

REGULATION 15A

LIMITED PARTNERSHIP LICENSEES

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15A.010 Definitions. As used in Regulation 15A:

1. "Capital account" as reflected on the books of the partnership shall mean the partner's initial and any subsequent contributions to the limited partnership; as increased by the partner's pro rata share of net income of the partnership; and decreased by the partner's pro rata share of net losses incurred by the partnership, as well as any draws or distributions to the partner of any kind or nature.
2. Unless otherwise specified, "Chairman" means the chairman of the state gaming control board or his designee.
3. "Certificate of limited partnership" means the certificate referred to in NRS 88.350, and the certificate as amended or restated, or in the case of a foreign limited partnership, the substantial equivalent of a certificate of limited partnership as required by the law of the jurisdiction in which the limited partnership is formed.
4. "Contribution" means any cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in his capacity as a partner.
5. "Control," including the terms "controlling," "controlled by" and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.
6. A "controlled affiliate" of a specified person is another person which, directly or indirectly, is controlled by the person specified.
7. A "controlling affiliate" of a specified person is another person which, directly or indirectly controls the person specified.
8. "Delayed licensing" means an approval granted by the commission to a limited partner of a limited partnership licensee, enabling the limited partner to receive a share or percentage of revenues derived from the conduct of gaming prior to the limited partner being licensed.

9. "Holding company" means, in addition to the definition set forth in NRS 463.485, a limited partnership that owns or has the power or right to control all or any part of the outstanding securities of a limited partnership that holds or applies for a state gaming license.

10. "Limited partnership" means a partnership formed by two or more persons pursuant to the terms of chapter 88 of NRS, having as members one or more general partners and one or more limited partners.

11. "Own," "hold" and "have" mean the possession of a record or beneficial interest in a limited partnership.

12. "Partnership agreement" means any valid, written agreement of the partners as to the affairs of a limited partnership and the conduct of its business.

13. "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security whether or not for value. "Sale" or "sell" includes any exchange of securities and any material change in the rights, preferences, privileges or restrictions of or on outstanding securities.

14. The term "security" means any stock; membership in an incorporated association; partnership interest in any limited or general partnership; bond; debenture or other evidence of indebtedness; investment contract; voting trust certificate; certificate of deposit for a security; or, in general, any interest or instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing. All of the foregoing are securities whether or not evidence of indebtedness reported under Regulation 8.130 is a security.

(Adopted: 8/88. Amended: 3/91.)

15A.030 Powers of board and commission. The board shall have full and absolute power and authority, to the extent permitted by law, to recommend the granting, denial, limitation, conditioning, restriction, revocation, or delay of any license, registration, approval, or finding of suitability required or permitted by this regulation, or any application therefor, or to recommend other disciplinary action for any cause deemed reasonable by the board. The commission shall have full and absolute power and authority, to the extent permitted by law, to grant, deny, condition, restrict, revoke, suspend, or delay any license, registration, approval, or finding of suitability required or permitted under Regulation 15A, or any application therefor, or to take other disciplinary action for any cause deemed reasonable by the commission.

(Adopted: 8/88.)

15A.040 Burden of proof. The burden of proof with respect to the granting of any approval required or permitted by Regulation 15A is at all times upon the person applying for such approval. Each applicant shall satisfy the board or the commission, as the case may be, that the granting of an approval is consistent with the state policies regarding gaming set forth in NRS 463.0129 and 463.563.

(Adopted: 8/88.)

15A.050 Certain affiliates of limited partnership licenses. [Repealed: 12/11.]

15A.060 Prohibition with respect to ownership of limited partnership licensees. Except as otherwise provided, no person shall acquire any equity security issued by a limited partnership licensee or a holding company, become a controlling affiliate of a limited partnership licensee or a holding company, become a holding company of a limited partnership licensee or of a holding company without first obtaining the prior approval of the commission in accordance with this Regulation and Regulations 4 and 8.

(Adopted: 8/88. Amended: 12/11.)

15A.065 Registration of certain limited partners of limited partnerships.

1. All limited partners with a 5 percent or less ownership interest in a limited partnership licensee must register in that capacity with the board and affirmatively state in writing that they submit to the board's jurisdiction. Such registration must be made on forms prescribed by the chairman. A limited partner who is required to be registered by this section shall apply for registration before the limited partner obtains an ownership interest of 5 percent or less in a limited partnership licensee.

2. If the commission finds a limited partner unsuitable, denies an application of the limited partner, or revokes an approval of the limited partner, the limited partner and the limited partnership shall comply with NRS 463.567(2) and (3).

3. An application for registration with the board shall:

- (a) Include a completed application for registration form as prescribed by the chairman;
 - (b) Include fully executed waivers and authorizations as determined necessary by the chairman to investigate the registrant;
 - (c) Include an affirmative statement that the registrant submits to the jurisdiction of the board;
 - (d) Include an affirmative statement that the registrant has no intent to exercise control over the licensee other than to vote the registrant's shares in the ordinary course;
 - (e) Include the fingerprints of the registrant for purposes of investigating the registrant's criminal history. Such fingerprints shall be provided in a form and manner acceptable to the board. The chairman, in his sole and absolute discretion, may waive this requirement upon a written request which specifically sets out the reasons for the request for waiver;
 - (f) Be accompanied by a fee to cover registration investigation costs as follows:
 - (1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of \$550.00 and
 - (2) For all other registrations, an investigative fee in the amount of \$2,500.00.
- ➔ This fee does not include the application fee or investigation costs should the chairman require the registrant to apply for licensure; and
- (g) Include such other information as the chairman may require.

4. The chairman may require a limited partner who is required to be registered by this section to apply for licensure at any time in the chairman's discretion by sending notice through the United States Postal Service to the registrant at the address on the registrant's registration on file with the board and to the limited partnership at the address on file with the commission. A limited partner shall apply for licensure as required by the chairman within 40 days of the limited partner's receipt of notice. The notice shall be deemed to have been received by the limited partner 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

5. Upon receipt of a completed application for registration with the board, the application shall be placed on an agenda for consideration by the board not later than the first regular monthly board agenda following the expiration of 120 days after the board receives the completed application for registration with the board.

(a) At the meeting in which the board considers the application, it shall register the person with the board, decline to register the person with the board, or refer the application back to staff. At the meeting in which the board considers the application, it may also recommend the chairman require the person required to be registered by this section to apply for licensure. If the board declines to register a person pursuant to this subsection, such action in so declining to register a person with the board shall not be considered a denial under the act.

(b) A person who has the person's application for registration with the board declined or referred back to staff may file an application for licensure even if not required to do so by the chairman.

6. If a limited partner of a limited partnership licensee is a holding company and is required to register with the board under this section, the limited partner is not required to register with the commission pursuant to NRS 463.585 unless the chairman requires the limited partner to apply for licensure.

7. In enacting this regulation section, the commission finds that waiver of NRS 463.585 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making this waiver, the commission finds such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waiver is for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The commission further finds such waiver does not diminish the board's and commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the board and commission still require, at a minimum, registration with the board of all persons involved with gaming and may call such persons subject to registration with the board forward for licensure, registration with the commission, or findings of suitability.

8. Upon the chairman requiring a limited partner who is required to be registered by this section to apply for licensure, the limited partner does not have any right to the granting of the application. Any license hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the board and commission made or entered under the provisions of this section.

(Amended: 8/13.)

15A.070 Institutional investor.

1. An institutional investor that intends to become subject to NRS 463.569 and Regulations 15A.060 and 15A.190, or NRS 463.585, as a result of its ownership of an interest in or equity security issued by a limited partnership licensee or a holding company, may apply to the board and commission for a waiver of the requirements of NRS 463.170(6), 463.569, 463.585, 463.595 and Regulations 15.585.7-4, 15.585.7-5, 15A.060 and 15A.190 with respect to the ownership of the interest in or equity securities issued by the limited partnership licensee or a holding company if such institutional investor intends to and does hold the interest or equity securities for investment purposes only. An institutional investor shall not be eligible to receive or hold a waiver if the institutional investor will own, directly or indirectly, more than a 15 percent interest in or of the equity securities issued by the limited partnership licensee or a holding company on a fully diluted basis where any such interest or securities are to be acquired other than through a debt restructuring. Limited partnership interests or securities acquired before a debt restructuring or as a result of an exchange, exercise or conversion, after a debt restructuring, of any securities issued to an institutional investor through a debt restructuring, shall be deemed to have been acquired through a debt restructuring. A waiver granted under this section shall be effective only as long as the institutional investor's direct or indirect ownership interest in or of the equity securities issued by a limited partnership meets the limitations set forth above.

2. An institutional investor shall not be deemed to hold an interest in or equity security issued by a limited partnership licensee or a holding company, for investment purposes only unless the interest or equity securities will be acquired and held in the ordinary course of business as an institutional investor, is not a general partnership interest, and does not, directly or indirectly, allow the institutional investor to vote for the election or appointment of a general partner(s), cause any change in the partnership agreement, certificate of limited partnership, or other organic document, management, policies or operations of the limited partnership licensee or the holding company, or cause any other action which the commission finds to be inconsistent with investment purposes only. The following activities shall not be deemed to be inconsistent with holding an interest or equity securities for investment purposes only:

- (a) Serving as a member of any committee of creditors or security or interest holders in connection with a debt restructuring;
- (b) Nominating any candidate for election or appointment to a board of directors or the equivalent in connection with a debt restructuring;
- (c) Making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and
- (d) Such other activities as the commission may determine to be consistent with such investment intent.

3. An application for a waiver must include:

(a) A description of the institutional investor's business and a statement as to why the institutional investor is within the definition of "institutional investor" set forth in section 11 of this regulation.

(b) A certification made under oath and the penalty of perjury, that:

(1) The interest in or equity securities of the limited partnership licensee or the holding company will be acquired and held for investment purposes only as defined in subsection 2 and a statement by the signatory explaining the basis of his authority to sign the certification and to bind the institutional investor to its terms.

(2) The applicant agrees to be bound by and comply with the Nevada Gaming Control Act and the regulations adopted thereunder, to be subject to the jurisdiction of the courts of Nevada, and to consent to Nevada as the choice of forum in the event any dispute, question, or controversy arises regarding the application or any waiver granted under this section.

(3) The applicant agrees that it shall not grant an option to purchase, or sell, assign, transfer, pledge or make any other disposition of any interest in or equity security issued by the limited partnership licensee or the holding company without the prior approval of the commission.

(c) A description of all actions, if any, taken or expected to be taken by the institutional investor relating to the activities described in subsection 2.

(d) The name, address, telephone number and social security number of the officers and directors, or their equivalent, of the institutional investor as well as those persons that have direct control over the institutional investor's holdings of an interest in or equity securities of the limited partnership licensee or the holding company.

(e) The name, address, telephone number and social security or federal tax identification number of each person who has the power to direct or control the institutional investor's exercise of its rights as a holder of the interest in or equity securities of the limited partnership licensee or the holding company.

(f) The name of each person that beneficially owns more than 5 percent of the institutional investor's voting securities or other equivalent.

(g) A list of the institutional investor's affiliates.

(h) A list of all regulatory agencies with which the institutional investor or any affiliate that owns any voting or equity securities or any other interest in a company which is licensed or registered with the Nevada Gaming Commission files periodic reports, and the name, address, and telephone number of the person, if known, to contact at each agency regarding the institutional investor.

(i) A disclosure of all criminal or regulatory sanctions imposed during the preceding 10 years and of any administrative or court proceedings filed by any regulatory agency during the preceding 5 years against the institutional investor, its affiliates, and current officer or director, or any former officer or director whose tenure ended within the preceding 12 months. As to a former officer or director, such information need be provided only to the extent that it relates to actions arising out of or during such person's tenure with the institutional investor or its affiliates.

(j) Any additional information the board or the commission may request.

4. The board and commission shall consider all relevant information in determining whether to grant a waiver requested pursuant to subsection 1, including but not limited to:

(a) Whether the waiver is consistent with the policy set forth in NRS 463.0129, 463.489, and Regulation 15A.310; and

(b) Any views expressed to the board and commission by the limited partnership licensee or any affiliate thereof.

5. Any waiver granted pursuant to this section may be limited or conditioned in any respect by the board or commission, including, but not limited to, requiring a certification, made under oath and the penalty of perjury, which contains the following:

(a) A statement attesting that the institutional investor holds and/or has held the interest in or equity securities issued by the limited partnership licensee or the holding company for (1) investment purposes only, and (2) in the ordinary course of business as an institutional investor and not for the purpose of (A) causing, directly or indirectly, the appointment of any general partner(s), or (B) effecting any change in the partnership agreement, certificate of limited partnership, other organic document, management, policies or operations of the limited partnership licensee or any of its affiliates.

(b) A statement that the institutional investor has not engaged in any activities inconsistent with the holding of an interest in or equity securities of a limited partnership licensee or the holding company for investment purposes only in accordance with the provisions of section 2 hereof.

(c) The name, title and telephone number of the persons having direct control over the institutional investor's holdings of an interest in or equity securities issued by the limited partnership licensee or the holding company.

(d) A statement of all complaints, arrests, indictments or convictions of any officer or director of the institutional investor regarding the rules and regulations of the Securities and Exchange Commission and any regulatory agency of any State where it conducts business, or any offense which would constitute a gross misdemeanor or felony if committed in the State of Nevada. The name, position, charge, arresting agency, and a brief description of the event must also be included in the statement.

(e) A Statement indicating any change to the structure and/or operation of the institutional investor which could affect its classification as an institutional investor as defined within Regulation 16.010(14).

6. An institutional investor that has been granted a waiver of licensing, registration or finding of suitability as required by NRS 463.170(6), 463.569, 463.585, 463.595 and Regulations 15.585.7-4, 15.585.7-5, 15A.060 and 15A.190 and that subsequently intends not to hold its interest in or equity securities issued by the limited partnership licensee or the holding company for investment purposes only, or that intends to take any action inconsistent with its prior intent shall, within 2 business days after its decision, deliver notice to the chairman in writing of the change in its investment intent. The chairman may then take such action under the provisions of NRS 463.170(6), 463.569 and 463.585 and Regulations 15.585.7-4, 15.585.7-5, 15A.060 and 15A.190, or any other provisions of the Gaming Control Act or regulations of the Nevada Gaming Commission as he deems appropriate.

7. A waiver that has been granted pursuant to this section and NRS 463.489(2) and Regulations 15.489.2-1 and 15A.310 shall subject the institutional investor to requirements similar to those found with

NRS 463.567(1), or Regulation 15A.180, as applicable, in that any purported sale, assignment, transfer, pledge or other disposition of any interest in or equity security issued by the limited partnership licensee or the holding company, or the granting of an option to purchase such an interest or equity security, shall be void unless approved in advance by the board and commission.

8. The institutional investor shall be entitled to whatever economic advantage, including, but not limited to, distributions, that may flow from ownership of the interest or equity securities as though it has been licensed, registered or found suitable.

9. If the chairman finds that an institutional investor has failed to comply with the provisions of this section, or should be subject to licensing, registration, finding of suitability or any approval to protect the public interest, the chairman may, in accordance with NRS 463.170(6), 463.569 and 463.585 and Regulations 15.585.7-4, 15.585.7-5, 15A.060 and 15A.190 or any other provision of the Gaming Control Act or regulations of the Nevada Gaming Commission he deems appropriate, require the institutional investor to apply for licensing, registration or a finding of suitability. The institutional investor affected by the action taken by the chairman may request a hearing on the merits of such action. The hearing shall be included on the agenda of the next regularly scheduled commission meeting occurring more than 10 working days after the request for hearing. Upon good cause shown by the institutional investor, the commission chairman may waive the 10-day requirement and place such hearing on an earlier commission agenda. The commission, for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the chairman, or remand the matter to the chairman for such further investigation and reconsideration as the commission may order. While the application for licensure, registration or a finding of suitability or commission review of the chairman's action requiring the filing of such application is pending, the institutional investor shall not directly or indirectly, cause or attempt to cause any management, policy, or operating changes in the limited partnership licensee or the holding company.

10. The limited partnership licensee or the holding company shall immediately notify the chairman of any information about, fact concerning or actions of, an institutional investor holding any interest in or equity securities of the limited partnership licensee or the holding company, that may materially affect the institutional investor's eligibility to hold a waiver under this section.

11. For purposes of this regulation "institutional investor" shall have the meaning set forth in Regulation 16.010(14) and "debt restructuring" shall have the meaning set forth in Regulation 16.010(8).

(Adopted and Effective: 7/00.)

15A.100 Foreign limited partnership ineligible to hold certain licenses. [Repealed: 12/11.]

15A.110 Required provisions in certificate of limited partnership. The following provisions must be included in the certificate of limited partnership of every limited partnership that receives a state gaming license:

1. The purpose clause shall contain language substantially as follows:

The character and general nature of the business to be conducted by the partnership is to operate, manage, and conduct gaming in a gaming casino on or within the premises known as-----and located at-----.

2. The certificate shall include language substantially as follows:

Notwithstanding anything to the contrary expressed or implied in this agreement, the sale, assignment, transfer, pledge, or other disposition of any interest in the partnership is void unless approved in advance by the commission. If at any time the commission finds that an individual owner of any such interest is unsuitable to hold that interest, the commission shall immediately notify the partnership of that fact. The partnership shall, within ten days from the date that it receives the notice from the commission, return to the unsuitable owner the amount of his capital account as reflected on the books of the partnership. Beginning on the date when the commission serves notice of a determination of unsuitability, pursuant to the preceding sentence, upon the partnership, it is unlawful for the unsuitable owner: (a) to receive any share of the profits or distributions of any cash or other property other than a return of capital as required above; (b) to exercise, directly or

through any trustee or nominee, any voting right conferred by such interest; or (c) to receive any remuneration in any form from the partnership, for services rendered or otherwise.

3. The certificate shall include language substantially as follows:

Any limited partner granted delayed licensing that is later found unsuitable by the commission shall return all evidence of any ownership in the limited partnership to the limited partnership, at which time the limited partnership shall refund to the unsuitable limited partner no more than the amount that he paid for his ownership interest, and the unsuitable limited partner shall no longer have any direct or indirect interest in the limited partnership.

(Adopted: 8/88.)

15A.120 Public offerings by limited partnership licensees and holding companies. No limited partnership licensee and no holding company shall make a public offering of securities of a limited partnership licensee of a holding company except as is permitted by, and in accordance with, Regulation 16.

(Adopted: 8/88.)

15A.130 Assignment of interest in a security. Included within the meaning of the term “disposition” as used in NRS 463.567(1) is any transfer, whether or not for value, of any interest in the profits or proceeds realized from the holding or disposition of a security.

(Adopted: 8/88.)

15A.140 Procedure for obtaining approval under NRS 463.567(1) for transfer of securities. The provisions of Regulation 8 shall govern all transfers for which approval is required by NRS 463.567(1).

(Adopted: 8/88.)

15A.150 Persons who may be determined to be unsuitable for purposes of NRS 463.567(2). Without in any manner limiting or restricting the scope of NRS 463.567(2), the following persons may be determined to be unsuitable within the meaning of that section:

1. Any person who, having been notified by the general partners, the board, or the commission of the requirement that such persons be licensed as contemplated by NRS 463.569, fails, refuses, or neglects to apply for such licensing within 30 days after being requested to do so by the board or the commission.
2. Any record holder of a security issued by a limited partnership licensee or a holding company who fails, refuses, or neglects, upon request of the board or the commission, to furnish to the board or the commission within 30 days after such request, full, complete, and accurate information as to the owner of any beneficial interest in such security.
3. Any record owner of a security that is beneficially owned, in whole or in part, by a person determined to be unsuitable by the commission.

(Adopted: 8/88.)

15A.160 Limited partnership non-compliance with NRS 463.569. Whenever the commission determines that the public interest will be served by requiring any or all of the limited partnership’s lenders, holders of evidences of indebtedness, underwriters, key executives and agents, employees or other persons dealing with the limited partnership and having the power to exercise a significant influence over decisions by the limited partnership to be licensed, the commission shall serve a notice of such determination upon the limited partnership either personally or by certified mail. If the person or entity that is the subject of such determination shall not have, within 30 days following the receipt of such notice, applied for a license as contemplated by NRS 463.569, the limited partnership may be deemed to have failed to require such application as contemplated by NRS 463.569.

(Adopted: 8/88.)

15A.170 Approval by commission required for all issues or transfers by a holding company of its securities. No holding company shall issue or transfer any security of which it or its controlled affiliate

is the issuer without the prior approval of the commission. As used herein, the terms "issue or transfer" extend to transactions involving any type of ownership referred to in Regulation 15A.010(11).

(Adopted: 8/88.)

15A.180 Commission approval required for dispositions of outstanding securities issued by holding companies. No person other than the issuer shall sell, assign, transfer, pledge or make any other disposition of any security issued by any holding company without the prior approval of the commission. As used herein, the terms "sale, assignment, transfer, pledge or other disposition" extend to disposition of any type of ownership referred to in Regulation 15A.010(11).

(Adopted: 8/88.)

15A.190 Licensing of general partners and limited partners of limited partnership holding companies.

1. Except as otherwise provided in this section, each general partner of a limited partnership holding company must be licensed. Each limited partner of a limited partnership holding company must be licensed if the limited partner owns more than 5 percent of any licensee owned by the limited partnership holding company, except to the extent delayed licensing is approved by the commission. For the purposes of this section, "own" means the possession of a record or beneficial interest in any business organization.

2. All limited partners of a limited partnership holding company which own 5 percent or less of any licensee owned by the limited partnership holding company must register in that capacity with the board and affirmatively state in writing that they submit to the board's jurisdiction. Such registration must be made on forms prescribed by the chairman. A limited partner who is required to be registered by this section shall apply for registration before the limited partner obtains an ownership interest in the limited partnership holding company.

3. A general partner of a limited partnership holding company is not required to be licensed and must register in that capacity with the board if both of the following apply:

(a) The general partner owns 5 percent or less of each licensee owned by the limited partnership holding company; and

(b) The limited partnership holding company is not, directly or indirectly, a general partner or manager of any licensee and does not control any licensee.

↪ A general partner who is required to be registered by this section shall apply for registration before the general partner obtains an ownership interest in the limited partnership holding company.

4. If the commission finds a limited partner or general partner unsuitable, denies an application of the limited partner or general partner, or revokes an approval of the limited partner or general partner, the limited partner, general partner, and the limited partnership holding company shall comply with NRS 463.585 (3) and (4) and NRS 463.595(2).

5. An application for registration with the board shall:

(a) Include a completed application for registration form as prescribed by the chairman;

(b) Include fully executed waivers and authorizations as determined necessary by the chairman to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the board;

(d) Include an affirmative statement that the registrant has no intent to exercise control over the licensee other than to vote the registrant's shares in the ordinary course;

(e) Include the fingerprints of the registrant for purposes of investigating the registrant's criminal history. Such fingerprints shall be provided in a form and manner acceptable to the board. The chairman, in his sole and absolute discretion, may waive this requirement upon a written request which specifically sets out the reasons for the request for waiver;

(f) Be accompanied by a fee to cover registration investigation costs as follows:

(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of \$550.00; and

(2) For all other registrations, an investigative fee in the amount of \$2,500.00.

↪ This fee does not include the application fee or investigation costs should the chairman require the registrant to apply for licensure; and

(g) Include such other information as the chairman may require.

6. The chairman may require a limited partner or general partner who is required to be registered by this section to apply for licensure at any time in the chairman's discretion by sending notice through the

United States Postal Service to the registrant at the address on the registrant's registration on file with the board and to the limited partnership holding company at the address on file with the commission. A limited partner or general partner shall apply for licensure as required by the chairman within 40 days of the limited partner or general partner's receipt of notice. The notice shall be deemed to have been received by the limited partner or general partner 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

7. Upon receipt of a completed application for registration with the board, the application shall be placed on an agenda for consideration by the board not later than the first regular monthly board agenda following the expiration of 120 days after the board receives the completed application for registration with the board.

(a) At the meeting in which the board considers the application, it shall register the person with the board, decline to register the person with the board, or refer the application back to staff. At the meeting in which the board considers the application, it may also recommend the chairman require the person required to be registered by this section to apply for licensure. If the board declines to register a person pursuant to this subsection, such action in so declining to register a person with the board shall not be considered a denial under the act.

(b) A person who has the person's application for registration with the board declined or referred back to staff may file an application for licensure even if not required to do so by the chairman.

8. If a limited partner or general partner of a limited partnership holding company is also a holding company and is required to register with the board under this section, the limited partner or general partner is not required to register with the commission pursuant to NRS 463.585 unless the chairman requires the limited partner or general partner to apply for licensure.

9. In enacting this regulation section, the commission finds that waiver of NRS 463.585 and NRS 463.595 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making these waivers, the commission finds such waivers are consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waivers are for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The commission further finds such waivers do not diminish the board's and commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the board and commission still require, at a minimum, registration with the board of all persons involved with gaming and may call such persons subject to registration with the board forward for licensure, registration with the commission, or findings of suitability.

10. Upon the chairman requiring a limited partner or general partner who is required to be registered by this section to apply for licensure, the limited partner or general partner does not have any right to the granting of the application. Any license hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the board and commission made or entered under the provisions of this section.

(Adopted: 8/88. Amended: 12/11; 8/13.)

15A.200 Certain payees required to be found suitable, licensed or approved. The commission may require any person who receives payments from a limited partnership holding company computed on the basis of the earnings or profits of the holding company or on the basis of the receipts from gaming of the subsidiary limited partnership licensee of such holding company to be found suitable, licensed or approved.

(Adopted: 8/88.)

15A.210 Delayed licensing for limited partners. Pursuant to the provisions of NRS 463.563(2) and Regulation 15A, the commission may waive licensing of limited partners and, in lieu thereof, grant approval of delayed licensing for any limited partner.

(Adopted: 8/88.)

15A.220 Eligibility for delayed licensing.

1. A limited partnership that has filed an application to be registered with the board pursuant to the provisions of NRS 463.568 or NRS 463.585 may file an application for approval of delayed licensing of its limited partners.

2. Only limited partners whose aggregate effective ownership percentage in the limited partnership is no more than 10 percent will be considered for delayed licensing approval. For purposes of determining aggregate effective ownership percentage, a natural person who is part of a legal entity that is a limited partner shall be deemed to have the percentage ownership interest held by the legal entity.

3. A general partner is not eligible for delayed licensing.

4. A limited partnership seeking delayed licensing of its limited partners shall apply for a ruling from the commission, upon recommendation of the board, that it is eligible for delayed licensing of its limited partners. Such application may be made at the same time that the limited partnership applies for a state gaming license or registers with the board, and must include the information from limited partners required by Regulation 15A.240.

(Adopted: 8/88. Amended: 3/91.)

15A.225 Application for delayed licensing by individual limited partners. Once a limited partnership has been found eligible for delayed licensing pursuant to Regulation 15A.220, each limited partner seeking delayed licensing shall file an application for delayed licensing pursuant to Regulation 15A.230. A limited partner may file an application for delayed licensing prior to the commission's ruling on the eligibility of the limited partnership, but the application will not be considered by the board and commission until the commission rules that the limited partnership is eligible for delayed licensing.

(Adopted: 8/88.)

15A.230 Procedure for consideration of application for delayed licensing. Any application for delayed licensing, whether by the limited partnership pursuant to Regulation 15A.220, or by an individual limited partner pursuant to Regulation 15A.225, shall be made to the board on forms furnished by the board and in accordance with these regulations. The board shall investigate the applicant and make a recommendation to the commission pursuant to section 463.210 of the Nevada Revised Statutes and the commission shall act upon the application pursuant to section 463.220 of the Nevada Revised Statutes.

(Adopted: 8/88.)

15A.240 Information to be provided by applicant for delayed licensing. In addition to filing a completed personal history record and personal financial questionnaire, along with all required releases and fingerprint cards, each limited partner applying for approval of delayed licensing shall provide the following information:

1. A listing of any other business interest between the applicant and a general partner existing prior to, at the time of, or after the formation of the limited partnership.

2. Whether the applicant has a familial relationship, either by blood, marriage or adoption, with a general partner.

3. A certification that the applicant does not have and will not have a material relationship to, or material involvement with, a general partner of the limited partnership with respect to gaming operations of the limited partnership. A person may be deemed to have a material relationship to, or material involvement with, a general partner if he is a shareholder, controlling person or key employee of a legal entity that is a general partner, or if he, as an agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of such general partner.

(Adopted: 8/88.)

15A.250 Effect of the commission's ruling on a limited partnership's application for delayed licensing. If the commission rules that a limited partnership is eligible for delayed licensing of its limited partners, the commission shall direct the board, based upon such investigation as the board deems appropriate, to recommend to the commission which of the limited partners who have applied for delayed licensing, if any, should be granted delayed licensing.

(Adopted: 8/88.)

15A.260 Standards. The board and commission shall consider all relevant material facts in determining whether to grant an approval of delayed licensing to a limited partnership, and thereafter to a limited partner, as permitted by NRS 463.563(2) and Regulation 15A. The board and commission may further consider the effects of the action or approval requested by the applicant, the benefits to the State of Nevada, and whether other facts are deemed relevant, including, but not limited to, the following:

1. Whether the applicant, either individually or in conjunction with other limited partners, has any direct or indirect control or significant influence over a general partner, or over the management of the limited partnership's business or gaming operations, or the ability to acquire such control. The limited partnership agreement will be scrutinized to determine if it has clear and specific provisions covering the following:

(a) Restricting the priority rights with respect to income, losses, or other distributions, whether during the term of the limited partnership or upon its dissolution, of limited partners seeking delayed licensing;

(b) Vesting the general partner(s) with the sole and exclusive right to manage and control the limited partnership's business;

(c) Defining the scope of the general partner's (or partners') authority and any limitations thereon;

(d) Restricting the right of the limited partners to remove or elect general partners, except to the extent necessary to elect a general partner upon the retirement, death, or disability of a general partner who is a natural person; and

(e) Whether any additional assessment or capital contribution can be required of the limited partners.

2. Whether the applicant has, or has had, a material relationship with a general partner. Applicants who have a familial relationship, either by blood, marriage or adoption, to a general partner may be deemed to have such a material relationship.

3. The commonality of other business interests between a general partner and any limited partners prior to, or existing at, formation of the limited partnership.

4. Whether the applicant had a key role in forming the limited partnership.

5. The relative level of risk for each general partner.

6. The business probity of each general partner, in gaming or otherwise.

7. The presence or absence of restrictions on the limited partners.

8. Whether a substantial portion of the assets of the limited partnership were owned by only one or more limited partners prior to formation of the limited partnership.

9. Whether substantial portion of the depreciable assets involved in the proposed gaming operation will be owned by the limited partnership.

10. The number of persons and entities involved in the limited partnership. The commission will not ordinarily grant delayed licensing status to a limited partnership with fewer than 25 limited partners.

11. The various percentage ownership interests in the limited partnership.

12. Whether any limited partner has obligated his personal assets as a guarantee for the limited partnership or made any loans to the limited partnership in any manner whatsoever.

13. The terms of any agreement that provides for a buyout of a limited partner's interest in the event that a limited partner is found unsuitable for licensing.

14. The presence or absence of any tax benefits to the limited partner.

(Adopted: 8/88.)

15A.270 Post-approval monitoring after approval of delayed licensing. The partnership agreement of a limited partnership that seeks delayed licensing must contain language to the effect that the licensing of any limited partner granted delayed licensing may be activated at any time pursuant to this regulation. The granting of delayed licensing to a limited partner by the commission shall be a revocable approval. The board and commission shall not relinquish jurisdiction. Any limited partner receiving approval for delayed licensing from the commission has no legal vested right or privilege inherent in that approval, nor shall the limited partners that have been granted delayed licensing accrue any privilege from the licensing of the limited partnership.

(Adopted: 8/88.)

15A.280 Powers of the board and commission after delayed licensing approval. Pursuant to the provisions of NRS 463.110(4), 463.140, 463.1405, 463.143, and 463.563(2), board and commission may exercise, without limitation, any of the following powers:

1. After the granting of delayed licensing to a limited partner, the board may at any time recommend to the commission that the commission activate the licensing process for any limited partner granted delayed licensing if it determines that:

(a) A limited partner has thereafter developed a material relationship with or to a general partner;

(b) A limited partner, individually or in conjunction with other limited partners, has acquired the ability to exercise significant control or influence over the management of the limited partnership's gaming operations or business affairs;

(c) A limited partner, individually or in conjunction with other limited partners, has exercised, for any reason, significant control or influence over the management of the limited partnership's gaming operations, either directly or indirectly, even if such control is contemplated or authorized by the partnership agreement;

(d) There is reason to believe that a limited partner cannot demonstrate his suitability pursuant to the provisions of NRS 463.170;

(e) The aggregate effective ownership percentage held by a limited partnership granted delayed licensing has increased to more than 10 percent; or

(f) Any other cause it deems reasonable.

2. The commission after considering the recommendation of the board, may activate the licensing process for any limited partner granted delayed licensing at any time.

3. The commission may delegate to the board the authority to activate, without commission approval, the licensing process for any particular limited partner granted delayed licensing.

4. The chairman may issue an order requiring escrow of the funds, profits, or other monies due any limited partner granted delayed licensing from the licensed limited partnership for any cause deemed reasonable. Any such escrow ordered by the chairman automatically terminates at the conclusion of the next regular board meeting unless:

(a) The board recommends that the commission activate the licensing process for the limited partner that is the subject of the order;

(b) The board continues discussion of whether it should recommend that the licensing process be activated to a future meeting at the request of the limited partner that is the subject of the order; or

(c) The board activates the licensing process pursuant to a delegation of authority from the commission under section 2 of Regulation 15A.280.

5. Any escrow ordered by the chairman pursuant to subsection 4 automatically terminates if the commission decides not to activate the licensing process for the limited partner that is the subject of the order or if the commission licenses the limited partner.

(Adopted: 8/88.)

15A.290 Nontransferability of delayed licensing approval. Delayed licensing approval shall be personal to the limited partnership or limited partner granted delayed licensing. A limited partnership interest that is held under delayed licensing may not be transferred, assigned, encumbered or hypothecated in any manner without the prior approval of the commission, upon recommendation of the board.

(Adopted: 8/88.)

15A.300 Exclusion of public limited partnerships. Regulation 15A shall not apply to the limited partnership interest or securities of, nor other interest in, any limited partnership holding company that has been permitted to comply with NRS 463.635 to NRS 463.641, inclusive, nor to its general partners, limited partners, agents, employees, underwriters, lenders, and other holders of evidence of indebtedness, as such.

(Adopted: 8/88.)

15A.310 Waiver of requirement of regulation. The commission may waive one or more requirements of Regulation 15A if it makes a written finding that such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.563.

(Adopted: 8/88.)

End – Regulation 15A