

**PROPOSED AMENDMENTS TO REGULATIONS 15A.010, 15A.060, and
15A.190; PROPOSED NEW REGULATION 15A.065; and
PROPOSED DELETION OF REGULATIONS 15A.050 and 15A.100**

PURPOSE: To delete provisions applicable to limited partnership licensees and controlled affiliates of such limited partnership licensees; to adopt regulations setting out registration and licensing requirements for limited partners of limited partnerships holding a 5 percent or less ownership interest in the limited partnership; to make changes to the requirements concerning licensing and/or registration of limited partnership holding companies and limited partners of limited partnership holding companies; to set out the investigative fees for such changes; to allow transfers of interest without commission pre-approval under certain circumstances; to waive certain requirements regarding transfers of interest and registration of holding companies with the commission; to delete the regulatory prohibition concerning foreign limited partnerships holding a license issued by the commission in line with statutory changes; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**REGULATION 15A
LIMITED PARTNERSHIP LICENSEES**

(Draft Date December 22, 2011)

As Adopted

New

~~{Deleted}~~

15A.010 Definitions. As used in Regulation 15A:

1. No Change.
2. No Change.
3. No Change.
4. No Change.
5. No Change.
6. No Change.
7. No Change.
8. No Change.

9. ~~["Foreign limited partnership" means a partnership formed under the laws of any state of the United States other than this state or any foreign country and having as partners one or more general partners and one or more limited partners.~~

~~10.]~~ "Holding company" means, in addition to the definition set forth in NRS 463.485, a limited partnership that owns or has the power or right to control all or any part of the outstanding securities of a limited partnership that holds or applies for a state gaming license.

~~[11]~~ 10. "Limited partnership" means a partnership formed by two or more persons pursuant to the terms of chapter 88 of NRS, having as members one or more general partners and one or more limited partners.

~~[12]~~ 11. "Own," "hold" and "have" mean the possession of a record or beneficial interest in a limited partnership.

~~[13]~~ 12. "Partnership agreement" means any valid, written agreement of the partners as to the affairs of a limited partnership and the conduct of its business.

~~[14]~~ 13. "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security whether or not for value. "Sale" or "sell" includes any exchange of securities and any material change in the rights, preferences, privileges or restrictions of or on outstanding securities.

~~[15]~~ 14. The term "security" means any stock; membership in an incorporated association; partnership interest in any limited or general partnership; bond; debenture or other evidence of indebtedness; investment contract; voting trust certificate; certificate of deposit for a security; or, in general, any interest or instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing. All of the foregoing are securities whether or not evidence of indebtedness reported under Regulation 8.130 is a security.

~~[15A.050 Certain affiliates of limited partnership licenses.~~

~~1. A limited partnership licensee shall not engage in any act or transaction by virtue of which any limited partnership, corporation, or other form of business organization becomes a controlled affiliate of such limited partnership licensee without the prior approval of the commission.~~

~~2. Subsection 1 shall not apply to any limited partnership of which a licensee is the sole limited partner.]~~

15A.060 Prohibition with respect to ownership of limited partnership licensees. *Except as otherwise provided by law, [N]n* no person shall acquire any equity security issued by a limited partnership licensee or a holding company, become a controlling affiliate of a limited partnership licensee or a holding company, become a holding company of a limited partnership licensee or of a holding company without first obtaining the prior approval of the commission in accordance with [this Regulation and](#) Regulations 4 and 8.

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 the limited partner obtains an ownership interest of 5 percent or less in a limited partnership licensee.

2. If the commission finds a limited partner unsuitable, denies an application of the limited partner, or revokes an approval of the limited partner, the limited partner and the limited partnership shall comply with NRS 463.567(2) and (3).

3. Registration with the board shall:

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

(b) Include fully executed waivers and authorizations as determined necessary by the 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 other than to vote the registrant's shares in the ordinary course;

(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;

(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.

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.

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. 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 waivers, the commission finds such waivers are consistent with the state policy set forth in NRS 463.0129, 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.

9. 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.100 Foreign limited partnership ineligible to hold certain licenses. A foreign limited partnership is not eligible to hold any license issued by the commission pursuant to chapters 463 and 464 of the Nevada Revised Statutes except a manufacturer's license.]**~~

15A.190 Licensing of general partners and limited partners of limited partnership holding companies.

1. 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 the limited partner obtains an ownership interest in the limited partnership holding company.

3. If the commission finds a limited partner unsuitable, denies an application of the limited partner, or revokes an approval of the limited partner, the limited

partner and the limited partnership holding company shall comply with NRS 463.585 (3) and (4).

4. Registration with the board shall:

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

(b) Include fully executed waivers and authorizations as determined necessary by the 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 other than to vote the registrant's shares in the ordinary course;

(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;

(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 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 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 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.

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. If a limited 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 is not required to register with the commission pursuant to NRS 463.585 unless the chairman requires the limited 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 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, 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 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.