

INDUSTRY MATTERS

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INTRODUCING OUR NEW COMMISSIONERS: ERIC HEINS AND EDWARD YEE

The Commission gained two new Commissioners: Eric Heins, in the Public-at-Large seat, and Edward Yee in the Law Enforcement seat. We will introduce Commissioner Heins in this issue and Commissioner Yee in the July edition.



What about the Commission attracted you to the position?

Gambling is an important part of California’s economy and employs many Californians. Through our laws and regulations, we help ensure the industry is open, fair and transparent. The Commission also benefits the industry by providing a consistent and balanced environment within which the industry can thrive. Good government oversight and regulation can accomplish both of these goals. This is especially important in this time of uncertainty and change due to COVID-19.

What are some insights from your previous experience that will aid you in your new role?

Being a former teacher and union leader helped me develop and strengthen a strong moral and ethical compass. It’s also helped me cut through the noise to identify the real underlying issues and see the big picture. Working within a large bureaucracy can be a daunting and frustrating experience. My background in education prepared me with the necessary skills to succeed in this position: knowledge, perseverance, flexibility, fairness, consistency, and patience.

As a union leader, I worked to implement the voice of our members, working within existing laws and policies. I’ve learned how important relationships and respect are to being an effective leader.

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CGCC Calendar

Upcoming Licensing Meetings

- April 8*
- April 22*
- May 6*
- May 20*
- June 10*
- June 24*

Upcoming State Holidays (Office Closed)

May 31 (Memorial Day)



Click above for industry-related COVID-19 updates

California Gambling Control Commission

Chair

Paula LaBrie

Commissioner

Eric Heins

Commissioner

Edward Yee

Commissioner

Vacant

Commissioner

Vacant

Executive Director

Stacey Luna Baxter

Chief Counsel

R. Todd Vlaanderen

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COMMISSIONER HEINS CONTINUED...

What are some of your goals as Commissioner?

I want to support and build on the goals and objectives of the Commission. I want to help articulate and express the public's voice at the table and continue to expand my knowledge about the industry. I hope, by working together with the other Commissioners and staff, to ensure that the oversight and regulatory environment is transparent and that we continue to apply our due process procedures.

Most importantly, what do you like to do for fun?

I'm a big lover of classical music. Some favorites of mine are Monteverdi, J.S. Bach, Pergolesi, and Handel. I have sung with the San Francisco Bach Choir, and I can't wait until everything opens up again to be able to attend concerts.

And when things do open, I will be spending much of my free time at Oracle Park watching the Giants play, and hopefully win!

I also love to pick up new skills in areas that I may not have been previously exposed to. I recently learned MIG welding, sewing, and how to fix some basic plumbing issues that come up in my house. I may never become an expert, but at least I'm developing new neural pathways in my brain, which is one way to keep it active and young, at least one can hope. I love science and am a bit of a nerd.

COMMISSIONER UPDATES

As you've read, the Commission added two new Commissioners, in conjunction with a few changes to the make-up of the Commission.

Paula LaBrie, who has been a Commissioner since January 2017, was re-appointed for another term and is now Chair of the Commission! Her term runs through the end of 2024.

Gareth Lacy, who served as the Business/Government Commissioner since August 2018, was appointed Special Advisor for Strategic Initiatives and Communication at the Employment Development Department. We miss his attention to detail and thoughtful questions, and we wish him luck!

Trang To, who served as the Law Enforcement Commissioner since September 2015, has retired! We miss his candor and his expertise in criminal justice matters, and we wish him a very happy and relaxing retirement following a lifetime of public service.

A COMMISSION GUIDE TO TRANSACTION APPROVALS — PART 2

By Kate Patterson
Staff Counsel

This is the second of a two-part [series](#) on the Commission's existing regulations regarding transaction approvals. Please note, the Bureau of Gambling Control's authority to investigate and review transactions is beyond the scope of this series, as the absence of an express legal requirement for Commission approval of a transaction does not limit the Bureau's authority to investigate the conduct of licensees involved in transactions.



Loan Transactions

There is no Commission regulation that requires a licensee to obtain prior Commission approval before entering into a loan transaction. However, a “funding source” that is not a federally or state-chartered lending institution that provides credit, loans, etc. to a Third-Party Provider of Proposition Player Services (TPPPS) is considered to be an owner and must be licensed or registered. ([4 CCR § 12202\(at\)](#))

Further, for licensees not owned by natural persons, the Commission may require parties to the loan transaction to be licensed if, in the judgment of the Commission, the lender has the power to exercise significant influence over the gambling operation or TPPPS providers ([B&P § 19852\(i\)](#), [4 CCR § 12202\(as\)\(3\)](#)). Thus, even though the Commission does not need to approve the loan, it may require the lender to apply for a license.

Enforcement of Security Interest

Lenders must obtain Commission approval prior to acting to enforce a security interest issued by the holder of a state gambling license ([B&P § 19900\(a\)](#)). There are no similar provisions for lenders to TPPPS providers.

The potential of enforcement alone does not require the Commission to approve the transaction. For instance, a loan does not need to be approved simply because the transaction documents contain a default provision that would enable the lender to foreclose on real or personal property of the holder of a state gambling license. Commission approval is only required at the time that the lender seeks to exercise their rights under the loan's default provisions.

Trusts

There are no Commission regulations or Gambling Control Act provisions requiring Commission approval prior to a licensee establishing a trust, or making amendments or restatements to an existing trust. However, the Commission may still be involved in the creation of or amendment to trusts. The Commission must consider license applications submitted by the trustee and other parties associated with the trust. [B&P § 19852\(e\)](#) provides that if the owner of a gambling enterprise is a trust, then the trustee must be licensed, and in the discretion of the Commission, any beneficiary and the trustor of the trust may also be required to obtain a license.

Conclusion

Gambling enterprises and third-party providers are in most cases free to contract, amend their trust documents, sell or buy real or personal property, and receive loans without Commission involvement or approval. There are a few exceptions, which are discussed above and in part one of this series. In some cases, even though the transaction itself does not require Commission approval, the Commission may still be privy to or potentially impact the transaction as part of the licensing process. Additionally, the Commission may review transactions at the request of the Bureau and licensees.



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OFFICE OF PROBLEM GAMBLING “BRINGS GAMBLING DISORDER TO LIGHT” DURING PROBLEM GAMBLING AWARENESS MONTH

By Cyndi Maivia
 Chief, Office of Problem Gambling

On March 1, the Office of Problem Gambling (OPG) kicked off Problem Gambling Awareness Month with the annual OPG Training Summit “Bringing Gambling Disorder to Light.” The Summit was conducted virtually and included three live workshops, which were provided at no cost and provided Continuing Education Units (CEUs) to eligible participants.

On March 2, the OPG unveiled the California Problem Gambling Training Website, a virtual learning center created to provide flexible education opportunities. The website was available through the month of March and was provided at no cost. Workshops on the website offered opportunities to obtain CEUs. The website included:

- A library of prevention/treatment workshops from leading experts in the prevention and treatment fields.
- A link to the [Problem Gambling Awareness Toolkit](#), which includes a variety of free outreach tools including: self-help workbooks, social media posts, public service announcements, digital banners, and more.
- Personal Stories, which were people’s experiences with the impact gambling disorder had on their lives, and how they discovered the road to recovery and hope.

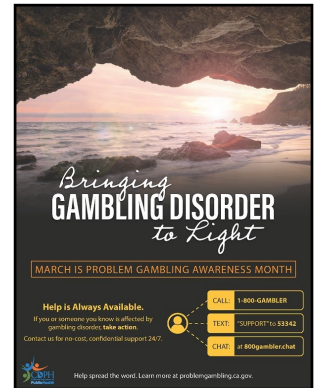
The OPG also conducted a month-long public outreach campaign. OPG developed informational packets and distributed them statewide to industry partners, regulators, mental health providers, libraries, governmental leaders, military bases, law enforcement, community-based organizations, and many more.

The packet consisted of the outreach poster (available in English, Spanish, and Chinese), responsible gambling guidelines, treatment resources, Problem Gambling Awareness Month information, and frequently asked questions about problem gambling.

The OPG also increased our media advertisements across digital platforms, radio, and streaming/broadcast television. We also gave radio interviews in Mandarin, Chinese, English, and Spanish, as well as two Spanish television interviews on Univision.

Finally, we held a National Screening Day promotion, which included daily screening posts on social media and email blasts to CalGETS providers and OPG partners.

For more information, please visit the Office of Problem Gambling’s website [here](#).



HEARING RESULTS

(Decisions Effective January 1 – March 31)

Cardroom Owner-Licensee

Mortimer’s, Inc. dba Mortimer’s Card Room, revoked via stipulated settlement March 11
 Artichoke Joe’s Casino, revoked via stipulated settlement March 25

Work Permit

Daniel Roy, denied February 22
 Steven Lustig, denied February 22
 Lydia Starr, denied February 22

Third-Party Player License

Teayna Stephens, denied February 8
 Jacqueline Watchman, denied February 22
 David Gerritson, denied February 22
 Sakada Keo, denied March 1
 Ronald Zambrano, denied March 8
 Britney Cooper, denied March 22