

PROPOSED AMENDMENTS TO REGULATIONS 15B.065 AND 15B.190

PURPOSE: To update the regulation to reflect recent statutory changes requiring certain members to register with the Gaming Control Board prior to obtaining an ownership interest; to allow certain managers of limited liability corporation holding companies to register with the Gaming Control Board instead of being licensed; to remove the waiver of the statutory requirement that all transfers of interest must be approved by the commission; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

REGULATION 15B LIMITED-LIABILITY COMPANY LICENSEES

(Draft Date: August 1, 2013)

New

~~{Deleted}~~

15B.065 Registration of certain members of limited-liability companies.

1. All members with a 5 percent or less ownership interest in a limited-liability company 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 member who is required to be registered by this section shall apply for registration ~~[within 30 days after]~~ before the member obtains an ownership interest of 5 percent or less in a limited-liability company licensee.

2. No Change.

3. An application for ~~{R}~~ registration with the board shall:

(a) No Change.

(b) No Change.

(c) No Change.

(d) No Change.

(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) No Change.

(g) No Change.

4. The chairman may require a member 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-liability company at the address on file with the commission. ~~{If a member required to be registered by this section has not registered and the chairman desires to call the member forward for licensing, the notice shall be sent to the limited-liability~~

~~company at the address on file with the commission.]~~ A member shall apply for licensure as required by the chairman within 40 days of the member's receipt of notice. The notice shall be deemed to have been received by the member 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

~~5. [If a member is required to be registered pursuant to this section and the member fails to register, the chairman shall require the member to apply for licensure pursuant to this section. If a member does not apply for licensure as required by this section, the board and commission shall place the matter on their next available agendas for consideration of whether the member should be licensed.]~~ 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 member of a limited-liability company licensee is a holding company and is required to register with the board under this section, the member is not required to register with the commission pursuant to NRS 463.585 unless the chairman requires the member to apply for licensure.

~~[7. Notwithstanding NRS 463.5733 and the regulations governing issuance and transfers of interest, an issuance or transfer of interest to a member required to register with the board under this section does not require pre-approval from the commission, as specified by this subsection, for the issuance or transfer of interest.~~

~~(a) For transfers of interest from a member who owns more than a five percent interest prior to the proposed transfer to a member required to register with the board under this section and for issuance or transfer of interest by a limited-liability corporation to a member required to register with the board under this section:~~

~~(1) Prior to such issuance or transfer, the issuer or transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer.~~

~~(2) Upon receipt of such report, the proposed issuance or transfer shall be placed on the next available board and commission agendas for the purposes of notifying the public of such proposed issuances and transfers and to give each~~

~~board and commission member the opportunity to object to the proposed issuance or transfer taking place without pre-approval from the commission.~~

~~(3) If any board member objects to the proposed issuance or transfer during the board meeting for which the issuance or transfer was placed on the agenda or any commission member objects to the proposed issuance or transfer during the commission meeting for which the issuance or transfer was placed on the agenda for any cause deemed reasonable by the board or commission member, the proposed issuance or transfer shall not take place unless the commission approves such proposed issuance or transfer prior to the proposed issuance or transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.5733 and the regulations governing issuances and transfers of interest.~~

~~(4) Until the objection opportunities set forth in this subsection have passed without any objections, all parties to the proposed issuance or transfer shall follow Regulation 8.050.~~

~~(5) If no objection is made by a board or commission member as set out in this subsection after a proposed issuance or transfer is placed on the board and commission agendas, the proposed issuance or transfer of interest to a member required to register with the board under this section may occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda. If the proposed issuance or transfer does not occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda, the issuance or transfer shall not occur without again following the provisions of this subsection after the expiration of the six months. The issuance or transfer must be made as agendaed. All board and commission members must have the chance to object, as set out above, to any changes to the proposed issuance or transfer before the issuance or transfer may take place.~~

~~(b) For transfers of interest from a member who owns five percent or less interest prior to the proposed transfer to a member required to register with the board under this section:~~

~~(1) Prior to such transfer, the transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer and valid electronic mail addresses for both the transferor and transferee.~~

~~(2) Upon receipt of such report, the board chairman may object, for any reason the chairman deems reasonable, to such transfer occurring without pre-approval from the commission.~~

~~(I) If the chairman does not object to the transfer within 60 days of the chairman's receipt of such report, the transfer may occur without pre-approval from the commission.~~

~~(II) The chairman may extend the objection period if the chairman, in his sole discretion, finds such extension is necessary. Notice of such extension shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer prior to the expiration of the original 60 day objection period.~~

~~(III) The chairman may shorten the objection period by indicating he has no objection to the transfer in writing prior to the expiration of the 60 day objection period.~~

~~(IV) The transfer must be made as described in the report. If any changes are made to the proposed transfer or the proposed transfer does not occur within six months of the expiration of the objection period, the board chairman must have a new opportunity to object, as set out above, prior to the proposed transfer occurring.~~

~~(3) If the board chairman objects within 60 days, or longer period as extended by the chairman, of the chairman's receipt of such report, the proposed transfer shall not take place unless the commission approves such proposed transfer prior to the proposed transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.5733 and the regulations governing transfers of interest. Notice of such objection shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer.~~

~~(4) Until the objection opportunity set forth in this subsection has passed without any objection, all parties to the proposed transfer shall follow Regulation 8.050.~~

~~(5) The public shall be notified of proposed transfers subject to objection by the board chairman through an informational item placed on the next regular board and commission agendas subsequent to the expiration of the chairman's objection period. Such notice shall include the details of the transfer and whether or not the chairman objected to the proposed transfer.~~

~~(c) Notwithstanding any other provisions of this subsection, if the board chairman requires the member to apply for licensure pursuant to sub-section 4 of this section, the member shall also apply for approval of any transfers of interest to the member which were previously exempted from pre-approval by this sub-section.]~~

~~[8]7.~~ In enacting this regulation section, the commission finds that waiver of NRS 463.585 ~~[and NRS 463.5733]~~ pursuant to NRS 463.489 ~~[and NRS 463.573]~~ is appropriate to the extent required by this section. In making ~~[these]~~ this waiver~~[s]~~, the commission finds such waiver~~[s are]~~ is consistent with the state policy set forth in NRS 463.0129~~[,]~~ and NRS 463.489~~[, and NRS 463.573]~~ because such waiver~~[s are]~~ 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~~[s]~~ 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.

~~[9]8.~~ Upon the chairman requiring a member who is required to be registered by this section to apply for licensure, the member 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.

15B.190 Licensing of managers and members of limited-liability company holding companies.

1. Except as otherwise provided in this section, each manager of a limited-liability company holding company must be licensed. Each member of a limited-liability company holding company must be licensed if the member owns more than 5 percent of any licensee owned by the limited-liability company 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 members which own 5 percent or less of any licensee owned by the limited-liability company 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 member who is required to be registered by this section shall apply for registration ~~[within 30 days after]~~ before the member obtains an ownership interest in the limited-liability company holding company.

3. A manager of a limited-liability company holding company is not required to be licensed and must register in that capacity with the board if the limited-liability company holding company is not, directly or indirectly, a general partner or manager of any licensee and does not control any licensee. A manager who is required to be registered by this section shall apply for registration within 30 days after the manager assumes office.

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

~~[4]~~5. An application for [R]registration with the board shall:

- (a) No Change.
- (b) No Change.
- (c) No Change.
- (d) No Change.

(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) No Change.
- (g) No Change.

~~[5]~~6. The chairman may require a member or manager 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-liability company holding company at the address on file with the commission. ~~[If a member required to be registered by this section has not registered and the chairman desires to call the member forward for licensing, the notice shall be sent to the limited-liability company holding company at the address on file with the commission.]~~ A member or manager shall apply for licensure as required by the chairman within 40 days of the member or manager's receipt of notice. The notice shall be deemed to have been received by the member or manager 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

~~[6. If a member is required to be registered pursuant to this section and the member fails to register, the chairman shall require the member to apply for licensure pursuant to this section. If a member does not apply for licensure as required by this section, the board and commission shall place the matter on their next available agendas for consideration of whether the member should be licensed.]~~

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.

~~[7]8.~~ If a member or manager of a limited-liability company holding company is also a holding company and is required to register with the board under this section, the member or manager is not required to register with the commission pursuant to NRS 463.585 unless the chairman requires the member or manager to apply for licensure.

~~[8. Notwithstanding NRS 463.5733 and the regulations governing issuance and transfers of interest, an issuance or transfer of interest to a member required to register with the board under this section does not require pre-approval from the commission, as specified by this subsection, for the issuance or transfer of interest.~~

~~(a) For transfers of interest from a member who owns more than a five percent interest prior to the proposed transfer to a member required to register with the board under this section and for issuance or transfer of interest by a limited-liability corporation holding company to a member required to register with the board under this section:~~

~~(1) Prior to such issuance or transfer, the issuer or transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer.~~

~~(2) Upon receipt of such report, the proposed issuance or transfer shall be placed on the next available board and commission agendas for the purposes of notifying the public of such proposed issuances and transfers and to give each board and commission member the opportunity to object to the proposed issuance or transfer taking place without pre-approval from the commission.~~

~~(3) If any board member objects to the proposed issuance or transfer during the board meeting for which the issuance or transfer was placed on the agenda or any commission member objects to the proposed issuance or transfer during the commission meeting for which the issuance or transfer was placed on the agenda for any cause deemed reasonable by the board or commission member, the proposed issuance or transfer shall not take place unless the commission approves such proposed issuance or transfer prior to the proposed issuance or transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.5733 and the regulations governing issuances and transfers of interest.~~

~~(4) Until the objection opportunities set forth in this subsection have passed without any objections, all parties to the proposed issuance or transfer shall follow Regulation 8.050.~~

~~(5) If no objection is made by a board or commission member as set out in this subsection after a proposed issuance or transfer is placed on the board and commission agendas, the proposed issuance or transfer of interest to a member required to register with the board under this section may occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda. If the proposed issuance or transfer does not occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda, the issuance or transfer shall not occur without again following the provisions of this subsection after the expiration of the six months. The issuance or transfer must be made as agendaed. All board and commission members must have the chance to object, as set out above, to any changes to the proposed issuance or transfer before the issuance or transfer may take place.~~

~~(b) For transfers of interest from a member who owns five percent or less interest prior to the proposed transfer to a member required to register with the board under this section:~~

~~(1) Prior to such transfer, the transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer and valid electronic mail addresses for both the transferor and transferee.~~

~~(2) Upon receipt of such report, the board chairman may object, for any reason the chairman deems reasonable, to such transfer occurring without pre-approval from the commission.~~

~~(I) If the chairman does not object to the transfer within 60 days of the chairman's receipt of such report, the transfer may occur without pre-approval from the commission.~~

~~(II) The chairman may extend the objection period if the chairman, in his sole discretion, finds such extension is necessary. Notice of such extension shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer prior to the expiration of the original 60 day objection period.~~

~~(III) The chairman may shorten the objection period by indicating he has no objection to the transfer in writing prior to the expiration of the 60 day objection period.~~

~~(IV) The transfer must be made as described in the report. If any changes are made to the proposed transfer or the proposed transfer does not occur within six months of the expiration of the objection period, the board chairman must have a new opportunity to object, as set out above, prior to the proposed transfer occurring.~~

~~(3) If the board chairman objects within 60 days, or longer period as extended by the chairman, of the chairman's receipt of such report, the proposed transfer shall not take place unless the commission approves such proposed transfer prior to the proposed transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.5733 and the regulations governing transfers of interest. Notice of such objection shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer.~~

~~(4) Until the objection opportunity set forth in this subsection has passed without any objection, all parties to the proposed transfer shall follow Regulation 8.050.~~

~~(5) The public shall be notified of proposed transfers subject to objection by the board chairman through an informational item placed on the next regular board and commission agendas subsequent to the expiration of the chairman's objection period. Such notice shall include the details of the transfer and whether or not the chairman objected to the proposed transfer.~~

~~(c) Notwithstanding any other provisions of this subsection, if the board chairman requires the member to apply for licensure pursuant to sub-section 5 of this section, the member shall also apply for approval of any transfers of interest to the member which were previously exempted from pre-approval by this sub-section.~~

9. In enacting this regulation section, the commission finds that waiver of NRS 463.585 and ~~[NRS 463.5733]~~ [NRS 463.595](#) pursuant to NRS 463.489 ~~[and NRS 463.573]~~ 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[,] ~~and NRS 463.573]~~ 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 member or manager who is required to be registered by this section to apply for licensure, the member or manager 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.

PROPOSED AMENDMENTS TO REGULATIONS 15A.065 AND 15A.190

PURPOSE: To update the regulation to reflect recent statutory changes requiring certain limited partners to register with the Gaming Control Board prior to obtaining an ownership interest; to allow certain general partners of limited partnership holding companies to register with the Gaming Control Board instead of being licensed; to remove the waiver of the statutory requirement that all transfers of interest must be approved by the commission; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

REGULATION 15A LIMITED PARTNERSHIP LICENSEES

(Draft Date: August 1, 2013)

New

~~{Deleted}~~

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 ~~{within 30 days after}~~ before the limited partner obtains an ownership interest of 5 percent or less in a limited partnership licensee.

2. No Change.

3. An application for ~~{R}~~ registration with the board shall:

(a) No Change.

(b) No Change.

(c) No Change.

(d) No Change.

(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) No Change.

(g) No Change.

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. ~~{If a limited partner required to be registered by this section has not registered and the chairman desires to call the limited partner forward for licensing, the notice shall be sent 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. ~~If a limited partner is required to be registered pursuant to this section and the limited partner fails to register, the chairman shall require the limited partner to apply for licensure pursuant to this section. If a limited partner does not apply for licensure as required by this section, the board and commission shall place the matter on their next available agendas for consideration of whether the limited partner should be licensed.]~~ 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. Notwithstanding NRS 463.567 and the regulations governing issuance and transfers of interest, an issuance or transfer of interest to a limited partner required to register with the board under this section does not require pre-approval from the commission, as specified by this subsection, for the issuance or transfer of interest.~~

~~(a) For transfers of interest from a limited partner] who owns more than a five percent interest prior to the proposed transfer to a limited partner] required to register with the board under this section and for issuance or transfer of interest by a limited partnership to a limited partner required to register with the board under this section:~~

~~(1) Prior to such issuance or transfer, the issuer or transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer.~~

~~(2) Upon receipt of such report, the proposed issuance or transfer shall be placed on the next available board and commission agendas for the purposes of notifying the public of such proposed issuances and transfers and to give each~~

~~board and commission member the opportunity to object to the proposed issuance or transfer taking place without pre-approval from the commission.~~

~~(3) If any board member objects to the proposed issuance or transfer during the board meeting for which the issuance or transfer was placed on the agenda or any commission member objects to the proposed issuance or transfer during the commission meeting for which the issuance or transfer was placed on the agenda for any cause deemed reasonable by the board or commission member, the proposed issuance or transfer shall not take place unless the commission approves such proposed issuance or transfer prior to the proposed issuance or transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.5733 and the regulations governing issuances and transfers of interest.~~

~~(4) Until the objection opportunities set forth in this subsection have passed without any objections, all parties to the proposed issuance or transfer shall follow Regulation 8.050.~~

~~(5) If no objection is made by a board or commission member as set out in this subsection after a proposed issuance or transfer is placed on the board and commission agendas, the proposed issuance or transfer of interest to a limited partner required to register with the board under this section may occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda. If the proposed issuance or transfer does not occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda, the issuance or transfer shall not occur without again following the provisions of this subsection after the expiration of the six months. The issuance or transfer must be made as agendaed. All board and commission members must have the chance to object, as set out above, to any changes to the proposed issuance or transfer before the issuance or transfer may take place.~~

~~(b) For transfers of interest from a limited partner who owns five percent or less interest prior to the proposed transfer to a limited partner required to register with the board under this section:~~

~~(1) Prior to such transfer, the transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer and valid electronic mail addresses for both the transferor and transferee.~~

~~(2) Upon receipt of such report, the board chairman may object, for any reason the chairman deems reasonable, to such transfer occurring without pre-approval from the commission.~~

~~(i) If the chairman does not object to the transfer within 60 days of the chairman's receipt of such report, the transfer may occur without pre-approval from the commission.~~

~~(ii) The chairman may extend the objection period if the chairman, in his sole discretion, finds such extension is necessary. Notice of such extension shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer prior to the expiration of the original 60 day objection period.~~

~~(III) The chairman may shorten the objection period by indicating he has no objection to the transfer in writing prior to the expiration of the 60 day objection period.~~

~~(IV) The transfer must be made as described in the report. If any changes are made to the proposed transfer or the proposed transfer does not occur within six months of the expiration of the objection period, the board chairman must have a new opportunity to object, as set out above, prior to the proposed transfer occurring.~~

~~(3) If the board chairman objects within 60 days, or longer period as extended by the chairman, of the chairman's receipt of such report, the proposed transfer shall not take place unless the commission approves such proposed transfer prior to the proposed transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.567 and the regulations governing transfers of interest. Notice of such objection shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer.~~

~~(4) Until the objection opportunity set forth in this subsection has passed without any objection, all parties to the proposed transfer shall follow Regulation 8.050.~~

~~(5) The public shall be notified of proposed transfers subject to objection by the board chairman through an informational item placed on the next regular board and commission agendas subsequent to the expiration of the chairman's objection period. Such notice shall include the details of the transfer and whether or not the chairman objected to the proposed transfer.~~

~~(c) Notwithstanding any other provisions of this subsection, if the board chairman requires the limited partner to apply for licensure pursuant to subsection 4 of this section, the limited partner shall also apply for approval of any transfers of interest to the limited partner which were previously exempted from pre-approval by this sub-section.~~

~~8]7.~~ In enacting this regulation section, the commission finds that waiver of NRS 463.585 ~~[and NRS 463.567]~~ pursuant to NRS 463.489 ~~[and NRS 463.563]~~ is appropriate to the extent required by this section. In making ~~[these]~~ this waiver~~[s]~~, the commission finds such waiver~~[s-are]~~ is consistent with the state policy set forth in NRS 463.0129~~[,]~~ and NRS 463.489~~[, and NRS 463.563]~~ because such waiver~~[s-are]~~ 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~~[s]~~ 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.

~~[9]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.

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 ~~[within 30 days after]~~ 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).

~~[4]~~5. An application for [R]registration with the board shall:

- (a) No Change.
- (b) No Change.
- (c) No Change.
- (d) No Change.

(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) No Change.

(g) No Change.

~~[5]~~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. ~~[If a limited partner required to be registered by this section has not registered and the chairman desires to call the limited partner forward for licensing, the notice shall be sent 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.

~~[6. If a limited partner is required to be registered pursuant to this section and the limited partner fails to register, the chairman shall require the limited partner to apply for licensure pursuant to this section. If a limited partner does not apply for licensure as required by this section, the board and commission shall place the matter on their next available agendas for consideration of whether the limited partner should be licensed.]~~

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.

~~[7]~~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.

~~[8. Notwithstanding NRS 463.567 and the regulations governing issuance and transfers of interest, an issuance or transfer of interest to a limited partner required to register with the board under this section does not require pre-~~

approval from the commission, as specified by this subsection, for the issuance or transfer of interest.

~~(a) For transfers of interest from a limited partner] who owns more than a five percent interest prior to the proposed transfer to a limited partner] required to register with the board under this section and for issuance or transfer of interest by a limited partnership holding company to a limited partner required to register with the board under this section:~~

~~(1) Prior to such issuance or transfer, the issuer or transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer.~~

~~(2) Upon receipt of such report, the proposed issuance or transfer shall be placed on the next available board and commission agendas for the purposes of notifying the public of such proposed issuances and transfers and to give each board and commission member the opportunity to object to the proposed issuance or transfer taking place without pre-approval from the commission.~~

~~(3) If any board member objects to the proposed issuance or transfer during the board meeting for which the issuance or transfer was placed on the agenda or any commission member objects to the proposed issuance or transfer during the commission meeting for which the issuance or transfer was placed on the agenda for any cause deemed reasonable by the board or commission member, the proposed issuance or transfer shall not take place unless the commission approves such proposed issuance or transfer prior to the proposed issuance or transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.5733 and the regulations governing issuances and transfers of interest.~~

~~(4) Until the objection opportunities set forth in this subsection have passed without any objections, all parties to the proposed issuance or transfer shall follow Regulation 8.050.~~

~~(5) If no objection is made by a board or commission member as set out in this subsection after a proposed issuance or transfer is placed on the board and commission agendas, the proposed issuance or transfer of interest to a limited partner required to register with the board under this section may occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda. If the proposed issuance or transfer does not occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda, the issuance or transfer shall not occur without again following the provisions of this subsection after the expiration of the six months. The issuance or transfer must be made as agendaed. All board and commission members must have the chance to object, as set out above, to any changes to the proposed issuance or transfer before the issuance or transfer may take place.~~

~~(b) For transfers of interest from a limited partner who owns five percent or less interest prior to the proposed transfer to a limited partner required to register with the board under this section:~~

~~(1) Prior to such transfer, the transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer and valid electronic mail addresses for both the transferor and transferee.~~

~~(2) Upon receipt of such report, the board chairman may object, for any reason the chairman deems reasonable, to such transfer occurring without pre-approval from the commission.~~

~~(I) If the chairman does not object to the transfer within 60 days of the chairman's receipt of such report, the transfer may occur without pre-approval from the commission.~~

~~(II) The chairman may extend the objection period if the chairman, in his sole discretion, finds such extension is necessary. Notice of such extension shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer prior to the expiration of the original 60 day objection period.~~

~~(III) The chairman may shorten the objection period by indicating he has no objection to the transfer in writing prior to the expiration of the 60 day objection period.~~

~~(IV) The transfer must be made as described in the report. If any changes are made to the proposed transfer or the proposed transfer does not occur within six months of the expiration of the objection period, the board chairman must have a new opportunity to object, as set out above, prior to the proposed transfer occurring.~~

~~(3) If the board chairman objects within 60 days, or longer period as extended by the chairman, of the chairman's receipt of such report, the proposed transfer shall not take place unless the commission approves such proposed transfer prior to the proposed transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.567 and the regulations governing transfers of interest. Notice of such objection shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer.~~

~~(4) Until the objection opportunity set forth in this subsection has passed without any objection, all parties to the proposed transfer shall follow Regulation 8.050.~~

~~(5) The public shall be notified of proposed transfers subject to objection by the board chairman through an informational item placed on the next regular board and commission agendas subsequent to the expiration of the chairman's objection period. Such notice shall include the details of the transfer and whether or not the chairman objected to the proposed transfer.~~

~~(c) Notwithstanding any other provisions of this subsection, if the board chairman requires the limited partner to apply for licensure pursuant to subsection 5 of this section, the limited partner shall also apply for approval of any transfers of interest to the limited partner which were previously exempted from pre-approval by this sub-section.]~~

9. In enacting this regulation section, the commission finds that waiver of NRS 463.585 and ~~[NRS 463.567]~~ [NRS 463.595](#) pursuant to NRS 463.489 ~~[and NRS 463.563]~~ 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[,], ~~and NRS 463.563~~ 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.

**PROPOSED AMENDMENTS TO REGULATIONS 15.530-1, 15.585.7-4, AND
15.585.7-5**

PURPOSE: To mirror the recent statutory changes requiring limited partners of limited partnerships and managers of limited liability companies to register prior to obtaining an ownership interest in a licensee; to allow certain officers and directors of holding companies to register with the Gaming Control Board instead of being found suitable or licensed; to remove the waiver of the statutory requirement that all transfers of interest must be approved by the commission; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**REGULATION 15
CORPORATE LICENSEES**
(Draft Date: August 1, 2013)

New
~~{Deleted}~~

15.530–1 Licensing of stockholders of corporate licensee.

1. No Change.
2. No Change.
3. All stockholders owning or holding 5 percent or less of the equity and voting securities of a corporate licensee, other than a publicly traded corporation, 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 board chairman. A stockholder who is required to be registered by this section shall apply for registration ~~{within 30 days after}~~ *before* the stockholder obtains an ownership interest of 5 percent or less in a corporate licensee.
4. No Change.
5. *An application for* ~~{R}~~ registration with the board shall:
 - (a) No Change.
 - (b) No Change.
 - (c) No Change.
 - (d) No Change.
 - (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) No Change.
 - (g) No Change.
6. The board chairman may require a stockholder 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 corporate licensee at the address on file with the commission. ~~[[If a stockholder required to be registered by this section has not registered and the board chairman desires to call the stockholder forward for licensing, the notice shall be sent to the corporate licensee at the address on file with the commission.]]~~ A stockholder shall apply for licensure as required by the board chairman within 40 days of the stockholder's receipt of notice. The notice shall be deemed to have been received by the stockholder 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

7. ~~[[If a stockholder is required to be registered pursuant to this section and the stockholder fails to register, the chairman shall require the stockholder to apply for licensure pursuant to this section. If a stockholder does not apply for licensure as required by this section, the board and commission shall place the matter on their next available agendas for consideration of whether the stockholder should be licensed.]]~~ 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 stockholder of a corporate licensee is a holding company and is required to register with the board under this section, the stockholder is not required to register with the commission pursuant to NRS 463.585 unless the chairman requires the stockholder to apply for licensure.

9. ~~[[Notwithstanding NRS 463.510 and the regulations governing issuance and transfers of interest, an issuance or transfer of interest to a stockholder required to register with the board under this section does not require pre-approval from the commission, as specified by this subsection, for the issuance or transfer of interest.~~

~~(a) For transfers of interest from a stockholder who owns more than a five percent interest prior to the proposed transfer to a stockholder required to register with the board under this section and for issuance or transfer of interest by a corporate licensee to a stockholder required to register with the board under this section:~~

~~(1) Prior to such issuance or transfer, the issuer or transferor shall report the terms of the proposed transfer to the board on forms designated by the board~~

chairman. Such report shall include copies of all documents relevant to the proposed transfer.

~~(2) Upon receipt of such report, the proposed issuance or transfer shall be placed on the next available board and commission agendas for the purposes of notifying the public of such proposed issuances and transfers and to give each board and commission member the opportunity to object to the proposed issuance or transfer taking place without pre-approval from the commission.~~

~~(3) If any board member objects to the proposed issuance or transfer during the board meeting for which the issuance or transfer was placed on the agenda or any commission member objects to the proposed issuance or transfer during the commission meeting for which the issuance or transfer was placed on the agenda for any cause deemed reasonable by the board or commission member, the proposed issuance or transfer shall not take place unless the commission approves such proposed issuance or transfer prior to the proposed issuance or transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.5733 and the regulations governing issuances and transfers of interest.~~

~~(4) Until the objection opportunities set forth in this subsection have passed without any objections, all parties to the proposed issuance or transfer shall follow Regulation 8.050.~~

~~(5) If no objection is made by a board or commission member as set out in this subsection after a proposed issuance or transfer is placed on the board and commission agendas, the proposed issuance or transfer of interest to a stockholder required to register with the board under this section may occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda. If the proposed issuance or transfer does not occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda, the issuance or transfer shall not occur without again following the provisions of this subsection after the expiration of the six months. The issuance or transfer must be made as agendaed. All board and commission members must have the chance to object, as set out above, to any changes to the proposed issuance or transfer before the issuance or transfer may take place.~~

~~(b) For transfers of interest from a stockholder who owns five percent or less interest prior to the proposed transfer to a stockholder required to register with the board under this section:~~

~~(1) Prior to such transfer, the transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer and valid electronic mail addresses for both the transferor and transferee.~~

~~(2) Upon receipt of such report, the board chairman may object, for any reason the chairman deems reasonable, to such transfer occurring without pre-approval from the commission.~~

~~(1) If the chairman does not object to the transfer within 60 days of the chairman's receipt of such report, the transfer may occur without pre-approval from the commission.~~

~~(II) The chairman may extend the objection period if the chairman, in his sole discretion, finds such extension is necessary. Notice of such extension shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer prior to the expiration of the original 60 day objection period.~~

~~(III) The chairman may shorten the objection period by indicating he has no objection to the transfer in writing prior to the expiration of the 60 day objection period.~~

~~(IV) The transfer must be made as described in the report. If any changes are made to the proposed transfer or the proposed transfer does not occur within six months of the expiration of the objection period, the board chairman must have a new opportunity to object, as set out above, prior to the proposed transfer occurring.~~

~~(3) If the board chairman objects within 60 days, or longer period as extended by the chairman, of the chairman's receipt of such report, the proposed transfer shall not take place unless the commission approves such proposed transfer prior to the proposed transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.510 and the regulations governing transfers of interest. Notice of such objection shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer.~~

~~(4) Until the objection opportunity set forth in this subsection has passed without any objection, all parties to the proposed transfer shall follow Regulation 8.050.~~

~~(5) The public shall be notified of proposed transfers subject to objection by the board chairman through an informational item placed on the next regular board and commission agendas subsequent to the expiration of the chairman's objection period. Such notice shall include the details of the transfer and whether or not the chairman objected to the proposed transfer.~~

~~(c) Notwithstanding any other provisions of this subsection, if the board chairman requires the stockholder to apply for licensure pursuant to sub-section 6 of this section, the stockholder shall also apply for approval of any transfers of interest to the stockholder which were previously exempted from pre-approval by this sub-section.~~

10.] In enacting this regulation section, the commission finds that waiver of NRS 463.585[, NRS 463.540, and NRS 463.510] pursuant to NRS 463.489 is appropriate to the extent required by this section. In making [these] this waiver[s], the commission finds such waiver[s-are] is consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waiver[s-are] 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[s] 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.

~~[11]~~10. Upon the board chairman requiring a stockholder who is required to be registered by this section to apply for licensure, the stockholder 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.

15.585.7-4 Stockholders of holding companies.

1. No Change.

2. All stockholders of a holding company which own 5 percent or less of any licensee owned by the 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 board chairman. A stockholder who is required to be registered by this section shall apply for registration ~~[within 30 days after]~~ before the stockholder obtains an ownership interest in the holding company.

3. No Change.

4. An application for ~~[R]~~ registration with the board shall:

(a) No Change.

(b) No Change.

(c) No Change.

(d) No Change.

(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) No Change.

(g) No Change.

5. The board chairman may require a stockholder who is required to be registered by this section to apply for a finding of suitability 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 holding company at the address on file with the commission. ~~[[If a stockholder required to be registered by this section has not registered and the board chairman desires to call the stockholder forward for a finding of suitability, the notice shall be sent to the holding company at the address on file with the commission.]]~~ A stockholder shall apply for a finding of suitability as required by the board chairman within 40 days of the ~~[individual]~~ stockholder's receipt of notice. The notice shall be deemed to have been received by the ~~[individual]~~ stockholder 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

6. ~~[[If a stockholder is required to be registered pursuant to this section and the stockholder fails to register, the chairman shall require the stockholder to apply~~

~~for a finding of suitability pursuant to this section. If a stockholder does not apply for a finding of suitability as required by this section, the board and commission shall place the matter on their next available agendas for consideration of whether the stockholder should be found suitable.]~~ 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.

7. If a stockholder of a holding company is also a holding company and is required to register with the board under this section, the stockholder is not required to register with the commission pursuant to NRS 463.585 unless the chairman requires the stockholder to apply for a finding of suitability

~~8. [Notwithstanding NRS 463.510 and the regulations governing issuance and transfers of interest, an issuance or transfer of interest to a stockholder required to register with the board under this section does not require pre-approval from the commission, as specified by this subsection, for the issuance or transfer of interest.~~

~~(a) For transfers of interest from a stockholder who owns more than a five percent interest prior to the proposed transfer to a stockholder required to register with the board under this section and for issuance or transfer of interest by a holding company to a stockholder required to register with the board under this section:~~

~~(1) Prior to such issuance or transfer, the issuer or transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer.~~

~~(2) Upon receipt of such report, the proposed issuance or transfer shall be placed on the next available board and commission agendas for the purposes of notifying the public of such proposed issuances and transfers and to give each board and commission member the opportunity to object to the proposed issuance or transfer taking place without pre-approval from the commission.~~

~~(3) If any board member objects to the proposed issuance or transfer during the board meeting for which the issuance or transfer was placed on the agenda or any commission member objects to the proposed issuance or transfer during the commission meeting for which the issuance or transfer was placed on the agenda for any cause deemed reasonable by the board or commission member,~~

~~the proposed issuance or transfer shall not take place unless the commission approves such proposed issuance or transfer prior to the proposed issuance or transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.5733 and the regulations governing issuances and transfers of interest.~~

~~(4) Until the objection opportunities set forth in this subsection have passed without any objections, all parties to the proposed issuance or transfer shall follow Regulation 8.050.~~

~~(5) If no objection is made by a board or commission member as set out in this subsection after a proposed issuance or transfer is placed on the board and commission agendas, the proposed issuance or transfer of interest to a stockholder required to register with the board under this section may occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda. If the proposed issuance or transfer does not occur within six months of the commission meeting for which the proposed issuance or transfer was placed on the agenda, the issuance or transfer shall not occur without again following the provisions of this subsection after the expiration of the six months. The issuance or transfer must be made as agendaed. All board and commission members must have the chance to object, as set out above, to any changes to the proposed issuance or transfer before the issuance or transfer may take place.~~

~~(b) For transfers of interest from a stockholder who owns five percent or less interest prior to the proposed transfer to a stockholder required to register with the board under this section:~~

~~(1) Prior to such transfer, the transferor shall report the terms of the proposed transfer to the board on forms designated by the board chairman. Such report shall include copies of all documents relevant to the proposed transfer and valid electronic mail addresses for both the transferor and transferee.~~

~~(2) Upon receipt of such report, the board chairman may object, for any reason the chairman deems reasonable, to such transfer occurring without pre-approval from the commission.~~

~~(I) If the chairman does not object to the transfer within 60 days of the chairman's receipt of such report, the transfer may occur without pre-approval from the commission.~~

~~(II) The chairman may extend the objection period if the chairman, in his sole discretion, finds such extension is necessary. Notice of such extension shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer prior to the expiration of the original 60 day objection period.~~

~~(III) The chairman may shorten the objection period by indicating he has no objection to the transfer in writing prior to the expiration of the 60 day objection period.~~

~~(IV) The transfer must be made as described in the report. If any changes are made to the proposed transfer or the proposed transfer does not occur within six months of the expiration of the objection period, the board chairman must have a new opportunity to object, as set out above, prior to the proposed transfer occurring.~~

~~(3) If the board chairman objects within 60 days, or longer period as extended by the chairman, of the chairman's receipt of such report, the proposed transfer shall not take place unless the commission approves such proposed transfer prior to the proposed transfer occurring and upon application to and recommendation by the board pursuant to NRS 463.510 and the regulations governing transfers of interest. Notice of such objection shall be sent to the electronic mail addresses provided in the report concerning the proposed transfer.~~

~~(4) Until the objection opportunity set forth in this subsection has passed without any objection, all parties to the proposed transfer shall follow Regulation 8.050.~~

~~(5) The public shall be notified of proposed transfers subject to objection by the board chairman through an informational item placed on the next regular board and commission agendas subsequent to the expiration of the chairman's objection period. Such notice shall include the details of the transfer and whether or not the chairman objected to the proposed transfer.~~

~~(c) Notwithstanding any other provisions of this subsection, if the board chairman requires the stockholder to apply for licensure pursuant to sub-section 5 of this section, the stockholder shall also apply for approval of any transfers of interest to the stockholder which were previously exempted from pre-approval by this sub-section.~~

9.] In enacting this regulation section, the commission finds that waiver of NRS 463.585[,] and NRS 463.595 [~~NRS 463.540, and NRS 463.510~~] 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]~~9. Upon the board chairman requiring a stockholder who is required to be registered by this section to apply for licensure, the stockholder 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.

15.585.7-5 Officers and directors of holding companies.

1. [A] Except as otherwise specified in this section, a any person who has a relationship to a holding company of a type described in Regulations 16.410

~~[and]~~ or 16.415 with respect to publicly traded corporations shall file an application for finding of suitability and may be required ~~[to be found suitable or]~~ to be licensed.

2. An officer or director of a holding company

(a) who would otherwise be required to be found suitable pursuant to subsection 1;

(b) who does not serve on any committee to which is delegated the authority of the board of directors to act in any matter involving the activities of a corporate gaming licensee; and

(c) who does not have a relationship to a holding company of a type described in Regulations 16.410(3)(a) or 16.415(3)(c) with respect to publicly traded corporations

→is not required to be found suitable or licensed and must register in that capacity with the board if the holding company is not, directly or indirectly, a general partner or manager of any licensee and does not control any licensee. A person who is required to be registered by this section shall apply for registration within 30 days after the person assumes office.

3. If the commission finds a person who has a relationship to a holding company of a type described in Regulations 16.410 and 16.415 with respect to publicly traded corporations unsuitable, denies an application of the person, or revokes an approval of the person, the person and the holding company shall comply with NRS 463.595(2).

4. An application for registration with the board shall:

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

(b) Include fully executed waivers and authorizations as determined necessary by the board 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;

(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.

5. The board chairman may require a person who is required to be registered by this section to apply for a finding of suitability or 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 holding company at the address on file with the commission. Such person shall apply for a finding of suitability or licensure as required by the board chairman within 40 days of the individual's receipt of notice. The notice shall be deemed to have been received by such person 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

6. 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.

7. In enacting this regulation section, the commission finds that waiver of NRS 463.595 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 board chairman requiring a person who has a relationship to a holding company of a type described in Regulations 16.410 and 16.415 with respect to publicly traded corporations who is required to be registered by this section to apply for licensure, the person 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.

DRAFT 1

REGULATION 3.015

PURPOSE OF THE AMENDMENT: To comply with the requirements of Senate Bill 416 and Assembly Bill 360 as adopted by the 77th Nevada Legislature; to delete some provisions that apply to a location that is a bar, tavern, saloon or other similar location licensed to sell alcoholic beverages by the drink for on-premises consumption, including the minimum square foot and restaurant requirements, the number of seats at the bar, the necessity to have a service contract with a liquor distributor, the minimum number of seats for use by patrons, and the grandfather provisions that apply to such matters; to remove the change in the number of machines disqualifier for the grandfather provisions applicable to restricted licenses; to establish that it shall be an unsuitable method of operation for a 3(a) establishment, subsequent to the date a restricted gaming license was last approved by the commission for that establishment, to change or alter the size of the location or the configuration or detail of the bar or restaurant from that which was required to be met by law or regulation in order to obtain a restricted gaming license; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

LICENSING: QUALIFICATIONS

(Draft date 06/21/13)

Additional Language: (Underlined and in Blue).

Deleted Language: (~~Strikethrough~~ and in Red).

3.015 Applications for restricted licenses.

1. An application for a restricted license may only be granted if the operation of slot machines is incidental to the primary business conducted at the location and the board and commission determine the location is suitable for the conduct of gaming and the applicant meets the requirements of this Section.

2. ~~Except as required in subsection (h), in~~ In recommending and determining whether the applicant's proposed restricted location is suitable for the conduct of gaming and meets the requirements of this Section, the board and commission may consider some or all of the following factors:

(a) The amount of floor space used for the slot machines, which space shall include the area occupied by the slot machines, including slot machine seating and circulation, as compared to the floor space used for the primary business;

(b) The amount of investment in the operation of the slot machines as compared to the amount of investment in the primary business;

(c) The amount of time required to manage or operate the slot machines as compared to the amount of time required to manage or operate the primary business;

(d) The revenue generated by the slot machines as compared to the revenue generated by the primary business;

(e) Whether a substantial portion of the financing for the creation of the business has been provided in exchange for the right to operate slot machines on the premises;

(f) Other factors, including but not limited to the establishment's name, the establishment's marketing practices, the public's perception of the business, and the relationship of the slot machines to the primary business; and

(g) What other amenities the applicant offers to its customers, and

~~When a location is a bar, tavern, saloon or other similar location licensed to sell alcoholic beverages by the drink, for on-premises consumption, the location must:~~

~~(1) contain a permanent physical bar, subject to standards established by the board, wherein individual seating is available for at least nine (9) customers at all times to consume beverages and/or food items on the side opposite from where the alcoholic liquor is kept, where the sale and service of beverages are by the drink across such structure and which the permanent bar satisfies all applicable health and building code standards;~~

~~(2) contain a minimum of two thousand (2,000) square feet of space available for use by patrons and seating capacity for at least twenty (20) persons not related to or associated with gaming positions if the establishment intends to operate more than four (4) slot machines;~~

~~(3) establish and maintain a contract or service agreement with a licensed liquor distributor; and~~

~~(4) contain a restaurant as defined herein.~~

3. Except as provided by subsection 6, only the establishments listed below are suitable for the conduct of gaming pursuant to a restricted license:

(a) Bar, tavern, saloon or other similar location licensed to sell alcoholic beverages for on-premises consumption, other than just beer and wine, by the drink;

(b) Convenience store;

(c) Grocery store;

(d) Drug store; and

(e) Liquor store.

Unless the commission determines otherwise, there shall be a limit of no more than 7 slot machines operated at a convenience store, and a limit of no more than 4 slot machines operated at a liquor store.

4. If the commission deems an application for a restricted license to be based on exceptional circumstances, the commission may waive subsection 3 upon a finding that the waiver is consistent with Regulation 3.010 and the public policy of the State of Nevada.

5. Subsection 3 shall not apply to any type of business approved by the commission as suitable for the operation of slot machines pursuant to subsection 6.

6. Any person may apply for a preliminary determination that a type of establishment not listed in subsection 3 is suitable for the conduct of gaming by filing an application with the board together with all applicable fees per Regulation 4.070. The application shall contain (a) a definition of the type of establishment and (b) a demonstration that the operation of slot machines in such a type of establishment is consistent with Regulation 3.010 and the public policy of the State of Nevada. The application shall be considered

by the commission, upon recommendation by the board. Public comment shall be accepted when the application is heard by the board and commission.

7. Slot machines exposed for play in grocery stores and drug stores shall be located within a separate gaming area or alcove having not fewer than 3 sides formed by contiguous walls or partial walls. For the purposes of Regulation 3.015, "partial wall" or "wall" may include, without limitation, 1 or more gaming devices, if the gaming devices are configured together or in conjunction with other structures to create a barrier that is similar to a partial wall or wall.

8. In grocery stores or drug stores, automated teller machines shall not be placed within a designated gaming area or alcove and, at all other restricted locations, automated teller machines shall not be placed adjacent to slot machines.

9. The requirements of this Regulation shall apply to all restricted licensees, except as provided herein:

(a) Subsections ~~2(h)~~, 3 and 7 do not apply to an establishment for which a restricted license was granted by the commission by February 1, 2000, provided that the establishment does not cease gaming operations for a period of more than 12 months or, upon the administrative approval of the chairman of the board, for a period of not more than 24 months, and that the nature and quality of the primary business of the establishment has not materially changed, ~~and that the number of slot machines operated at the establishment has not been increased;~~

~~(b) Subsections 2(h)(2) and 2(h)(4) do not apply to any Subsection 3(a) establishment for which a restricted license was granted by the commission on or before August 25, 2011, provided that the establishment does not cease gaming operations for a period of more than 12 months or, upon the administrative approval of the chairman of the board, for a period of not more than 24 months, and that the nature and quality of the primary business of the establishment has not materially changed, and that the number of slot machines operated at the establishment has not been increased; and;~~

~~(c) For those Subsection 3(a) establishments granted a restricted license from February 2, 2000 through August 25, 2011, they shall have until August 25, 2013-2014 in which to demonstrate compliance with Subsection 2(h)(1) and 2(h)(3) of this Regulation to the board's satisfaction.~~

~~This Subsection 9(c) and the requirements of Subsection 2(h)(1) may be waived in whole or in part at the discretion of the Commission upon the filing of an application and a showing by the licensee that the establishment's physical limitations effectively prevent compliance herewith.~~

~~10. The requirements of subsection 2(h) may be waived in whole or in part at the sole and absolute discretion of the Commission upon the filing of an application and a showing of circumstances consistent with the public policy of the state.~~

~~11. Regardless of whether subsection 9 applies, it shall be an unsuitable method of operation for any subsection 3(a) establishment that is in compliance with subsection 2(h), or any portions thereof on August 25, 2011, to thereafter fail to maintain such compliance or partial compliance, including but not limited to removing a permanent physical bar, reducing the number of bar seats from its current number of nine or less than nine, eliminating a restaurant, or reducing restaurant seating capacity from its current number of seats if 20 or less than 20.~~

42. It is an unsuitable method of operation to materially change the nature and quality of the primary business after the commission has granted a restricted gaming license to conduct gaming at an establishment, without the prior administrative approval of the board chairman or his designee. A material change in the nature and quality of the primary business is presumed to occur if:

(a) ~~any of the requirements of Section 2(h) have not been maintained~~, a zoning change is required, or a new business license, special use permit, or any other license, permit or approval must be obtained from the applicable county, city, or township licensing, zoning or approval authority, in order to change or operate the primary business in a manner that is different from what was being conducted at the time the gaming license was granted, or

(b) For a 3(a) establishment, subsequent to the date a restricted gaming license was last approved by the commission for that establishment, to change or alter the amount of square footage available for use by patrons, or the configuration or detail of the bar or restaurant from that which was required to be met by law or regulation in order to obtain a restricted gaming license.

~~43- 11.~~ Nothing in this subsection shall be construed to limit or otherwise encumber the ability of any restricted gaming licensee to transfer, sell, or convey the business pursuant to the provisions of NRS chapter 463 and Regulation 8.

~~14. For purposes of this Regulation 3.015, the term "restaurant" shall mean a space kept, used, maintained, advertised and held out to the public as a place where hot meals are prepared and served on premises, providing a seating capacity of at least twenty (20) persons not related to or associated with gaming positions. The kitchen must be operated no less than fifty percent of the hours per day that the location is open for business.~~

Effective Date _____.

1 Prize has been awarded by a participating Device. The existing associated equipment in-service
2 for the Companies' respective Nevada intra-state wide area progressive systems also can be
3 used to operate a Multi-Jurisdictional Progressive Prize System.

4 Similar to agreements used in Nevada, the Companies proposes that contractual
5 arrangements would be entered with each of the licensed gaming operators in Nevada, and
6 each of the lawfully operated locations in one or more other jurisdictions, participating in a
7 Multi-Jurisdictional Progressive Prize System (the "Multi-Jurisdictional Contracts"). Through
8 these Multi-Jurisdictional Contracts, Devices owned by the Companies, and that are legally
9 operating at the respective locations in Nevada and other jurisdictions, will participate in
10 contributing to a WAP Prize for which players of the specific Devices at all of the contracting
11 locations would compete and may win. The amount of the WAP Prize would be determined
12 pursuant to the Multi-Jurisdictional Contracts by a formula based on the combined volume of
13 play among all such participating locations in the respective venues.

14 The purpose of this Petition is three-fold. First, the Companies will establish that the
15 existing provisions of the Nevada Gaming Control Act (the "Act"),² permit the operation of a
16 Multi-Jurisdictional Progressive Prize System and the use of Multi-Jurisdictional Contracts to
17 administer a WAP Prize among multiple jurisdictions. Second, although new regulations are
18 not absolutely necessary, the Petition will identify the reasons why the Nevada State Gaming
19 Control Board (the "Board"), and the Commission might elect to adopt rule amendments to
20 facilitate deployment of Multi-Jurisdictional Progressive Prize Systems. Third, the Petition will
21 present and summarize the proposed rules.

22 II. IDENTIFICATION OF THE PETITIONERS

23 The Companies are licensed by the Commission as manufacturers, distributors and slot
24 route operators (a "SRO"). IGT is a wholly-owned subsidiary of International Game Technology,
25 a global gaming company specializing in the design, manufacture, and marketing of electronic
26 gaming equipment and systems products. As a leading supplier of gaming products to the
27

28 ² NEV. REV. STAT. § 463.010 - .790.

1 world, IGT maintains a wide array of entertainment-inspired gaming product lines and
2 operates in target gaming markets in all legal jurisdictions worldwide. Bally is a diversified,
3 worldwide gaming company that designs, manufactures, distributes, and operates gaming
4 devices and computerized monitoring, accounting and player-tracking systems for gaming
5 devices. In addition to the sale and lease of gaming devices and related equipment, parts and
6 conversion kits, Bally also operates linked progressive systems, video lottery and centrally
7 determined systems.

8 Communications concerning this Petition should be made to and served upon the
9 following representatives of the Petitioners:

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1 III. STATUTORY AUTHORITY FOR THE PROPOSED RULE

2 A. EVALUATION OF NEVADA LAW

3 A Multi-Jurisdictional Progressive Prize System is a combination of associated
4 equipment that allows for an inter-casino linked system consisting of slot machines among
5 Nevada establishments to participate in arrangements established by a slot route operator with
6 each of the participating lawfully operated locations in other jurisdictions to create a common
7 WAP Prize. The Board and Commission can authorize and regulate a Multi-Jurisdictional
8 Progressive Prize System under existing statutory authority and pursuant to current
9 administrative regulations. The Act allows a person holding an SRO license to offer this type of
10 a system. The Nevada Legislature has already granted to the Commission rulemaking power to
11 approve and provide for Board oversight of systems and the related associated equipment.

12 (1) An SRO License Allows For Operation Of A Multi-Jurisdictional Progressive Prize

13 System.-- The Act provides in relevant part:

14 1. . . . [I]t is unlawful for any person, either as owner, lessee or employee,
15 whether for hire or not, either solely or in conjunction with others:

16 (a) To deal, operate, carry on, conduct, maintain or expose for play *in*
17 *the State of Nevada* any . . . *inter-casino linked system* . . . ,

18
19 without having first procured, and thereafter maintaining in effect, all
20 federal, state, county and municipal gaming licenses as required by
21 statute, regulation or ordinance or by the governing board of any
22 unincorporated town.

23 2. The *licensure* of an operator of an inter-casino linked system is *not*
24 *required* if [a]n operator of a slot machine route is operating an inter-
25 casino linked system consisting of slot machines only.³

26 The Nevada Legislature enacted this oversight scheme for operators of inter-casino linked
27 systems ("OILS") licenses in 1995 when Assembly Bill 131 was passed.⁴

28 At the time, the Board explained that the purpose of A.B. 131 was to provide a
regulatory environment for table and counter games, in a very similar manner to the existing

³ NEV. REV. STAT. § 463.160(1)(a) & (2)(b) (emphasis added); NEV. GAMING COMM'N REG. 4.030(1)(b)(3).

⁴ See 1995 NEV. STATS., ch. 305, §§ 2-17, at 756-764.

1 regulatory environment for linked slot machines. In this regard, the Board stated the proposed
2 statute was necessary to address technological advances in the industry so that table games,
3 keno and race and sports books could be offered with progressive features just like those
4 already in use with slot machines. The Board noted that games linked by these systems were at
5 licensed establishments and emphasized that the proposal would not violate Nevada's
6 prohibition on lotteries. The Board further explained that A.B. 131 was "patterned after
7 operations currently being done by slot [route] operators, such as Megabucks" and the
8 proposed legislation "creates a new classification of . . . licensee known as an operator of an
9 inter-link system."⁵

10 The licensing provisions of NRS 463.160 specifically provides that OILS licensing is not
11 applicable to "an operator of a slot machine route operating a . . . system consisting of slot
12 machines only."⁶ The plain language of A.B. 131, and the testimony of the Board advocating its
13 passage, indicates that OILS licenses were for linked games other than slot machines and that
14 even without passage of A.B. 131, linked progressive systems connecting slot machines were
15 already permitted under existing provisions of the Act where operated by persons holding a
16 SRO license.⁷ Accordingly, a licensed slot route operator such as Bally or IGT would be eligible

18 ⁵ See Minutes of Senate Comm. on Judiciary, 68th Sess., Nev. Legis., *Hearing on Assembly Bill*
19 *131*, at 3 (Testimony of W.A. Bible, Chairman State Gaming Control Bd. May 12, 1995); Minutes of
20 *Assembly Comm. on Judiciary, 68th Sess., Nev. Legis., Hearing on Assembly Bill 131*, at 4 (Testimony of
21 W.A. Bible, Chairman State Gaming Control Bd. Mar. 21, 1995).

22 ⁶ See NEV. REV. STAT. § 463.160(2)(b). An inter-casino linked system "operator" includes
23 either a "person or entity holding a license to operate an inter-casino linked system in Nevada" or a
24 "person or entity holding a license to operate a slot machine route that operates an inter-casino linked
25 system for slot machines only . . ." NEV. GAMING COMM'N REG. 5.112(1)(e).

26 ⁷ Nevada courts apply the rules of statutory construction when interpreting both
27 legislative enactments and administrative regulations. See, e.g., Meridian Gold Company v. State ex rel.
28 Dep't of Taxation, 107 Nev. 630, 633, 81 P.3d 516 (2003). We adhere to these rules in our analysis likewise.
As the Nevada Supreme Court has frequently observed, laws must be construed holistically, see, e.g.,
McCrackin v. Elko County School Dist., 103 Nev. 655, 658, 747 P.2d 1373 (1987), and the "leading rule" of
interpretation is to ascertain the intent in enacting or adopting a law and that "ascertained intent" will
prevail over the literal sense of the enactment. See Roberts v. State ex rel. Univ. of Nevada Sys., 104 Nev.
33, 38, 752 P.2d 221 (1988). Among these maxims are that laws must not be read in a manner rendering a
part of the law redundant or meaningless when a substantive meaning can be given and when doubt
exists as to a statute's meaning resort may be had to testimony and committee action in the legislature.
See, e.g., Board of County Comm'rs of Clark County v. White, 102 Nev. 587, 590, 729 P.2d 1347 (1986). See
also note 5, *supra* & note 18, *infra*, and accompanying text.

1 to operate a Multi-Jurisdictional Progressive Prize System and enjoy the statutory exemption
2 from the requirement to have a OILS license.

3 (2) The Act Provides The Board And Commission Legal Authority To Approve And
4 Regulate A SRO Licensee's Multi-Jurisdictional Progressive Prize System Under Existing
5 Rules.-- The Act vests the Commission with very broad rule-making authority over slot routes
6 and slot route operators. In 1983, the Nevada Legislature first codified a system for licensing,
7 regulating and taxing slot route operators. Senate Bill 445, which was modified in 1985, defines
8 "operator of a slot machine route" as "a person who, *under any agreement* whereby
9 consideration is paid or payable for the right to place slot machines, engages in the business of
10 placing and operating slot machines upon the business premises of others at three or more
11 locations."⁸ This legislation also confers on the Commission the authority to "from time to time,
12 adopt, amend or repeal such regulations, consistent with the policy, objects and purposes of this
13 chapter as it may deem necessary or desirable in the public interest governing the operation of
14 slot machine routes, the licensing of their operators and the reports appropriate to such an
15 operation."⁹

16 This statutory authority has been viewed by the Board and Commission as sufficient to
17 permit those holding a SRO license to operate linked progressive systems of slot machines
18 beginning more than a decade preceding passage of A.B. 131. The Nevada Legislature accepted
19 that agency interpretation of the Act and codified it in the statute.¹⁰ This same authority is
20 likewise sufficient to permit operation of a Multi-Jurisdictional Progressive Prize System.¹¹

22 ⁸ 1983 NEV. STATS., ch. 492, §§ 2, at 1332, 1332, *as amended by* 1985 NEV. STATS. ch. 671, §§ 1-
23 2, at 2262, 2262, *codified at* NEV. REV. STAT. § 463.018 (emphasis added). *See also* NEV. GAMING COMM'N
24 REG. 4.030(1)(b)(3). As with other aspects of the Act, S.B. 445 gave statutory legitimacy to actions the
25 Commission had already taken. When the statute passed, the Commission already had licensed and
regulated slot route operators who were defined in rule as "a nonrestricted license which authorizes the
holder to place slot machines in a licensed location and share in the profits therefrom without being on
the license issued for the location." NEV. GAMING COMM'N REG. 1.170.

26 ⁹ 1983 NEV. STATS., ch. 492, § 4, at 1332, 1333, *codified at* NEV. REV. STAT. § 463.1599.

27 ¹⁰ The Nevada Supreme Court has ruled that an administrative agency's reasonable
interpretation of its authority under a statute should not be readily disturbed and can become controlling
with legislative acquiescence. *See Hughes Properties, Inc. State*, 100 Nev. 295, 298, 680 P.2d 970 (1984).

28 ¹¹ The Commission has in place an extensive system of regulation on this subject matter.

1 (3) A Multi-Jurisdictional Progressive Prize System Falls Within The Extensive Rule-
2 Making And Oversight Powers Of The Board And Commission For Associate Equipment.-- An
3 inter-casino linked system is "a network of electronically interfaced similar *games* which are
4 located at two or more *licensed gaming establishments* that are linked *to conduct gaming*
5 activities, contests or tournaments."¹² By administrative rule the Commission has further
6 described an "inter-casino linked system" as "including the collective hardware, software,
7 communications technology *and other associated equipment* used to link and monitor games or
8 devices located at two or more licensed gaming establishments."¹³ Regulation 14.010(15)
9 indicates, therefore, that the components comprising an inter-casino linked system are simply
10 associated equipment and not the linked slot machines themselves.¹⁴ This comports with the
11 statutory definition of "associated equipment" as "[a]ny equipment or mechanical,
12 electromechanical or electronic contrivance, component or machine used remotely or directly in
13 connection with . . . any game, . . . that would not otherwise be classified as a gaming device,
14 including . . . *links which connect to progressive slot machines*, [and] . . . computerized systems
15 for monitoring slot machines . . ."¹⁵

16 The Nevada Legislature has directed the Commission to adopt regulations for "approval
17 and operation of inter-casino linked systems."¹⁶ The electronic interface of such an inter-casino

18
19 *See* NEV. GAMING COMM'N REG. 1.147, 3.070, 3.100, 4.030, 5.025, 5.110, 5.112, 5.115, 5.180, 5.220, 5A.125,
20 5A.145, 6.010, 6.105, 6.110, 6.150, 8.130, 14.010, 14.030, 14.045, 14.060, 14.075, 14.080, 14.100, 14.110, 14.130,
21 14.220, 14.350, 14.360, 14.370, 14.390, 14.395, 14.410, 14.420; Technical Standards 1.140, 1.060, 2.010, 2.040,
22 3.110, 3.140; Surveillance Standards 1-2. .

21 ¹² NEV. REV. STAT. § 463.01643 (emphasis added).

22 ¹³ NEV. GAMING COMM'N REG. 14.010(15) (emphasis added).

23 ¹⁴ The inclusion of the concluding clause "and other associated equipment" is a generic
24 reference rendering all other items listed in the same provision examples of this generic item and the
25 reference to this generic item is to the exclusion of others. *See, e.g., State ex rel. Dep't of Motor Veh. &*
Pub. Safety v. Brown, 104 Nev. 524, 526, 762 P.2d 882 (1988); *Clark County Sports Entertainment, Inc. v.*
City of Las Vegas, 96 Nev. 167, 174, 606 P.2d 171 (1980).

25 ¹⁵ NEV. REV. STAT. § 463.0136(1) (emphasis added).

26 ¹⁶ NEV. REV. STAT. § 463.15993(1). The Nevada Legislature also has delegated to the
27 Commission the authority to adopt regulations providing:

28 (a) Standards for the approval and operation of an inter-casino linked
system.

1 linked system is one consisting of associated equipment existing among "licensed gaming
2 establishments" which are "premises licensed pursuant to the provisions of *this chapter*
3 wherein or whereon gaming is done . . ."17 Thus, Nevada law provides for licensing and
4 regulation of the operation of inter-casino linked systems within the territorial jurisdiction of
5 the State and among physically licensed locations within Nevada.18

6 The Multi-Jurisdictional Progressive Prize System is a collection of hardware, software,
7 and communications technology used to link and monitor slot machines located at multiple
8 casinos in Nevada and lawfully operated locations elsewhere. This system, as it relates to
9 Nevada licensed locations, is an inter-casino linked system of associated equipment as defined
10 by the Act and is subject to the current regulatory jurisdiction of the Board and Commission.
11 This regulatory jurisdiction is undiminished to the extent existing associated equipment is
12 modified or other associated equipment is added to this system to also facilitate participation in
13 a multi-jurisdictional WAP Prize. To the extent associated equipment has any interface or
14 interconnection with a Nevada inter-casino linked system connected to slot machines in
15

16 (b) Requirements for the:

17 (1) Operator of an inter-casino linked system to disclose to the Board, the
18 Commission and licensees on a confidential basis the rate of progression of the
19 primary jackpot meter; and

20 (2) Establishment of a minimum rate of progression of the primary
21 jackpot meter.

22 (c) Criteria for multiple licensing of inter-casino linked systems and the
23 operators of inter-casino linked systems.

24 (d) Procedures and criteria for the regular auditing of the regulatory
25 compliance of an operator of an inter-casino linked system.

26 NEV. REV. STAT. § 463.15993(2).

27 ¹⁷ See NEV. REV. STAT. § 463.0169.

28 ¹⁸ This reach of the statute is unremarkable because like all other States, Nevada does not
have extraterritorial authority to license and regulate commercial activity beyond its territorial
boundary. See, e.g., Healy v. Beer Institute, Inc., 491 U.S. 324, 336-337 (1989). Moreover, the Board
explained to the State law-makers, see *supra* note 5, and accompanying text, inter-casino linked systems
did not violate Nevada's lottery prohibition because by statute the slot machines or other games must all
be operated at licensed gaming establishments. Here, the Board merely invoked a long-held premise of
Nevada jurisprudence, that the operation of gambling games at authorized business locations consistent
with a state statute is not an unlawful lottery under the Nevada Constitution.¹⁸ See Ex Parte Pierotti, 43
Nev. 243, 237-252, 184 P. 209 (1919).

1 Nevada, the pre-existing authority of the Board and Commission over that system and all the
2 associated equipment is unquestioned.

3 Similarly, the fact that a Multi-Jurisdictional Progressive Prize System is subject to the
4 oversight jurisdiction of the Board and Commission does not mean that the same system may
5 not also be subject to concurrent regulatory oversight by another jurisdiction. This is no
6 different a situation than when a licensee manufactures in Nevada a slot machine for
7 distribution to numerous domestic and foreign venues, in which case the licensed distributor
8 must comply with the regulatory requirements in each affected jurisdiction.

9 Furthermore, because a Multi-Jurisdictional Progressive Prize System is associated
10 equipment,¹⁹ the rule-making powers of the Commission over inter-casino linked systems
11 under NRS 463.15993 is further enlarged by its concurrent authority to adopt rules governing
12 the "manufacture . . . of gambling devices *and equipment*,"²⁰ pursuant to which the Commission
13 has promulgated Regulation 14.030 and other rules.²¹ Regulation 14.030 states in pertinent part
14 that "[a]n operator of an inter-casino linked system shall not install and operate a new inter-
15 casino linked system in Nevada and a licensee shall not offer any gaming device or game for
16 play that is part of such a system unless operation of the inter-casino linked system and all
17 gaming devices or games that are part of or connected to the inter-casino linked system have
18 been *approved by the commission* . . ."²² This regulation makes complete Board and
19 Commission oversight of any Multi-Jurisdictional Progressive Prize System that necessarily
20 must interconnect to or be part of the inter-casino linked system operating by the slot route
21 operator among Nevada licensed locations.²³

22
23 ¹⁹ See *supra* notes 4 & 5 and accompanying text.

24 ²⁰ NEV. REV. STAT. § 463.150(2)(j) (emphasis added).

25 ²¹ See *supra* note 11.

26 ²² NEV. GAMING COMM'N REG. 14.030 (emphasis added).

27 ²³ In the event this rule were considered inadequate, the combined rule-making power of
28 the Commission over slot route operations, inter-casino linked systems and associated equipment easily
supports its jurisdiction to regulate a Multi-Jurisdictional Progressive Prize System which must
interconnect to Nevada slot machines.

1 (4) NRS 463.018 Allows A SRO Licensee To Use Multi-Jurisdictional Contracts To
2 Govern A Multi-Jurisdictional Progressive Prize.-- NRS 463.018 gives statutory sanction for
3 the use by a SRO license holder of "any agreement whereby consideration is paid or payable for
4 the right to place slot machines," as the means by which the SRO License holder "engages in the
5 business of placing and operating slot machines upon the business premises of others."
6 Among Nevada licensees, private agreements are the basis upon which inter-casino linked
7 system arrangements are currently managed, subject to Commission Regulations that govern in
8 some limited aspects those arrangements.²⁴

9 The types of agreements recognized by NRS 463.018 are the most appropriate
10 mechanism for these arrangements because an inter-governmental compact under existing
11 Nevada law could not fully achieve the same objectives as the Multi-Jurisdictional Contracts.
12 Although the State of Nevada has broad authority to enter inter-state government compacts
13 with other governments,²⁵ that statutory scheme allows for such inter-governmental agreements
14 to perform consolidated governmental services, to permit the joint exercise of powers and
15 authority of the public agencies of the participating jurisdictions, or to create an administrative
16 entity to perform concurrent governmental functions.²⁶

17 A Multi-Jurisdictional Progressive Prize System is not (i) a governmental service, like a
18 state operated lottery; (ii) operated by a State agency -- such as a lottery commission -- as a
19 power or authority of a government body; and (iii) dependent for its accomplishment upon
20 formation of a multi-jurisdictional regulatory body -- for example the Tahoe Regional Planning
21 Agency -- that would be an inter-state regulatory body. For these reasons, even if such a
22 compact was entered by Nevada, given existing Nevada law under NRS Chapter 277, the Multi-
23

24 ²⁴ See, e.g., NEV. GAMING COMM'N REG. 5.112 & 5.115. Although we view existing rules as
25 adequate, see *supra* note 19, the Commission's rule-making authority over slot route operators is
26 sufficiently broad, extending to any aspect of the "operation of slot machine routes," to support the
27 promulgation of rules that in the future might be required, subject only to the touchstone that the rules
28 are "consistent with the policy, objects and purposes of [the Act] as [the Commission] may deem
necessary or desirable in the public interest." NEV. REV. STAT. § 463.1599.

²⁵ NEV. REV. STAT. §§ 277.080 - .170.

²⁶ NEV. REV. STAT. §§ 277.103 - .120.

1 Jurisdictional Contracts would still be necessary to govern the contractual arrangements
2 between the Companies and each of the participating lawfully operated locations.

3 **B. PERTINENT FEDERAL LAW**

4 **1. Summary of Federal Statutory Provisions.**

5 (a) The Federal Wire Act.-- The Federal Wire Act makes it illegal for commercial
6 gaming operators to offer or take bets from gamblers in the United States over telephone lines
7 or through other wired devices, unless otherwise authorized by a particular state.²⁷ The statute
8 provides in relevant part:

9 (a) Whoever being engaged in the business of betting or wagering
10 knowingly uses a wire communication facility for the transmission in
11 interstate or foreign commerce of bets or wagers or information assisting
12 in the placing of bets or wagers on any sporting event or contest, or for
13 the transmission of a wire communication which entitles the recipient to
14 receive money or credit as a result of bets or wagers, or for information
15 assisting in the placing of bets or wagers, shall be fined under this title or
16 imprisoned not more than two years, or both.

17 (b) *Nothing in this section shall be construed to prevent the*
18 *transmission in interstate or foreign commerce of information for use in*
19 *news reporting of sporting events or contests, or for the transmission of*
20 *information assisting in the placing of bets or wagers on a sporting event*
21 *or contest from a State or foreign country where betting on that sporting*
22 *event or contest is legal into a State or foreign country in which such*
23 *betting is legal.*²⁸

19 The current position of the United States Department of Justice ("USDOJ"), is that interstate
20 transmissions of wire communications that do not relate to a "sporting" event or contest fall
21 outside the reach of the Wire Act.²⁹

22 (b) The Illegal Gambling Business Act.-- This statute prohibits any person from
23 financing, owning or operating an illegal gambling business.³⁰ An illegal gambling business is

24 _____
25 ²⁷ 18 U.S.C. § 1084(a). The Wire Act, which prohibits the use of interstate telephone lines to
26 conduct a betting or wagering business, applies to Internet wagering because the primary media of
27 Internet communications are interstate data lines using telephony.

28 ²⁸ See *id.* § 1084(a) & (b) (emphasis added).

²⁹ Op. U.S. Att'y Gen. (Sept. 20, 2011), 2011 WL 6848433.

³⁰ 18 U.S.C. § 1955.

1 defined as an operation that violates *state* law, involves five or more persons, and either is in
2 substantially continuous operation for more than thirty days or has a gross revenue of more
3 than \$2,000 in any single day. Under this statute, gambling includes pari-mutuel pools,
4 bookmaking, slot machines, roulette, dice, lotteries or numbers, or selling chances therein.

5 (b) The Travel Act.-- The Travel Act prohibits any person from using any facility
6 in interstate or foreign commerce with the intent to promote, manage, establish, carry on or
7 facilitate unlawful activity. Unlawful activity is defined as "any business enterprise involving
8 gambling" in violation of *state* or federal laws.³¹

9 (c) The Unlawful Internet Gambling Act.-- This statutory scheme is intended to
10 prevent electronic funds transfers by financial transaction providers to illegal Internet gambling
11 businesses and prohibits persons engaged in the business of betting or wagering from accepting
12 credit, electronic funds transfers, checks or other instruments or other proceeds from a person
13 participating in unlawful Internet gambling.³² For the purposes of this statute, "unlawful
14 Internet gambling" includes placing, receiving or transmitting a bet or wager -- including upon
15 a lottery -- using the Internet where the bet or wager is unlawful under *state* law.³³

16 2. Analysis of Federal Law.

17 Each of these federal statutes prohibit activities only to the extent such activities are
18 unlawful in any or each State in which the activities occur, or as to the Travel Act, also a federal
19 law. The proposed Multi-Jurisdictional Progressive Prize System will only be operated in
20 jurisdictions where the related gambling activities are lawful. Given the Federal Wire Act,
21 Illegal Gambling Business Act, and Unlawful Internet Gambling Act are not violated under
22 such circumstances, thus neither is the Travel Act. Consequently, federal law does not present
23 any impediment to operating a Multi-Jurisdictional Progressive Prize System. Such a system
24 will or will not be lawful depending on the gambling laws of the participating jurisdictions and
25 implemented depending on the gaming laws of these participating venues.

26 _____
31 18 U.S.C. § 1952.

27 32 31 U.S.C. §§ 5361 – 5366.

28 33 *Id.* at § 5362(10)(A).

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IV. STATEMENT OF PROPOSED REGULATIONS

The Petitioners respectfully request that the Commission adopt amendments to Nevada Gaming Commission Regulations 5.115, 14.010, 14.030 and 14.100 to facilitate the operation of Multi-Jurisdictional Progressive Prize Systems. The proposed regulation amendments accompany this Petition as **Exhibit A**.

A. REASONS FOR ADOPTION OF NEW RULES

As the Companies have established in the legal summary above, new rules are not strictly necessary to provide authority for and regulation of Multi-Jurisdictional Progressive Prize Systems. There are, however, three important reasons that justify the adoption of specific regulations on this subject matter.

First, there should be transparency within the Nevada gaming industry that the operation of Multi-Jurisdictional Progressive Prize Systems is lawful and the basis upon which this product can be offered to the public. No single operator should have a "first mover" advantage based on regulatory knowledge in introducing this product and system. Through the rule-making process, the entire Nevada gaming industry will be apprised of the new product and system. With that disclosure, the innovation that competition fosters will be achieved consistent with the public policy of the state as articulated in NRS 463.0129.

Second, given Multi-Jurisdictional Progressive Prize Systems require acceptance and coordination with other state and tribal jurisdictions, the adoption of specific authorizing rules will eliminate any doubt or confusion as to whether and on what basis such systems can and will be available. The proposed rules will provide the mechanism for other governments to publicly determine whether Nevada law, technology and logistics will be compatible to interface with that of another jurisdiction's comparable system. Because Multi-Jurisdictional Progressive Prize Systems come within a long-standing regulatory system for associated equipment and inter-casino linked systems, Nevada can provide leadership on quickly bringing this product to market.

Third, the proposed rules are in the public interest. Nevada will benefit from the availability of this product because many of the operators of such systems will be licensees in

1 this state and maintain either their principal places of business or significant operating units
2 within Nevada. These systems will be a major technological enhancement and Nevada should
3 take steps to preserve the state's preeminence as an innovator. Our state will also benefit
4 because through the operation of Multi-Jurisdictional Progressive Prize Systems, the
5 progressive prizes that will be available to the gaming public will increase, providing a further
6 patron attraction for Nevada. Additionally, the availability of Multi-Jurisdictional Progressive
7 Prize Systems in Nevada will improve the state's competitive position relative to Native
8 American gaming markets where this type of product already is available to the gaming public.

9 **B. SYNOPSIS OF PROPOSED REGULATIONS**

10 To provide Nevada regulatory oversight for Multi-Jurisdictional Progressive Prize
11 Systems, the Companies ask the Commission to make changes to four existing administrative
12 rules.

13 **1. Amendments to Regulation 14.010.** Subsection 15 of Regulation 14.010 should be
14 revise to include a definition of what is meant by the phrase "Multi-Jurisdictional Progressive
15 Prize System." Here, the definition makes clear that this type of system is simply a use of
16 associated equipment that will part of inter-casino linked systems which already is subject to
17 robust regulatory oversight by the Board and Commission. In this same subsection of
18 Regulation 14.010, the definition of inter-casino linked system is broadened to encompass any
19 Multi-Jurisdictional Progressive Prize System.

20 By including Multi-Jurisdictional Progressive Prize System within the scope of inter-
21 casino linked systems, any and all existing rules that govern inter-casino linked systems are
22 made applicable to Multi-Jurisdictional Progressive Prize Systems. This avoids any need to
23 erect a duplicative and parallel regulatory scheme for these multi-jurisdictional systems which
24 are a form of associated equipment already fully subject to the jurisdiction of the Board and
25 Commission over inter-casino linked systems. A related amendment is the rule change revising
26 the definition of "operator" in Subsection 25 Regulation 14.010 to include those persons holding
27 the license or license exemption that allows them to operate a Multi-Jurisdictional Progressive
28 Prize System.

1 **2. Amendments to Regulation 14.030.** Regulation 14.030 should be amended to require
2 that applications for the approval of Multi-Jurisdictional Progressive Prize Systems will be
3 processed under the existing inter-casino linked system procedures used by the Board and
4 Commission. In this regard, the rule proposal includes the requirement that a copy of any
5 agreement or specifications required by another jurisdiction's regulatory agency be included
6 with system approval applications. The Companies are informed that some other states that are
7 studying Multi-Jurisdictional Progressive Prize Systems are considering contractual
8 arrangements in implementing such systems to operate in conjunction with slot machines in use
9 or play in their jurisdictions. This rule ensures the Board and Commission will have this
10 information at the time any action is taken on the Nevada application.

11 **3. Amendments to Regulation 14.100.** Related to the preceding proposal, Regulation
12 14.100 should also be amended. Regulation 14.100 should provide that the Board and
13 Commission determine that any agreement or specifications required by another jurisdiction's
14 regulatory agency relative to a Multi-Jurisdictional Progressive Prize Systems is not contrary to
15 Nevada law and technical requirements. In this regard, the proposed amendment specifies
16 seven relevant technical requirements. This rule also needs to include an explicit statement as
17 to how an approval by the Commission affects the approval of such an agreement or
18 specifications and provide a method by which that can be confirmed in writing for any other
19 jurisdiction that may desire such documentation.

20 **4. Amendments to Regulation 5.115.** Regulation 5.115 should include language that
21 eliminates any ambiguity concerning the applicability of the reserve requirements to any prizes
22 offered through a Multi-Jurisdictional Progressive Prize System. This proposal places these
23 system prizes on the same footing as any other progressive prize offered to patrons in Nevada.

24 The proposed amendments here suggested should be made effective immediately on
25 Commission adoption. There are no implementation measures that would prevent the prompt
26 applicability of the rule changes. Prompt adoption of these regulation modifications will
27 facilitate deployment of a significant new product and system for the gaming industry.
28 Accordingly, the Companies request that the Regulations be adopted on or before September

1 26, 2013.

2

V. CONCLUSION AND REQUEST FOR RELIEF

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Accordingly, the Companies request that the Commission commence proceedings to
4 adopt a amendments to 5.115, 14.010, 14.030 and 14.100 in the form as set forth in Exhibit A.

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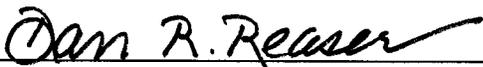
DATED and respectfully submitted this 7th day of August, 2013.

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LIONEL SAWYER & COLLINS

7

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By: 

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Dan R. Reaser, Esq.
Nevada State Bar No. 1170
1100 Bank of America Plaza
50 West Liberty Street
Reno, Nevada 89501
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Electronic mail: dreaser@lionelsawyer.com

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Attorneys for Petitioners.

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1 NGC 13-12

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STATE OF NEVADA

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BEFORE THE NEVADA GAMING COMMISSION

6

STATE GAMING CONTROL BOARD,

7

Complainant,

8

vs.

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FLAMINGO INVESTMENTS, LLC., dba
SEDONA LOUNGE; THE ADAM B.
CORRIGAN GAMING TRUST; ADAM
BOTHWELL CORRIGAN; AKA
RESTAURANTS, LLC; THE ANDRE
AGASSI GAMING PROPERTIES TRUST;
ANDRE KIRK AGASSI,

**STIPULATION FOR SETTLEMENT
AND ORDER**

12

13

Respondents.

14

The State of Nevada, on relation of its STATE GAMING CONTROL BOARD (BOARD),
Complainant herein, filed and served a Complaint, NGC Case No. 13-12, against the above-
captioned RESPONDENTS alleging certain violations of the Nevada Gaming Control Act and
Regulations of the Nevada Gaming Commission.

18

IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENTS
that the Complaint, NGC Case No. 13-12, filed against RESPONDENTS in the above-entitled
case shall be settled on the following terms and conditions:

21

1. RESPONDENTS admit each and every allegation set forth in the Complaint, NGC
Case No. 13-12.

23

2. RESPONDENTS fully understand and voluntarily waive the right to a public hearing
on the charges and allegations set forth in the Complaint, the right to present and cross-
examine witnesses, the right to a written decision on the merits of the Complaint, which must
contain findings of fact and a determination of the issues presented, and the right to obtain
judicial review of the Nevada Gaming Commission's decision.

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Office of the Attorney General
Gaming Division
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511

1 3. RESPONDENTS agree to pay FIFTEEN THOUSAND DOLLARS and NO CENTS
2 (\$15,000.00) electronically transferred to the *State of Nevada-Nevada Gaming Commission*
3 on or before the date this stipulated settlement agreement is accepted by the Nevada Gaming
4 Commission. Said payment shall be made by a method of electronic payment approved by
5 the Tax and License Division of the BOARD pursuant to NRS 353.1467. Interest on the fine
6 shall accrue pursuant to NRS 17.130 on any unpaid balance computed from the date payment
7 is due until payment is made in full.

8 4. In consideration for the execution of this settlement agreement, RESPONDENTS,
9 for themselves, their heirs, executors, administrators, successors, and assigns, hereby
10 release and forever discharge the State of Nevada, the Nevada Gaming Commission, the
11 Nevada Gaming Control Board, the Nevada Attorney General and each of their members,
12 agents, and employees in their individual and representative capacities, from any and all
13 manner of actions, causes of action, suits, debts, judgments, executions, claims, and
14 demands whatsoever known or unknown, in law and equity, that RESPONDENTS ever had,
15 now has, may have, or claim to have against any and all of the persons or entities named in
16 this paragraph arising out of, or by reason of, the investigation of the allegations in the
17 Complaint and this disciplinary action, NGC Case No. 13-12, or any other matter relating
18 thereto.

19 5. In consideration for the execution of this settlement agreement, RESPONDENTS
20 hereby indemnify and hold harmless the State of Nevada, the Nevada Gaming Commission,
21 the State Gaming Control Board, the Nevada Attorney General, and each of their members,
22 agents, and employees in their individual and representative capacities against any and all
23 claims, suits and actions, brought against the persons named in this paragraph by reason of
24 the investigation of the allegations in the Complaint, filed in this disciplinary action, NGC Case
25 No. 13-12, and all other matters relating thereto, and against any and all expenses, damages,
26 charges and costs, including court costs and attorney fees, which may be sustained by the
27 persons and entities named in this paragraph as a result of said claims, suits and actions.

28

1 6. RESPONDENTS enter into this Stipulation for Settlement freely and voluntarily and
2 acknowledge that RESPONDENTS had an opportunity to consult with counsel prior to
3 entering into this Stipulation for Settlement. RESPONDENTS further acknowledge that this
4 stipulated settlement is not the product of force, threats, or any other form of coercion or
5 duress, but is the product of discussions between RESPONDENTS and the attorney for the
6 BOARD.

7 7. RESPONDENTS and the BOARD acknowledge that this settlement is made to
8 avoid litigation and economize resources. The parties agree and understand that this
9 Stipulation for Settlement is intended to operate as full and final settlement of the Complaint
10 filed against RESPONDENTS in the above-entitled disciplinary case, NGC Case No. 13-12.

11 8. RESPONDENTS and the BOARD recognize and agree that the Nevada Gaming
12 Commission has the sole and absolute discretion to determine whether to accept this
13 stipulated settlement agreement. RESPONDENTS and the BOARD hereby waive any right
14 they may have to challenge the impartiality of the Nevada Gaming Commission to hear the
15 above-entitled case on the matters embraced in the Complaint if the Nevada Gaming
16 Commission determines not to accept this stipulated settlement agreement. If the Nevada
17 Gaming Commission does not accept the Stipulation for Settlement, it shall be withdrawn as
18 null and void and RESPONDENTS' admissions, if any, that certain violations of the Nevada
19 Gaming Control Act and the Regulations of the Nevada Gaming Commission occurred shall
20 be withdrawn.

21 9. RESPONDENTS and the BOARD agree and understand that this settlement
22 agreement is intended to operate as full and final settlement of the Complaint filed in NGC
23 Case No. 13-12. The parties further agree and understand that any oral representations are
24 superseded by this settlement agreement and that only those terms memorialized in writing
25 herein shall be effective.

26 10. RESPONDENTS agree and understand that although this settlement, if approved
27 by the Nevada Gaming Commission, will settle the Complaint filed in NGC Case No. 13-12,
28 that the allegations contained in the Complaint file in NGC Case No. 13-12 and the terms of

1 this settlement agreement may be considered by the BOARD and/or the Nevada Gaming
2 Commission, with regards to any and all applications by RESPONDENT that are currently
3 pending before the BOARD or the Nevada Gaming Commission, or that are filed in the future
4 with the BOARD.

5 11. RESPONDENTS and the BOARD shall each bear their own costs incurred in this
6 disciplinary action, NGC Case No. 13-12.

7 12. By entering this stipulation ADAM BOTHWELL CORRIGAN, trustee for the ADAM
8 B. CORRIGAN GAMING TRUST, which is licensed as the manager of FLAMINGO
9 INVESTMENTS, LLC, dba SEDONA LOUNGE, affirmatively represents to the Nevada
10 Gaming Commission that he is entering this stipulation on behalf of himself, THE ADAM B.
11 CORRIGAN GAMING TRUST, and FLAMINGO INVESTMENTS, LLC, dba SEDONA
12 LOUNGE and has full authority to do so for the above captioned matter.

13 13. By entering this stipulation ANDRE KIRK AGASSI, trustee for THE ANDRE
14 AGASSI GAMING PROPERTIES TRUST and manager of AKA RESTAURANTS, LLC,
15 affirmatively represents to the Nevada Gaming Commission that he is entering this stipulation
16 on behalf of himself, THE ANDRE AGASSI GAMING PROPERTIES TRUST, and AKA
17 RESTAURANTS, LLC and has full authority to do so for the above captioned matter.

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1 14. This stipulated settlement agreement shall become effective immediately upon
2 approval by the Nevada Gaming Commission.

3 DATED this _____ day of _____, 2013.

4 STATE GAMING CONTROL BOARD

5
6 ADAM BOTHWELL CORRIGAN

A.G. BURNETT, Chairman

7
8 ANDRE KIRK AGASSI

SHAWN R. REID, Member

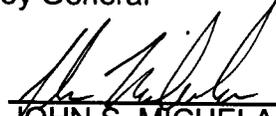
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10 BAILEY KENNEDY, LLP

TERRY JOHNSON, Member

11
12 JOHN R. BAILEY
13 Attorney for Respondents

Submitted by:

CATHERINE CORTEZ MASTO
Attorney General

17 By: 
18 JOHN S. MICHELA
19 Senior Deputy Attorney General
20 Gaming Division
21 Attorneys for State Gaming Control Board

22 **ORDER**

23 IT IS SO ORDERED in NGC Case No. 13-12.

24 DATED this _____ day of _____, 2013.

25 NEVADA GAMING COMMISSION

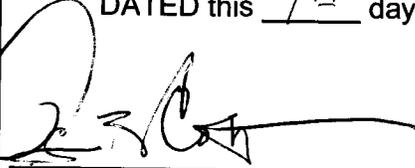
26 PETER C. BERNHARD, Chairman
27
28

Office of the Attorney General
Gaming Division
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511

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14. This stipulated settlement agreement shall become effective immediately upon approval by the Nevada Gaming Commission.

DATED this 7th day of August, 2013.



ADAM BOTHWELL CORRIGAN

STATE GAMING CONTROL BOARD


_____ A.G. BURNETT, Chairman

ANDRE KIRK AGASSI


_____ SHAWN R. REID, Member

BAILEY KENNEDY, LLP


_____ TERRY JOHNSON, Member


_____ JOHN R. BAILEY
Attorney for Respondents

Submitted by:

CATHERINE CORTEZ MASTO
Attorney General

By: _____
JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
Attorneys for State Gaming Control Board

ORDER

IT IS SO ORDERED in NGC Case No. 13-12.

DATED this _____ day of _____, 2013.

NEVADA GAMING COMMISSION

_____ PETER C. BERNHARD, Chairman

Office of the Attorney General
Gaming Division
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511



1 NGC 13-12

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4

STATE OF NEVADA

5

BEFORE THE NEVADA GAMING COMMISSION

6

STATE GAMING CONTROL BOARD,

7

Complainant,

8

vs.

9

FLAMINGO INVESTMENTS, LLC., dba
SEDONA LOUNGE; THE ADAM B.
CORRIGAN GAMING TRUST; ADAM
BOTHWELL CORRIGAN; AKA
RESTAURANTS, LLC; THE ANDRE
AGASSI GAMING PROPERTIES TRUST;
ANDRE KIRK AGASSI,

COMPLAINT

13

Respondents.

14

The State of Nevada, on relation of its STATE GAMING CONTROL BOARD (BOARD),
Complainant herein, by and through its counsel, CATHERINE CORTEZ MASTO, Attorney
General, by JOHN S. MICHELA, Senior Deputy Attorney General, hereby files this Complaint
for disciplinary action against FLAMINGO INVESTMENTS, LLC, dba SEDONA LOUNGE;
THE ADAM B. CORRIGAN GAMING TRUST; ADAM BOTHWELL CORRIGAN; AKA
RESTAURANTS, LLC; THE ANDRE AGASSI GAMING PROPERTIES TRUST; and ANDRE
KIRK AGASSI (collectively referred to as RESPONDENTS) pursuant to Nevada Revised
Statute (NRS) 463.310(2) and alleges as follows:

22

JURISDICTION

23

1. Complainant, BOARD, is an administrative agency of the State of Nevada duly
organized and existing under and by virtue of chapter 463 of NRS and is charged with the
administration and enforcement of the gaming laws of this state as set forth in Title 41 of NRS
and the Regulations of the Nevada Gaming Commission.

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1 2. FLAMINGO INVESTMENTS, LLC, dba SEDONA LOUNGE (FLAMINGO) located at
2 9580 West Flamingo Road, Las Vegas, Nevada is organized under the laws of the State of
3 Nevada and, at all times relevant hereto, has held a restricted gaming license.

4 3. THE ADAM B. CORRIGAN GAMING TRUST (CORRIGAN TRUST) is registered to
5 hold 6¼ percent of the Class A shares and 100 percent of the Class B shares of FLAMINGO.
6 CORRIGAN TRUST is also licensed as manager of FLAMINGO.

7 4. ADAM BOTHWELL CORRIGAN (CORRIGAN) has been found suitable as the
8 trustee and beneficiary of CORRIGAN TRUST.

9 5. AKA RESTAURANTS, LLC (AKA) is registered to hold 31¼ percent of the Class A
10 shares of FLAMINGO. The Nevada Gaming Commission licensed AKA as ARI Restaurants,
11 LLC (ARI). ARI changed its name to AKA sometime on or before June 26, 2009.

12 6. The Perry C. Rogers Gaming Properties (Rogers Trust) is registered to hold a 50
13 percent interest in AKA.

14 7. Perry Craig Rogers (Rogers) has been found suitable as a manager of AKA and as
15 the trustee and beneficiary of Rogers Trust.

16 8. THE ANDRE AGASSI GAMING PROPERTIES TRUST (AGASSI TRUST) is
17 registered to hold a 50 percent interest in AKA.

18 9. ANDRE KIRK AGASSI (AGASSI) has been found suitable as a manager of AKA
19 and as the trustee and beneficiary of AGASSI TRUST.

20 10. The Marquis Gaming Trust (Marquis Trust) is registered to hold 31¼ percent of the
21 Class A shares of FLAMINGO.

22 11. Jeffrey Albert Marquis (Marquis) has been found suitable as the trustor, trustee,
23 and beneficiary of Marquis Trust.

24 12. The Thomas C. Breitling Trust (Breitling Trust) is registered to hold 31¼ percent of
25 the Class A shares of FLAMINGO. Thomas Charles Breitling (Breitling) has been found
26 suitable as the trustee and beneficiary of Breitling Trust.

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RELEVANT LAW

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13. The Nevada Legislature has declared under NRS 463.0129(1) that:

(a) The gaming industry is vitally important to the economy of the State and the general welfare of the inhabitants.

(b) The continued growth and success of gaming is dependent upon public confidence and trust that licensed gaming and the manufacture, sale and distribution of gaming devices and associated equipment are conducted honestly and competitively, that establishments which hold restricted and nonrestricted licenses where gaming is conducted and where gambling devices are operated do not unduly impact the quality of life enjoyed by residents of the surrounding neighborhoods, that the rights of the creditors of licensees are protected and that gaming is free from criminal and corruptive elements.

(c) Public confidence and trust can only be maintained by strict regulation of all persons, locations, practices, associations and activities related to the operation of licensed gaming establishments, the manufacture, sale or distribution of gaming devices and associated equipment and the operation of inter-casino linked systems.

NRS 463.0129(1)(a), (b) and (c).

14. The Nevada Gaming Commission has full and absolute power and authority to limit, condition, restrict, revoke or suspend any license, or fine any person licensed, for any cause deemed reasonable. See NRS 463.1405(4).

15. The BOARD is authorized to observe the conduct of licensees in order to ensure that the gaming operations are not being conducted in an unsuitable manner. See NRS 463.1405(1).

16. This continuing obligation is repeated in Nevada Gaming Commission Regulation 5.040, which provides as follows:

A gaming license is a revocable privilege, and no holder thereof shall be deemed to have acquired any vested rights therein or thereunder. The burden of proving his qualifications to hold any license rests at all times on the licensee. The board is charged by law with the duty of observing the conduct of all licensees to the end that licenses shall not be held by unqualified or disqualified persons or unsuitable persons or persons whose operations are conducted in an unsuitable manner.

Nev. Gaming Comm'n Reg. 5.040.

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1 17. Nevada Gaming Commission Regulation 5.010 provides as follows:

2 1. It is the policy of the commission and the board to require
3 that all establishments wherein gaming is conducted in this state be
4 operated in a manner suitable to protect the public health, safety,
5 morals, good order and general welfare of the inhabitants of the
6 State of Nevada.

7 2. Responsibility for the employment and maintenance of
8 suitable methods of operation rests with the licensee, and willful or
9 persistent use or toleration of methods of operation deemed
10 unsuitable will constitute grounds for license revocation or other
11 disciplinary action.

12 Nev. Gaming Comm'n Reg. 5.010.

13 18. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as follows:

14 The board and the commission deem any activity on the part
15 of any licensee, his agents or employees, that is inimical to the
16 public health, safety, morals, good order and general welfare of the
17 people of the State of Nevada, or that would reflect or tend to
18 reflect discredit upon the State of Nevada or the gaming industry, to
19 be an unsuitable method of operation and shall be grounds for
20 disciplinary action by the board and the commission in accordance
21 with the Nevada Gaming Control Act and the regulations of the
22 board and the commission. Without limiting the generality of the
23 foregoing, the following acts or omissions may be determined to be
24 unsuitable methods of operation:

25 1. Failure to exercise discretion and sound judgment to
26 prevent incidents which might reflect on the repute of the State of
27 Nevada and act as a detriment to the development of the industry.

28

8. Failure to comply with or make provision for compliance
with all federal, state and local laws and regulations pertaining to
the operations of a licensed establishment including, without
limiting the generality of the foregoing, payment of all license fees,
withholding any payroll taxes, liquor and entertainment taxes and
antitrust and monopoly statutes.

. . . .

10. Failure to conduct gaming operations in accordance with
proper standards of custom, decorum and decency, or permit any
type of conduct in the gaming establishment which reflects or tends
to reflect on the repute of the State of Nevada and act as a
detriment to the gaming industry.

Nev. Gaming Comm'n Reg. 5.011 (1), (8), and (10).

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19. NRS 463.170 provides, in relevant part:

2. An application to receive a license or be found suitable must not be granted unless the Commission is satisfied that the applicant is:

(a) A person of good character, honesty and integrity;

....

8. Any person granted a license or found suitable by the Commission shall continue to meet the applicable standards and qualifications set forth in this section and any other qualifications established by the Commission by regulation. The failure to continue to meet such standards and qualifications constitutes grounds for disciplinary action.

NRS 463.170 (2)(a) and (8).

20. Nevada Revised Statute 463.5733(1) provides that:

The purported sale, assignment, transfer, pledge, exercise of an option to purchase, or other disposition of any interest in a limited-liability company which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license is void unless approved in advance by the Commission.

NRS 463.5733(1).

21. Nevada Revised Statute 239.330 provided

A person who knowingly procures or offers any false or forged instrument to be filed, registered or recorded in any public office, which instrument, if genuine, might be filed, registered or recorded in a public office under any law of this State or of the United States, is guilty of a category C felony and shall be punished as provided in NRS 193.130.

NRS 239.330.

22. Nevada Gaming Commission Regulations 8.010(1), (3) and (4) provided that:

1. No person shall sell, purchase, assign, lease, grant or foreclose a security interest, hypothecate or otherwise transfer, convey or acquire in any manner whatsoever any interest of any sort whatever in or to any licensed gaming operation or any portions thereof, or enter into or create a voting trust agreement or any other agreement of any sort in connection with any licensed gaming operation or any portion thereof, except in accordance with law and these regulations.

....

1 3. No person shall transfer or convey in any manner
2 whatsoever any interest of any sort whatever in or to any licensed
3 gaming operation, or any portion thereof, to, or permit any
4 investment therein or participation in the profits thereof by, any
5 person acting as agent, trustee or in any other representative
6 capacity whatever for or on behalf of another person without first
7 having fully disclosed all facts pertaining to such representation to
8 the board. No person acting in any such representative capacity
9 shall hold or acquire any such interest or so invest or participate
10 without first having fully disclosed all facts pertaining to such
11 representation to the board and obtained written permission of the
12 board to so act.

13 4. Regulation 8 shall apply to transfers of interest in
14 corporations subject to Regulation 15, but shall not apply to
15 transfers of interest in corporations subject to Regulation 16.

16 Nev. Gaming Comm'n Regulations 8.010(1), (3) and (4).

17 23. Nevada Gaming Commission Regulation 4.040(2) provides that:

18 It is grounds for denial of an application or disciplinary action
19 for any person to make any untrue statement of material fact in any
20 application, notice, statement or report filed with the board or
21 commission in compliance with the provisions of law and
22 regulations referred to in paragraph 1, or willfully to omit to state in
23 any such application, notice, statement or report any material fact
24 which is required to be stated therein or omit to state a material fact
25 necessary to make the facts stated in view of the circumstances
26 under which they were stated, not misleading.

27 Nev. Gaming Comm'n Regulation 4.040(2).

28 24. Nevada Revised Statute 463.339 provides that:

 An applicant for licensing, registration, finding of suitability,
preliminary finding of suitability or any approval or consent required
by this chapter or chapter 462 or NRS shall make full and true
disclosure of all information to the Board, Commission or other
relevant governmental authority as necessary or appropriate in the
public interest or as required in order to carry out the policies of this
state relating to licensing and control of the gaming industry and the
operation of charitable lotteries.

NRS 463.339.

 25. Nevada Gaming Commission Regulation 15.585.7-2 provides that:

 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 dispositions of any type of ownership referred
to in Regulation 15.482-6. Included within the meaning of the term
"disposition" as used in this regulation are the granting of a proxy or
a transfer or disposition of a type described in Regs. 15.510.1-
1(b)(1) and (2).

1 Every approval required by this regulation shall be sought by
2 the filing of an application complying with the procedures set forth
in NRS 463.510.

3 Nev. Gaming Comm'n Regulation 15.585.7-2.

4 26. Nevada Gaming Commission Regulation 5.030 provides as follows:

5 ***Violation of any provision of the Nevada Gaming Control***
6 ***Act or of these regulations by a licensee***, his agent or employee
7 ***shall be deemed*** contrary to the public health, safety, morals, good
8 order and general welfare of the inhabitants of the State of Nevada
9 and ***grounds for suspension or revocation of a license.***
10 Acceptance of a state gaming license or renewal thereof by a
licensee constitutes an agreement on the part of the licensee to be
11 bound by all of the regulations of the commission as the same now
are or may hereafter be amended or promulgated. ***It is the***
12 ***responsibility of the licensee to keep himself informed of the***
13 ***content of all such regulations, and ignorance thereof will not***
14 ***excuse violations.***

15 Nev. Gaming Comm'n Reg. 5.030 (emphasis added).

16 BACKGROUND

17 27. In 1992, MSA Enterprises, Inc., dba Roadrunner Saloon, approved the issuance of
18 100 shares of stock to CORRIGAN, and appointed him treasurer and director prior to
19 receiving approval and necessary licensing from the Nevada Gaming Commission. A
20 Complaint for disciplinary action was filed and the matter was settled by stipulation with the
21 payment of a \$2,500 fine.

22 28. In 1998, Sahara Enterprises, Inc., dba the Roadrunner Casino Sahara with
23 CORRIGAN as secretary, director and 33 $\frac{1}{3}$ percent shareholder, held a private party where
24 slot machines were available for play, but members of the general public were excluded. In
25 addition, Sahara Enterprises, Inc., failed to comply with the requirements applicable to gaming
26 employee registrations as required by NRS 463.335. A Complaint for disciplinary action was
27 filed and the matter was settled by stipulation with the payment of a \$15,000 fine.

28 COUNT ONE

VIOLATIONS OF NEVADA GAMING COMMISSION REGULATION 4.040(2).

29. Complainant BOARD realleges and incorporates by reference as though set forth
30 in full herein paragraphs 1 through 28 above.

31

1 30. On or about May 22, 2003, the Nevada Gaming Commission granted a restricted
2 gaming license to FLAMINGO. FLAMINGO's current, approved, ownership and management
3 structure, as of September 22, 2006, is as set out in paragraphs 2 through 12 above.

4 31. The BOARD requires all licensees to file an Owners and Conditions Verification
5 Form (NGC-09 Form) with the Tax and License Division on an annual basis. The NGC-09
6 Form requires all licensees to verify that the owners, manager, shareholders, interest holders,
7 officers, directors, etc., of the entity holding the gaming licensee have not changed since the
8 date the license was granted by the Nevada Gaming Commission.

9 32. On or about January 9, 2009, Schedule I of the Second Amendment to the
10 Amended and Restated Operating Agreement of Flamingo Investments, LLC, (Second
11 Amendment) reflected Marquis Trust no longer held an interest in FLAMINGO and
12 CORRIGAN TRUST had increased its interest in class A shares of FLAMINGO from 6¼
13 percent to 37½ percent.

14 33. CORRIGAN filed NGC-09 Forms with the Tax and License Division of the BOARD
15 on behalf of FLAMINGO for the period of 2003 through 2012.

16 34. In executing these forms, CORRIGAN affixed his signature and attested to the
17 truth of the information contained therein under penalty of perjury.

18 35. The three NGC-09 Forms CORRIGAN filed with the BOARD from 2009 through
19 2011 did not indicate the transfer of ownership of FLAMINGO from the Marquis Trust to the
20 CORRIGAN TRUST that was entered into on or about January 9, 2009, as memorialized and
21 reflected in the Second Amendment.

22 36. On or about May 15, 2012, CORRIGAN filed an NGC-09 Form with the BOARD.
23 This form reflected ARI had changed its name to AKA. According to the Third Amendment to
24 the Amended and Restated Operating Agreement of Flamingo Investment, LLC (Third
25 Amendment), this name change occurred on or before June 26, 2009.

26 37. On or about September 26, 2012, ARI notified the Tax and License Division of the
27 BOARD that it had changed its name to AKA.

28

1 38. The two NGC-09 Forms CORRIGAN filed with the BOARD from 2010 through
2 2011 did not indicate the change in name of ARI to AKA as memorialized and reflected in the
3 Third Amendment.

4 39. The actions, and/or failures to act, of the Respondents as set out above are a
5 violation of Nevada Gaming Commission Regulation 4.040(2). This constitutes an unsuitable
6 method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming
7 Comm'n Regs. 5.010(2), 5.011 and 5.030.

8 **COUNT TWO**
9 **VIOLATION OF NEVADA REVISED STATUTE 463.5733(1) AND NEVADA GAMING**
10 **COMMISSION REGULATIONS 8.010 AND/OR 15.585.7-2**

11 40. Complainant BOARD realleges and incorporates by reference as though set forth
12 in full herein paragraphs 1 through 39 above.

13 41. On or about May 15, 2012, CORRIGAN filed an NGC-09 Form with the BOARD.
14 This form reflected two transfers which the Nevada Gaming Commission has not approved.

15 42. This form reflected the Rogers Trust transferred its 50 percent interest in AKA to
16 the AGASSI TRUST and that Rogers was no longer a manager of AKA. This transfer
17 occurred in March of 2009.

18 43. This form also reflected that the Marquis Trust transferred its 31¼ percent of Class
19 A shares in FLAMINGO to the CORRIGAN TRUST. According to the Second Amendment
20 this transfer took place on or before January 9, 2009.

21 44. On or about October 30, 2012, and April 23, 2013, CORRIGAN and AGASSI
22 submitted applications for the transfer of interest set out in this count.

23 45. The actions and/or inactions of Respondents as set out above are violations of
24 Nevada Revised Statute 463.5733(1) and Nevada Gaming Commission Regulation 8.010,
25 and/or 15.585.7-2. This constitutes an unsuitable method of operation, and, as such, is
26 grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

27
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1 and Nevada Gaming Commission Regulations 5.010 and 5.030 the STATE GAMING
2 CONTROL BOARD prays for the relief as follows:

3 1. That the Nevada Gaming Commission serves a copy of this Complaint on
4 RESPONDENTS pursuant to NRS 463.312(2);

5 2. That the Nevada Gaming Commission fines RESPONDENTS a monetary sum
6 pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the
7 provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming
8 Commission;

9 3. That the Nevada Gaming Commission takes action against RESPONDENTS'
10 license or licenses pursuant to the parameters defined in NRS 463.310(4); and

11 4. For such other and further relief as the Nevada Gaming Commission may deem just
12 and proper.

13 DATED this 7th day of August, 2013.

14 STATE GAMING CONTROL BOARD

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16 _____
A.G. BURNETTE, Chairman

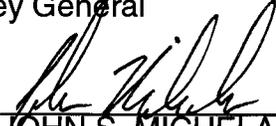
17 
18 _____
SHAWN R. REID, Member

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20 _____
TERRY JOHNSON, Member

21 Submitted by:

22 CATHERINE CORTEZ MASTO
23 Attorney General

24 By:


25 _____
JOHN S. MICHELA
26 Senior Deputy Attorney General
Gaming Division
(775) 850-4153