

**ADOPTED AMENDMENTS TO REGULATIONS 16.115, 16.300, 16.330,  
16.400, 16.405, 16.410, 16.415, and 16.430; DELETION OF REGULATIONS  
16.320 and 16.340**

**PURPOSE:** To modify the requirements necessary to obtain approval for a continuous or delayed public offering; to modify the maximum duration the Commission may approve a continuous or delayed public offering; to correct various errata; to modify, add, or remove items concerning fraudulent and deceptive practices; to modify, add, or remove requirements regarding listing on a securities exchange; to update certain reporting requirements; to delete the power of the Commission to be able to require certain statements on security certificates; to specify the Commission may require a finding of suitability, registration, or licensing regarding certain affiliated companies; to modify which officers, directors, and employees are required to apply for findings of suitability or licensure; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**REGULATION 16  
PUBLICLY TRADED CORPORATIONS AND PUBLIC  
OFFERINGS OF SECURITIES**

(Draft Date May 19, 2011, as adopted by the Commission)

*New*  
~~[Deleted]~~

**GENERAL**

- 16.010 Definitions.**
- 16.020 Burden of proof.**
- 16.030 Powers of commission and board.**
- 16.040 Commission review of stop orders.**
- 16.050 Timing of investigations and approvals.**
- 16.060 Standards for board and commission action.**

**PUBLIC OFFERINGS**

- 16.100 Corporate licensees.**
- 16.110 Public offerings of affiliated companies.**
- 16.115 Continuous or delayed public offerings.**
- 16.118 Public offerings by entities not presently licensees or affiliated companies.**
- 16.120 Certain public offerings and stockholder approvals.**
- 16.125 Approval of securities issuable on exercise of options or warrants or conversion of other securities.**
- 16.130 Application for approval of public offerings.**
- 16.140 Coordination.**

**MERGERS, ACQUISITIONS AND CHANGES OF CONTROL**

- 16.200 Approval of acquisitions of control.**

- 16.210 Application for approval of acquisitions of control.
- 16.250 Approval of plan of recapitalization.
- 16.260 Approval of exceptional repurchase of securities.
- 16.270 Exempt transactions.
- 16.280 Application for approval of recapitalization plan or exceptional securities repurchases.

#### MARKETS AND TRADING

- 16.300 Fraudulent and deceptive practices prohibited.
- 16.310 Approval of proxy and information statements related to gaming.

~~16.320 Listing on securities exchange.~~

- 16.330 Reporting requirements.

~~16.340 Form of stock certificates.~~

#### INDIVIDUALS

- 16.400 Powers of commission.
- 16.405 Beneficial owners of voting securities.
- 16.410 Officers and employees.
- 16.415 Directors.
- 16.420 Appointments and elections.
- 16.430 Institutional investor.
- 16.440 Prescribed activities with respect to “unsuitable” persons.
- 16.450 Exemptions.

#### TRANSITION PROVISIONS

- 16.900 Effective date.
- 16.910 Current orders.
- 16.920 Current proceedings. Repealed.

#### GENERAL

- 16.010 No Change.
- 16.020 No Change.
- 16.030 No Change.
- 16.040 No Change.
- 16.050 No Change.
- 16.060 No Change.

#### PUBLIC OFFERINGS

- 16.100 No Change.

**16.110 No Change.**

**16.115 Continuous or delayed public offerings.**

1. An affiliated company which is a publicly traded corporation may apply for approval of a continuous or delayed public offering of its securities if such an affiliated company:

(a) Has a class of securities listed on either the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers Automatic Quotation System, or has stockholders' equity in an amount of ~~[\$15]~~ \$10 million or more as reported in its most recent report on Form 10-K or Form 10-Q filed with the United States Securities and Exchange Commission immediately preceding the application; and

(b) Has filed all reports required to be filed by section 13 or section 15(d) of the Federal Securities Exchange Act, or in the case of a foreign issuer or foreign private issuer, pursuant to Regulations 13d-16 and 15a-16 of the Federal Securities Exchange Act, during the preceding 12 months, or for such a shorter period that such affiliated company has been required to file such reports.

2. The commission may grant approval of a continuous or delayed offering for a period of up to ~~2~~ 3 years. An approval granted pursuant to this regulation does not constitute an approval of other related transactions for which separate board or commission approval is otherwise required by chapter 463 of NRS or the regulations adopted by the commission.

3. No Change.

**16.118 No Change.**

**16.120 No Change.**

**16.125 No Change.**

**16.130 No Change.**

**16.140 No Change.**

MERGERS, ACQUISITIONS AND CHANGES OF CONTROL

**16.200 No Change.**

**16.210 No Change.**

**16.250 No Change.**

**16.260 No Change.**

**16.270 No Change.**

**16.280 No Change.**

MARKETS AND TRADING

**16.300 Fraudulent and deceptive practices prohibited.** It is grounds for disciplinary action under NRS 463.641 or 463.310 ~~[of these regulations]~~ if any person, in connection with the purchase or sale of any security issued by a corporate licensee or an affiliated company or in connection with any document required to be filed pursuant to ~~[Regulation 16]~~ these regulations or the Act:

1. Employs any device, scheme or artifice to defraud; ~~[or]~~
2. Makes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; ~~[or]~~
3. Engages in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;  
~~[where it is determined by the commission that such device, scheme, artifice, statement, act, practice or course of business materially adversely affects the gaming industry in the State of Nevada]~~ or
4. Causes any document, correspondence, filing or statement containing materially untrue, incorrect or misleading information to be made or filed with the board or commission, regardless of whether said information has been made or filed with another regulatory agency.

**16.310 No Change.**

~~**[16.320 Listing on securities exchange.**~~

- ~~1. An affiliated company which does not have a class of voting securities listed on a securities exchange registered under Section 6 of the Federal Securities Act, shall not list any securities on a securities exchange without the prior approval of the board. An application for such approval is deemed to have been approved if it has been filed with the board for at least 30 days and the board has not issued a stop order during such period.~~
- ~~2. An affiliated company which has a class of voting securities listed on a securities exchange registered under Section 6 of the Federal Securities Exchange Act may, at any time and without the prior approval of the commission, list on any securities exchange registered under Section 6 of the Federal Securities Act any of its securities or make supplemental listings of any securities.]~~

**16.330 Reporting requirements.**

1. ~~[Whenever]~~ Upon the request of the chairman, whenever any material document, including any document considered to be confidential or furnished to the holders of voting securities of the publicly traded corporation, is filed by a publicly traded corporation with the United States Securities and Exchange Commission or with any national or regional securities exchange, such publicly

traded corporation shall within 5 business days file a true copy of such document with the board.

2. ~~[Whenever]~~ Upon the request of the chairman, whenever a publicly traded corporation receives any material document filed with the United States Securities and Exchange Commission by any other person relating to such publicly traded corporation, it shall, within 10 days following such receipt, file a true copy of such document with the board.

3. ~~[Each]~~ Upon the request of the chairman, each publicly traded corporation shall file with the board annually a list of the holders of its voting securities or more frequently as such lists are prepared.

4. Each publicly traded corporation shall ~~[promptly]~~ , within 60 days of election or appointment, report to the board, on the form prescribed by the board, the election or appointment of any director, any executive officer and any other officer actively and directly engaged in the administration or supervision of the gaming activities at a licensed gaming establishment of the corporate licensee.

5. No Change.

6. No Change.

~~**[16.340 Form of stock certificates.** The commission may require that after a date specified by the commission each certificate representing a security issued by any publicly traded corporation include a brief description, in form and substance satisfactory to the commission, of the provisions of the Act and regulations or a portion thereof. Each publicly traded corporation which is required to include such a description on certificates shall file a sample of the form of the certificates, by class, not less than 10 days prior to the first use of such form of certificate.]~~

## INDIVIDUALS

**16.400 Powers of commission.** The commission may determine, upon the recommendation of the board, at the time of initial application by a publicly traded corporation for registration as a holding company , or at any time thereafter , that the public interest and the purposes of the Act require that any individual who has a material relationship to, or material involvement with, a publicly traded corporation ~~[and]~~ , affiliated company or a licensee that is subject to the jurisdiction of the Act should apply for a finding of suitability or licensing. A person may be deemed to have a material relationship to, or material involvement with, a corporation , affiliated company or a licensee if he is a controlling person or key employee of the corporation, affiliated company or a licensee, or if he, as an agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of the corporation , affiliated company or a licensee. The foregoing powers of the commission are not limited to individuals having a formal and direct involvement or relationship with a publicly traded corporation , affiliated company or a licensee, nor to individuals

who are beneficial owners of any stated percentage of the outstanding equity securities of a publicly traded corporation , *affiliated company or a licensee.*

**16.405 Beneficial owners of voting securities.**

1. The commission shall consider the provisions of NRS 463.643(1), (2), ~~[and]~~ (3) , *4 and 5* in making its determination as to which beneficial owners of voting securities of publicly traded corporations must or may be required to be found suitable or to be licensed.

2. No Change.
3. No Change.
4. No Change.

**16.410 Officers and employees.**

1. No Change.
2. No Change.

3. The following officers or employees of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of, and significantly involved with, the activities of the corporate licensee and therefore are normally required to be licensed or found suitable:

(a) Each employee who is involved in gaming and who is also a director of the publicly traded corporation; and

(b) The president, any persons performing the function of principal executive officer or principal operating officer, the principal ~~[accounting]~~ *financial* officer, ~~[and secretary]~~ , *and any persons performing the function of chief technology officer or chief information officer.*

**16.415 Directors.**

1. No Change.
2. No Change.

3. The following directors of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of the gaming activities of the subsidiary corporate licensee and therefore are normally required to be licensed or found suitable:

(a) Each director who serves as chairman of the board of directors;

(b) *Each director who serves as the chairman of the audit committee;*

~~(c)~~ (c) Each director who, individually or in association with others, is the beneficial owner of greater than ~~[1]~~ *5* percent of any class of voting securities of the registered publicly traded corporation for which he serves as a director; and

~~[(e)]~~ (d) Each person, whether as director or otherwise, who ~~[serves on the executive committee of the board of directors, or who]~~ serves on any ~~[comparable]~~ 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 each director who serves in the capacity of lead director.*

**16.420 No Change.**

**16.430 Institutional investor.**

1. No Change.

2. No Change.

3. No Change.

4. An application for a waiver must include:

(a) A description of the institutional investor's business and a statement as to why the institutional investor is within the definition of "institutional investor" set forth in Regulation 16.010(14).

(b) A certification made under oath and the penalty of perjury, that the voting securities were acquired and are held for investment purposes only as defined in subsection 2 and a statement by the signatory explaining the basis of his authority to sign the certification and to bind the institutional investor to its terms. The certification shall also provide that the applicant agrees to be bound by and comply with the Nevada Gaming Control Act and the regulations adopted thereunder, to be subject to the jurisdiction of the courts of Nevada, and to consent to Nevada as the choice of forum in the event any dispute, question, or controversy arises regarding the application or any waiver granted under this section.

(c) A description of all actions, if any, taken or expected to be taken by the institutional investor relating to the activities described in subsection 2.

(d) The name, address, telephone number and social security number of the officers and directors, or their equivalent, of the institutional investor as well as those persons that have direct control over the institutional investor's holdings of voting securities of the publicly traded corporation registered with the commission.

(e) The name, address, telephone number and social security or federal tax identification number of each person who has the power to direct or control the institutional investor's exercise of its voting rights as a holder of voting securities of the publicly traded corporation registered with the commission.

(f) The name of each person that beneficially owns more than 5 percent of the institutional investor's voting securities or other equivalent.

(g) A list of the institutional investor's affiliates.

(h) A list of all securities of the publicly traded corporation registered with the commission that are or were beneficially owned by the institutional investor or its affiliates within the preceding year, setting forth a description of the securities, their amount, and the date of acquisition or sale.

(i) A list of all regulatory agencies with which the institutional investor or any affiliate that beneficially owns voting securities of the publicly traded corporation registered with the commission files periodic reports, and the name, address, and telephone number of the person, if known, to contact at each agency regarding the institutional investor.

(j) A disclosure of all criminal or regulatory sanctions imposed during the preceding 10 years and of any administrative or court proceedings filed by any regulatory agency during the preceding 5 years against the institutional investor, its affiliates, any current officer or director, or any former officer or director whose tenure ended within the preceding 12 months. As to a former officer or director,

such information need be provided only to the extent that it relates to actions arising out of or during such person's tenure with the institutional investor or its affiliates.

(k) A copy of the institutional investor's most recent Schedule 13D or 13G and any amendments thereto filed with the ~~United~~ United States Securities and Exchange Commission concerning any voting securities of the publicly traded corporation registered with the commission.

(l) A copy of any filing made under 15 U.S.C. 18a with respect to the acquisition or proposed acquisition of voting securities of the publicly traded corporation registered with the commission.

(m) Any additional information the board or the commission may request.

5. No Change.

6. No Change.

7. No Change.

8. No Change.

9. No Change.

10. No Change.

**16.440 No Change.**

**16.450 No Change.**

## TRANSITION PROVISIONS

**16.900 No Change.**

**16.910 No Change.**

(Effective: 05/19/11)