

**December 6, 2016**

**RE: Notice 2016-90; Public Regulation Workshop 2015-11R**

**Submitted Comments of NYX Gaming Group**

Dear Executive Secretary Bell:

Please find below submitted comments with respect to the Public Regulation Workshop 2015-11R to be held on October 8<sup>th</sup>, 2016 and the associated proposed Nevada Gaming Commission Regulations 1, 5, 5A, 22 and 26C dated October 14, 2016.

Proposed Regulation 5.225(3)(a) and (4)(a)

Centralized wagering accounts can be operated across geographic locations, such as among casinos within Nevada and casinos located in different states. This enables consumers to have a single account with a casino (instead of, for example, one account per casino) and also simplifies the operating and technology requirements for casinos and manufacturers.

Proposed regulation 5.225(3)(a) permits the use of wagering accounts “at any licensed gaming establishment of the licensee and *at any affiliate of the licensee that also qualifies as a licensee as defined herein.*” (emphasis added)

Proposed regulation 5.225(4)(a) permits wagering account service providers (e.g., a systems operator) to operate and maintain wagering accounts for licensees “*provided such wagering accounts are within the State of Nevada.*” (emphasis added)

These clauses could be read to preclude a licensee (whether a casino, manufacturer or otherwise) from operating wagering accounts outside of Nevada and, alternatively, from operating a single wagering account for a consumer, even if, for example, the same company owns a Nevada casino and a casino in another state. With respect to the later item, a consumer would need to duplicate wagering accounts under the same casino company/brand, which would lead to a less valuable consumer experience. In prior industry-proposed regulations for this workshop, these items were addressed by permitting licensees to operate wagering accounts within and without Nevada and to operate a single wagering account across casinos for each consumer, regardless of the casino locations.

Proposal:

- (1) Revise proposed regulation 5.225(3)(a) by removing “that also qualifies as a licensee as defined herein” and proposed regulation 5.225(4)(a) by removing “provided such wagering accounts are within the State of Nevada”.

Proposed Regulation 5.225(6)

Current practice under existing regulations permit more than one person to use a single wagering account. This exists for many practical purposes in sports and race betting, including business entity wagering. This practice also enhances transparency for account wagering activities and permits flexibility for account holders common for other types of accounts used by consumers in non-gaming industries.

Proposal:

- (1) Do not eliminate the existing practice permitting more than one person on an account as set forth in the proposed regulation 5.225(5)(b)(3) and removal of existing regulations 22.140(6) and 26C.160(3).
- (2) Revise the proposed regulation at 5.225(6) so that the secure personal identification is reasonably designed “...to prevent the unauthorized access to, or use of, the wagering account by any person other than the persons authorized to use the wagering account.”

Proposed Regulation 22.140(6)(a)(2)

This regulation project aligns the account registration process across product verticals, which includes permitting consumers to register and use software applications when located outside the State of Nevada for each product vertical that uses wagering accounts (e.g., poker, casino, bingo, sports and race), subject to those particular wagering activities that require consumers to complete in-person identification before wagering activity can occur or

otherwise can only take place within certain geographical limitations within Nevada. Additionally, existing regulations and the proposed regulations also permit sports books to use the marketing plan process to register accounts.

A key distinction between these two methods is that under the marketing plan process the proposed regulations would not permit consumers to register and use the software applications outside of Nevada, even though the consumers are still subject to the in-person identification and geolocation requirements.

Proposal:

- (1) Revise the final clause of proposed regulation 22.140(6)(a)(2) for marketing plans to more narrowly prohibit in-person identification for sports betting accounts from taking place outside the State of Nevada to “Confirmation of identify as required by subsection 7 of Regulation 5.225 pursuant to such marketing plan shall not take place outside the State of Nevada;”.

Proposed Regulation 22.140(7)(c)(2) and (c)(5)

Regulation 22.140(7) sets forth the process of a book registering for an account with another book. This process follows the practice for a consumer registering for an account under Regulation 22.140(5) and proposed regulation 5.225(5)(b)(4), which includes making a copy of the rules and procedures for wagering communications available and consent to monitoring by the board and licensee. These provisions for consumers are not currently in the proposed regulations for book-held wagering accounts under Regulation 22.140(7).

Proposal:

- (1) Revise regulation 22.140(7)(c)(2) to track the proposed regulations in 22.140(5) to “A copy of the book’s rules and procedures for wagering communications was made available;”.
- (2) Revise regulation 22.140(7)(c)(5) to track the proposed regulations in 5.225(5)(b)(4) to “Consents to the monitoring and recording by the licensee and the board of any wagering communication;”.

Regulations 22 and 26, generally, and 22.155 and 26C.185, specifically

Following are proposed items for clarification of the proposed and existing regulations with respect to business entity wagering.

- (1) Pronouns
  - a. Whichever pronouns (e.g., their, his or her) are used with respect to patrons and wagering account regulations also includes the various forms of entities existing under Nevada law that engage in business entity wagering and their respective designated persons and agents, as applicable.
- (2) Fictitious Names for Entities
  - a. Prohibitions on use of fictitious names with wagering accounts applies to natural persons only. Entities engaged in business entity wagering can use fictitious firm names (also known as doing-business-as designations) as permitted currently by Nevada law.
- (3) Entity Wagering Accounts
  - a. Business entity wagering companies can use a single account for race and sports betting.
- (4) Designated Persons and Agents
  - a. Business entity wagering companies act through their designated persons and agents when registering wagering accounts and engaging in wagering in Nevada. This was contemplated under the existing regulations and will be a permitted ongoing practice.

Thank you for your consideration of these comments.

Sincerely,

Quinton Singleton  
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NYX Gaming Group