEMENTS MAY NEED PRIOR COMMISSION APPROVAL — HERE'S THE PROCESS

The Gambling Control Act has a provision that governs entering into a contract or agreement with a person who has been subject to an adverse ruling from the California Gambling Control Commission. <u>Business and Professions Code section 19878</u> prohibits an owner-type licensee from entering into any contract or agreement with a person, or their business entity, who has been denied a license, or whose license has been suspended or revoked by the Commission, without prior approval from the Commission.

Similarly, an owner-type licensee may not employ someone in a role that would require Commission licensure who has had the above actions taken on their license by the Commission in the past, without prior approval from the Commission. The employee would also need to prove their suitability for licensure.

The Commission would need to consider the contract or employment agreement at one of the Commission's twice-monthly public meetings. To start that process, the owner-licensee must first send the contract or employment agreement, and any other pertinent information, to the Department of Justice's Bureau of Gambling Control, with a letter requesting that the Commission approve the agreement pursuant to Business and Professions Code section 19878.

The Bureau will review the request and may provide a recommendation to the Commission. The Commission will then schedule the request to be heard at one of its open meetings, and Commission staff will be in contact to ensure the requestor is aware when their item will be considered.

At the meeting, the owner-licensee will have the opportunity to speak in support of their request and answer any questions the Commissioners may have about the request. The Commissioners will either approve or deny the request at that meeting, or possibly move to hear the request at a later meeting in order to gather more information before making a ruling.

Following the Commission's decision, Commission staff will send a letter to the requestor with the Commission's decision and any other pertinent information.

If you have any questions about this process, please contact the Commission at comments@cgcc.ca.gov.

California Gambling Control Commission

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Commissioners

Stacey Luna Baxter

Eric Heins

William Liu

Edward Yee

Executive Director

Lisa Wardall

Chief Counsel

Jason Pope

Deputy Director, Legislative & Regulatory Affairs Division

Vacant

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ABANDONMENT VS. WITHDRAWAL — WHAT THEY MEAN FOR YOUR LICENSE

In general, the Commission's stakeholders are familiar with the most common licensing actions the Commission takes: approval and denial.

But not all applications end up approved or denied. There are two processes that cover scenarios when the applicant no longer wishes to pursue their application.

Withdrawal

Pursuant to <u>Business and Professions Code section 19869</u>, an applicant can request to have their license application withdrawn at any time before the Commission takes a final action on the license application. This withdrawal request must be made in writing and submitted to the Bureau of Gambling Control.

If the Bureau has already completed its background investigation and sent its report and recommendation to the Commission, the Bureau will forward the request to the Commission to consider. If the Bureau is still in the background investigation process, it will suspend its investigation and send a letter to the Commission with its findings at that point, along with the applicant's withdrawal request.

The Commission will review the Bureau's information and determine if granting the withdrawal is consistent with the public interest. The Commission may grant the withdrawal, but may also grant it with prejudice, meaning the applicant may not re-apply for at least one year.

If the Commission denies the withdrawal request, the Bureau will complete its background investigation (if not already completed) and submit a full report to the Commission, and the Commission will consider the application at one of its public meetings.

Abandonment

<u>California Code of Regulations, Title 4, Section 12017</u> allows the Bureau to deem an application as abandoned, in cases of an applicant failing to respond to the Bureau or no longer seeking licensure, as long as a report has not been submitted to the Commission.

If the Bureau submitted a report to the Commission recommending approval, or making no recommendation, of the license application, the Commission Executive Director may deem the application abandoned. The Commissioners may also consider an abandonment request at a public meeting.

COMMISSION AND BUREAU SEEK YOUR FEEDBACK ON NEW ONLINE PORTAL FOR FORMS AND PAYMENTS

The Bureau of Gambling Control, with support from the Commission, is developing the Gambling Licensing System (GLS) to electronically receive various application types and process the corresponding payments. A survey was recently launched to obtain your insights as the new system is being developed. The input you provide will help shape the GLS to better serve your needs. Click here to access the survey and share your feedback.

With GLS, gaming applicants and their authorized representatives will be able to submit applications and other forms, as well as make payments electronically. This will significantly streamline the application process, enhance data accuracy, and increase efficiency.

You can stay updated as we move forward with the GLS development by subscribing to the Commission's quarterly newsletter <u>here</u>.

HAVE QUESTIONS? COMMISSION STAFF ARE ALWAYS READY TO ASSIST YOU

We encourage all of our stakeholders to feel free to reach out if they have a question. More than half the Commission's staff have been at the agency for 10 years or more! There is a lot of experience at the Commission and you will speak to someone who either knows the answer, or knows exactly who to refer you to.

The Commission's Strategic Plan champions a culture of continuous learning and development, and Commission staff members pride themselves on providing well-researched answers in a timely manner.

In addition, the Commission's website has a robust <u>Frequently Asked Questions</u> page, which covers all of the Commission's roles and responsibilities. The Commission also created a separate and equally comprehensive FAQ page specifically for Administrative Hearings.

For general questions, please contact the Commission's main line at 916-263-0700 or email comments@cgcc.ca.gov.

For licensing matters, please contact the Licensing Division at <u>licensinginfo@cgcc.ca.gov</u> or at 916-263-6292.

For a pending evidentiary hearing before the Commission, contact the Presiding Officer identified in your Notice of Hearing, or the Administrative Hearings Coordinator at 916-263-0700.

For questions about regulations, please contact the Legislative and Regulatory Affairs Division at lawsandregs@cgcc.ca.gov.

If you are unsure about who to contact between the Commission and the Bureau, check out our <u>webpage</u> or quick-reference <u>flyer</u> that explain the difference between the two agencies and clarify who to call for certain kinds of issues.

Please do not hesitate to ask Commission staff for assistance!

HEARING RESULTS

(Decisions Effective January 1 — March 31)

Key Employee License

<u>Fugene Lopez, approved</u> <u>February 6</u>

Thomas Truong, denied February 22

Third-Party Worker License

Sovann Som, denied February 10

<u>Audrey Stevens, approved</u> February 10

> Ruben Perez, denied February 22

Tribal Key Employee Finding of Suitability

Ralph Cabada Jr., approved February 20

The Commission's website has the schedule of upcoming hearings, a record of all past evidentiary hearings and decisions, and a Hearings FAQ page.

REGULATIONS UPDATE: SURVEILLANCE REGS NOW IN EFFECT; PUBLIC COMMENT ON ADVERTISING REGS COMING SOON

Surveillance

The <u>Surveillance regulations</u> that were approved by the Office of Administrative Law (OAL) in April 2024 are now in effect, as of April 4, 2025. The Commission requested this delayed effective date to provide cardroom business licensees enough time to upgrade their existing surveillance systems in compliance with the regulatory changes. For more information on these regulations, please visit the <u>Recently Adopted, Amended, and Repealed Regulations page</u> on the Commission's website.

Advertising

Commission staff are preparing to submit the <u>Advertising</u> regulations to the Department of Finance for its initial 30-day review. Subsequently, the regulations will be submitted to OAL for publication in the California Regulatory Notice Register to commence the 45-day public comment period.

Update to Annual Fees

Public comment on the proposed <u>Annual Fee Update</u> closed on March 24. Commission staff are currently reviewing the public comments received in preparation for a regulations hearing.

For more information on these and other regulations packages, please visit the Regulations page <u>here</u>.

COMMISSION STAKEHOLDER SURVEY OUT NOW!

As part of its <u>2024-2027 Strategic Plan</u>, the Commission is continuing its 30-Second Stakeholder Surveys, which allow the Commission to receive valuable feedback from the public about the Commission's operations.

This quarter's survey is about the <u>Gaming Policy Advisory Committee</u>, which meets throughout the year to discuss (non-Tribal) gaming issues in California and makes recommendations to the Commission. The survey can be taken online here.

You can sign up to receive the 30-Second Stakeholder Surveys, as well as all other Commission Correspondence/Notices, on the Commission's website here.



BGC REGS HEARINGS COMING IN MAY

The Department of Justice's Bureau of Gambling Control is developing regulations regarding the rotation of the player-dealer position and blackjack-style games in California cardrooms, and extended the public comment period for these regulations.

On April 11, the Bureau sent out notices re-publishing the regulations and scheduling public hearings for both sets of regulations in May. For more information, please check the Bureau's website or email bgc regulations@doj.ca.gov.