

PROPOSED NEW REGULATION SECTION TO REGULATION 22

PURPOSE: To set out the services provided by a book engaging in global risk management; to set out requirements of books engaging in global risk management; to set out that the chairman may object to agreements between books providing global risk management services to Nevada licensees; to set out the effects of such an objection; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

REGULATION 22 RACE BOOKS AND SPORTS POOLS

(Draft Date August 6, 2015)

ADOPTED August 20, 2015

New

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22.220 Global Risk Management.

1. A book engaging in global risk management may provide direction, management, consultation, and/or instruction to the operator of a wagering pool located in a permissible jurisdiction concerning:

(a) The management of risks associated with a wagering pool for a race or sporting event or any other event for which the wagering pool is permitted to accept wagers;

(b) The determination of where lines, point spreads, odds, or other activity relating to betting or wagering are initially set and the determination of whether to change such lines, point spreads, odds, or other activity relating to betting or wagering;

(c) Whether or not to accept or reject bets or wagers, to pool bets or wagers, or to lay off bets or wagers;

(d) The use, transmittal, and accumulation of information and data for the purpose of providing global risk management; and

(e) Any other activity associated with a wagering pool if approved in writing by the chairman prior to a book commencing direction, management, consultation, and/or instruction concerning the activity.

2. A book which intends to provide global risk management shall:

(a) Enter into a written agreement to provide global risk management with any operator of a wagering pool to which the book proposes to provide global risk management. A copy of such executed agreement with an operator of a wagering pool located outside of Nevada shall be provided to the chairman no later than the date on which the book commences global risk management for the operator of the wagering pool;

(b) Provide details to the chairman regarding any permissible jurisdiction other than Nevada where the book intends to provide global risk management no later than the

date on which the book commences global risk management in such permissible jurisdiction;

(c) No later than the date on which a book commences global risk management, submit the book's systems of accounting and internal control utilized for global risk management to the chairman. Such systems must include provisions for complying with all federal laws and regulations; and

(d) Provide such other information as the chairman may require concerning global risk management.

3. In addition to the requirements contained in subsection 2 of this section, at least 30 days prior to providing global risk management to a Nevada licensee, a book shall submit to the chairman the written agreement for the global risk management provided to the Nevada licensee. The chairman may object in writing to such agreements in the chairman's sole and absolute discretion. If the chairman objects to an agreement, the book shall not provide global risk management to the Nevada licensee until the book has resubmitted the agreement to the chairman, and the chairman has indicated in writing that he does not object to the resubmitted agreement.

Effective upon adoption and approval.