

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

APPLICATION OF LEGG MASON, INC. FOR A WAIVER OF NRS 463.643(4)  
PURSUANT TO NGC REGULATIONS 16.010(14) AND 16.430

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ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on December 1, 2010, and before the Nevada Gaming Commission ("Commission") on December 16, 2010, at Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the applications, as amended and supplemented, of Legg Mason, Inc., ("Legg Mason") and its Affiliated Advisors, as defined herein, for a waiver of NRS 463.643(4) as an institutional investor pursuant to NGC Regulations 16.010(14) and 16.430, have been filed.

2. THAT the application of Legg Mason for a waiver of NGC Regulation 4.080(1), pursuant to NGC Regulation 4.080(3), has been filed.

3. THAT the applications of Legg Mason described herein have been filed on the basis that they are neither a commitment nor an admission of any present intent to purchase the securities of the companies for which a waiver has been requested.

4. THAT Legg Mason is hereby granted, for a period of two (2) years from the effective date of this Order, a waiver of the provisions of NRS 463.643(4), pursuant to NGC

Regulations 16.010(14) and 16.430, to beneficially own more than ten percent (10%), but not more than twenty-five percent (25%), unless in accordance with NGC Regulation 16.430(2), of the total number of outstanding shares of voting securities of publicly traded corporations registered with the Commission of which the equity securities are publicly available for resale (singularly, "Corporation," collectively, "Corporations"). It is provided, however, that the foregoing waiver is expressly conditioned as follows:

a. The waivers may only be utilized for, and are limited to, Legg Mason's beneficial ownership of the voting securities of the Corporations;

b. The waivers may be used by Legg Mason and one or more affiliated advisors of Legg Mason ("Affiliated Advisor") which in aggregate may beneficially own, subject to the same terms and conditions of this Order, greater than ten percent (10%) but not more than twenty-five percent (25%) of the total outstanding shares of voting securities of any of the Corporations. For purposes of this Paragraph (3)(b), Affiliated Advisor shall mean a subsidiary company, holding company, or intermediate company that is controlled by Legg Mason and is an Institutional Investor as defined by NGC Regulation 16.010(14) (a) - (h). In addition, for purposes of this Paragraph (3)(b), an entity will be considered an Affiliated Advisor only if, when required to file a Schedule 13D or Schedule 13G with the United States Securities and Exchange Commission, it reports that it is a subsidiary of Legg Mason on any such filings with respect to a Corporation.

c. Any Schedule 13D or Schedule 13G filed by an Affiliated Advisor with respect to a Corporation shall include a statement to the effect that the Affiliated Advisor is a subsidiary of Legg Mason.

d. Legg Mason must submit to the Board by the tenth (10) business day of each month for the preceding thirty (30) day period a listing of the percentage of all voting securities held by Legg Mason and its Affiliated Advisors, based on the most current information available, of each Corporation in a form approved by the Chairman of the Board or his

designee, the confidentiality of which shall be maintained by the Board and Commission pursuant to NRS 463.120. If any of the voting securities are held by an Affiliated Advisor, the report shall include the name of the Affiliated Advisor and the percentage of securities held by such.

e. Legg Mason must submit the following information to the Board within thirty (30) calendar days after the end of each calendar quarter, for each Corporation in which Legg Mason or its Affiliated Advisors beneficially owns ten percent (10%) or more, the confidentiality of which shall be maintained by the Board and Commission pursuant to NRS 463.120:

(1) A certification, made under oath and under the penalty of perjury, containing the following:

(a) A statement attesting that Legg Mason and its Affiliated Advisors beneficially owns and/or has beneficially owned the voting securities of the Corporation for investment purposes only or in the ordinary course of business as an institutional investor and not for the purpose of (i) causing, directly or indirectly, the election of the members of the board of directors, or (ii) affecting any change in the corporate charter, bylaws, management, policies or operations of the Corporation or any of its affiliates.

(b) A statement that Legg Mason and its Affiliated Advisors has not exceeded the provisions of NGC Regulation 16.430(3)(a) - (e), which enumerates certain activities that are deemed to be consistent with Legg Mason's beneficial ownership of voting securities for investment purposes only.

(c) The name, title and telephone number of the person(s) having direct control over Legg Mason's and its Affiliated Advisors beneficial ownership of voting securities in the Corporation.

(d) The name, title and telephone number of the persons serving on Legg Mason's Board of Directors.

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

(f) A statement indicating any change to the structure and/or operations of Legg Mason and its Affiliated Advisors which could affect its classification as an Institutional Investor as defined by NGC Regulation 16.010(14).

(g) A statement by the signatory of the certification that he/she has the authority to sign the certification and to bind Legg Mason and its Affiliated Advisors to the contents therein.

(h) A disclosure of all criminal or regulatory sanctions, fines levied in the amount of \$100,000 or greater, court proceedings or investigations being conducted by any regulatory agency regarding Legg Mason or any of its direct or indirect subsidiaries during the relevant quarter, that are known to Legg Mason or its employees.

5. Legg Mason shall continue to maintain its previously adopted compliance program to implement and ensure Legg Mason compliance with the Nevada Gaming Control Act (the "Act"), the regulations promulgated there under (the "Regulations"), and this Order. The compliance program, as it relates to the applicable requirements of the Act and the Regulations, shall be amended at the request of the Chairman of the Board or his designee. The Chairman of the Board or his designee shall administratively approve all amendments to the compliance program. Legg Mason shall promptly report any appointments or resignations of any supervisory personnel within the Compliance Department.

6. Legg Mason shall fund and maintain with the Board a revolving fund in the total amount of \$10,000 for the purpose of funding investigative reviews by the Board for compliance

with the terms and provisions of this Order or any other Orders relating to waivers of NRS 463.643(4), pursuant to NGC Regulation 16.430. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of the account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative review of all activities of Legg Mason and its affiliated entities.

7. THAT Legg Mason and its Affiliated Advisors are hereby granted, for a period of two (2) years from the effective date of this Order, a waiver of the provisions of NGC Regulation 4.080(1), pursuant to NGC Regulation 4.080(3), specifically and only as they relate to the waivers of NRS 463.643(4) granted to Legg Mason and its Affiliated Advisors, pursuant to NGC Regulation 16.430, as beneficial owners of voting securities of the Corporations.

8. The Commission hereby expressly finds that the waivers herein granted are consistent with the State policies set forth in NRS 463.0129, 463.489, and 463.622 and the standards set forth in NGC Regulation 16.060.

ENTERED at Carson City, Nevada, this 16<sup>th</sup> day of December 2010.