

DEC 8 1986

File No. SD-065

File No. SD-066

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

SOUTHMARK CORPORATION and
AMERICAN REALTY TRUST

(Registration)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board on November 5, 1986, and before the Nevada Gaming Commission on November 20, 1986 at Las Vegas, 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 following applications, as amended and supplemented, are hereby accepted as filed:

(a) Southmark Corporation for registration as a publicly traded company and a finding of suitability as a controlling shareholder of American Realty Trust;

(b) American Realty Trust for registration as a publicly traded

intermediary holding company and a finding of suitability as sole shareholder of Novus Property Company;

(c) Novus Property Company for registration as a private intermediary holding company, a finding of suitability as sole shareholder of Novus Nevada, Inc. and; a finding of suitability as a landlord at Circus Circus Casinos, Inc. dba Silver City Casino;

(d) Novus Nevada, Inc. for approval to share in gaming revenues at Circus Circus Casinos, Inc. dba Silver City Casino;

(e) Southmark Corporation for approval to participate in foreign gaming in Atlantic City, New Jersey through its equity interest in Pratt Hotel Corporation; and

(f) Southmark Corporation for a waiver of NRS 463.690(1) regarding foreign gaming in Aruba pursuant to NRS 463.690(4).

2. THAT Southmark Corporation is registered as a publicly traded company and found suitable as a controlling shareholder of American Realty Trust.

3. THAT American Realty Trust is registered as a publicly traded intermediary holding company and found suitable as sole shareholder of Novus Property Company.

4. THAT Novus Property Company is registered as a private intermediary holding company, found suitable as sole shareholder of Novus Nevada, Inc. and approved as a landlord at Circus Circus Casinos dba Silver City Casino, 3001 Las Vegas Boulevard South, Las Vegas.

5. THAT Novus Nevada, Inc. is approved to share in gaming revenues at Circus Circus Casinos dba Silver City Casino, 3001 Las Vegas Boulevard South; Las

Vegas, commencing on November 20, 1987.

6. THAT commencing on November 20, 1987, Southmark Corporation is granted approval to share in gaming revenues at Circus Circus Casinos dba Silver City Casino through its affiliated companies, American Realty Trust, Novus Property Company, and Novus Nevada, Inc., while participating in gaming operations in Atlantic City, New Jersey, through its equity interest in Pratt Hotel Corporation.

7. THAT pursuant to NRS 463.690(4), Southmark Corporation is granted a limited waiver of NRS 463.690(1) with regard to Pratt Hotel Corporation's foreign gaming in Aruba; said waiver is for a period of one year and will expire at midnight on November 20, 1987.

8. THAT the Commission hereby expressly finds that the limited waiver granted in paragraph 7 above is consistent with the public policy of this State as set forth in NRS 463.0129 because Southmark Corporation will not commence sharing in gaming revenues at Circus Circus Casinos dba Silver City Casino through its affiliated companies, American Realty Trust, Novus Property Company, and Novus Nevada, Inc., until November 20, 1987.

9. THAT except as provided by NRS 463.690(2) and in paragraphs 6 and 7 above, neither Southmark Corporation nor any person controlling, controlled by, or under common control with Southmark Corporation shall have any involvement with gaming or pari-mutuel wagering outside the State of Nevada without first obtaining the approval of the Nevada Gaming Commission.

10. THAT in the event Southmark Corporation or any of its affiliated companies or any person controlling, controlled by, or under common control with Southmark Corporation, including, but not limited to, Pratt Hotel Corporation, participates in gaming operations in any foreign jurisdiction other than New Jersey without prior permission or in Aruba after November 20, 1987, then this Order of Registration shall be null, void, and of no further force and effect.

11. THAT Southmark Corporation shall maintain a \$10,000 revolving fund with the Board for the purpose of funding investigative reviews, conducted in the sole discretion of the Board, for compliance with the terms of this Order of Registration.

12. THAT pursuant to NRS 463.625(2), Southmark Corporation and American

. . . .
. . . .
. . . .

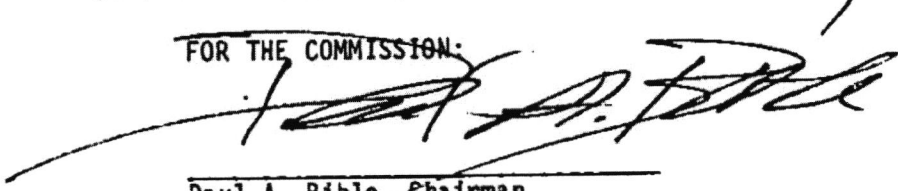
Realty Corporation are exempted from compliance with NRS 463.585(1), (2), (5), (6), and (7) and NRS 463.595 through NRS 463.615, inclusive and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

ifm ^{13.}~~12.~~ THAT Southmark Corporation and American Realty Corporation are exempted from Reg. 15, except for the provisions of Reg. 15.585.3-1, Reg. 15.585.3-2, and Reg. 15.585.4-1, and shall instead comply with the provisions of Reg. 16.

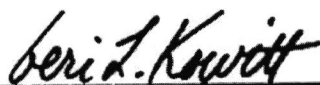
ifm ^{14.}~~13.~~ THAT the Commission hereby expressly finds that the exemptions hereinabove granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489(2).

ENTERED at Las Vegas, Nevada this 20th day of November, 1986.

FOR THE COMMISSION:

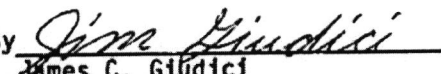

Paul A. Bible, Chairman

Submitted by:


Geri L. Kowitt
Deputy Chief, Investigations
Corporate Securities

APPROVED AS TO FORM:

BRIAN MCKAY
ATTORNEY GENERAL

By 
James C. Giudici
Deputy Attorney General
Gaming Division