

**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)

Adopted by NGC on August 22, 2013

Effective on August 22, 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.~~

~~(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 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.