

STATE OF NEVADA
GAMING CONTROL BOARD

NEW APPLICANT PRE-OPENING CHECKLIST
GROUP I NONRESTRICTED LICENSEE

“Group I Nonrestricted licensee” means the operation of any gaming other than 15 or less slot machines and with projected gross revenue as defined in Regulation 6.010(5)(a)(1) for the 12 months ended June 30th.

This checklist is provided as a tool to assist Group I licensees with achieving compliance with various pre-opening requirements, and with gaming statutes and Nevada Gaming Commission/State Gaming Control Board Regulations. Each applicant is responsible for ensuring compliance with all applicable laws, regulations and other requirements, including those that may not be addressed in this checklist.

Licensees assuming control of existing operations should be aware of the policy guidance for changeovers at: <http://gaming.nv.gov/modules/showdocument.aspx?documentid=247> in addition to the information below. Careful coordination with the outgoing operator may be necessary.

Procedure	Completion
<u>Audit Division</u>	
Internal Control System	
See Board’s website at http://gaming.nv.gov/index.aspx?page=179 . Contact Audit Division’s Internal Control Coordinator, AuditIC@gcb.nv.gov or at (702) 486-2060 in Las Vegas, for inquiries.	
1. Each applicant shall submit a written system of internal control which describes in detail the administrative and accounting procedures of the operation. These procedures must comply with the Minimum Internal Control Standards. [Regulation 6.090(2)]	
Please submit all internal control systems via email to lvaudit.filings@gcb.nv.gov for Las Vegas or rnaudit.filings@gcb.nv.gov for Reno.	
2. The submission of the internal control system must also include:	
a) A written statement signed by the licensee’s chief financial officer and either the licensee’s chief executive officer or a licensed owner attesting that the system satisfies the requirements of Regulation 6.090. An Internal Control Submission Summary, which is available at http://gaming.nv.gov/modules/showdocument.aspx?documentid=2213 will meet this requirement. [Regulation 6.090(2)(d)]	
b) Attest letter from an independent accountant stating that the applicant’s written system of internal control has been reviewed by the accountant and complies with the requirement of Regulation 6.090. [Regulation 6.090(2e)]	

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Race/Sports/Pari-Mutuel Operations	
<p>3. For operations with a race and sports book, establish a restricted reserve of at least the greater of \$25,000 or the projected amount determined by the Board. [Regulation 22.040]</p> <p>See https://gaming.nv.gov/modules/showdocument.aspx?documentid=14541 for Model Reserve Agreements.</p>	
<p>4. For pari-mutuel books:</p> <ul style="list-style-type: none"> • Coordinate with the Nevada Pari-Mutuel Association (NPA) to execute all applicable agreements. • Pursuant to the Pari-Mutuel Service Agreement, deposit \$10,000 in cash in a Systems Failure Account. • NPA contact information: <div style="margin-left: 40px;">Patty Jones Nevada Pari-Mutuel Association 2625 North Green Valley Parkway, Suite 115 Henderson, Nevada 89014</div> 	
Satellite Books	
<p>“Satellite Book” means a book that has been licensed pursuant to the provisions of NRS 463.245(3). [Regulation 22.010(18)]</p>	
<p>5. A Satellite book must complete #1-4 above.</p>	
Mobile Gaming Systems	
<p>6. An Operator of a Mobile Gaming System must complete #1-2 above.</p> <p>“Operator of a Mobile Gaming System” means a licensee who has been licensed to operate a mobile gaming system, or a person or entity, who, under any agreement whereby consideration is paid or payable for the right to place a mobile gaming system, engages in the business of placing and operating a mobile gaming system within the public area of a licensed gaming establishment and who is authorized to share in the revenue from the mobile gaming system without having been individually licensed to conduct gaming at the establishment. [Regulation 5.220]</p>	

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<p>7. The licensee of the licensed gaming establishment where the mobile gaming system is placed must also complete #1-2 above. The licensee’s internal control system must address their procedures, if any, related to the mobile gaming system and must also reference to the internal control system of the operator of the mobile gaming system.</p> <p>Note 1: All revenue received from the mobile gaming system, regardless of whether any portion of the revenue is shared with the operator, must be counted as part of the gross revenue of the licensee of the licensed gaming establishment pursuant to NRS 463.370. [Regulation 5.220(3)(f)]</p> <p>Note 2: All fees and taxes applicable to the mobile gaming devices are to be paid by the licensee pursuant to NRS 463.375 and 463.385. [Regulation 5.220(3)(g)]</p>	
Venues with Live Entertainment	
<p>8. Refer to the informational page at http://gaming.nv.gov/index.aspx?page=63.</p>	
<p>9. Refer questions to Audit Division staff. Call the Las Vegas Audit Division office at (702) 486-2060 or e-mail using the “Live Entertainment Tax Inquiries” e-mail link shown at http://gaming.nv.gov/index.aspx?page=45. Advisory rulings on the application of the live entertainment tax to specific situations may be necessary. Be sure to seek such rulings well in advance of opening. Instructions on the advisory ruling process can be obtained using this same contact information.</p>	
<p>10. Review FAQ questions pertaining to leased facilities at http://gaming.nv.gov/modules/showdocument.aspx?documentid=221. Arrangements should be made, preferably by contract, to ensure compliance by operators who lease facilities from the licensee.</p>	
<p>11. See Technology Division section for important instructions for point-of-sale systems and ticketing systems used in areas subject to the live entertainment tax and ensure that appropriate approvals are in place prior to opening.</p>	

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General	
<p>12. Send an e-mail to the Audit Division’s Regulatory Risk Coordinator, lvrisk@gcb.nv.gov for Las Vegas or rrrisk@gcb.nv.gov for Reno, indicating the following information:</p> <ul style="list-style-type: none"> • Contact persons (name, phone number and email address) for financial and regulatory compliance issues. • Business year-end date • Independent Accountant engaged to perform required procedures pursuant to Regulations 6.080 and 6.090(9). • Internal Auditor to perform required procedures pursuant to Regulation 6.090(15). This may be the name of the director for in-house departments, or the name of a firm if this function is outsourced. 	
Post-licensing filing requirements	
<p>13. Review regulation 6.130 and ensure that the Audit Division has been supplied with a drop and count time filing and required list of count team personnel <u>prior to opening</u> (and thereafter as specified in the regulation). See http://gaming.nv.gov/index.aspx?page=49#audit “Regulation 6.130” for required forms and instructions.</p>	
<p>14. Review Regulation 8.130. Note that reports are due within 30 days after the end of the quarter in which the reportable transaction is consummated. See http://gaming.nv.gov/index.aspx?page=49#audit “Regulation 8.130 Transactions” for required forms and instructions.</p>	
<p>15. Periodic Payments – See item #32</p>	
<p><u>Corporate Securities Division</u></p> <p>The Corporate Securities Division monitors, investigates and analyzes activities of registered, publicly traded corporations and their subsidiaries involved in the Nevada gaming industry.</p> <p>Contact Corporate Securities at (775) 684-7860 or by e-mail at gcbcs@gcb.nv.gov</p>	
<p>16. See various forms at http://gaming.nv.gov/index.aspx?page=47.</p>	
<p>17. Post-licensing requirements may include the following:</p>	
<ul style="list-style-type: none"> • All publicly traded corporations registered with the Nevada Gaming Commission are subject to certain Nevada Gaming Commission approvals and/or filing requirements under NRS 463.625 through 463.645 inclusive, and NGC Regulation 16, as listed on the Reporting Requirements for Publicly Traded Corporations document at http://gaming.nv.gov/modules/showdocument.aspx?documentid=2569. 	

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<ul style="list-style-type: none"> As required in Orders of Registration, compliance plans must be submitted for approval to the Corporate Securities Division. 	
<ul style="list-style-type: none"> NRS 463.680 through 463.720, inclusive, provide certain reporting requirements for any Nevada Licensee as defined in NRS 463.680 who participates in the conduct of gaming outside of Nevada (“Foreign Gaming”), as listed in the Foreign Gaming Reporting Requirements Policy Statement at http://gaming.nv.gov/modules/showdocument.aspx?documentid=2541. 	
<p><u>Enforcement Division</u></p> <p>Except as otherwise noted, contact the Operations Unit at (702) 486-2564 for inquiries.</p>	
18. All gaming employees must be registered as a gaming employee in accordance with NRS 463.335 . For inquiries, contact the Employee Registration Unit at (702) 486-3340.	
19. Each applicant must submit a written casino surveillance system plan. [Regulation 5.160(9)]	
20. Review Regulation 5.170 and ensure that provisions have been made for compliance with Problem Gambling requirements.	
21. Each applicant must submit an application for approval of chips and tokens to be used in its gaming establishment. [Regulation 12.020]	
22. House Rules and parlay cards for race and sports books must be submitted for approval. [Regulation 22.150]	
23. Complete a Gaming Salon Notification, if operating a gaming salon. Form is available at http://gaming.nv.gov/modules/showdocument.aspx?documentid=2293 . For inquiries, contact the Analyst unit at (702) 486-2187. “Gaming salon” means an enclosed gaming facility that is located anywhere on the property of a resort hotel that holds a nonrestricted gaming license, admission to which is based upon the financial criteria of the salon patron as established by the licensee and approved by the board. [Regulation 5.200(1)(b)]	
<p><u>Investigations Division</u></p>	
24. An application for a state gaming license is seeking the granting of a privilege, and the burden of proving his qualification to receive any license is at all times on the applicant [Regulation 4.010] . See Instructions to Applicants for a Nonrestricted Gaming License at http://gaming.nv.gov/modules/showdocument.aspx?documentid=2379 . An application for a state gaming license includes, but is not limited to, the following considerations:	

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<ul style="list-style-type: none"> • A state gaming license is required to conduct gaming activities in the state of Nevada [NRS 463.160]. • A gaming license is required in order to manufacture or distribute any gaming device, cashless wagering system, mobile gaming system, or interactive gaming system [NRS 463.650]. • All officers, directors, and shareholders of a corporation which holds or applies for a state gaming license must be licensed [NRS 463.530]. • Each member, director, and manager of a limited liability company which holds or applies for a state gaming license must be licensed [NRS 463.5735]. • Each holding company and intermediary company (including trusts) must register with the commission and provide the board all required information [NRS 463.585]. • Each owner of a direct or beneficial interest in a holding company, and each officer, director, manager (limited liability company), or trustee of a holding company must be found suitable [NRS 463.595]. • Every application for a state gaming license must be filed on forms furnished or approved by the board and commission, and must contain and be supplemented by all documents and information as may be specified or required [Regulation 4.040]. • Every application for a proposed gaming operation must include a statement of the purpose for which the license is requested. In addition, the application must include detailed supporting documentation and information, regarding the following [Regulations 3.050 and 4.040]: <ul style="list-style-type: none"> ○ All equity owners of the proposed gaming business. ○ An organization chart identifying all affiliated companies with their respective owners, officers, directors, or key employees. ○ The sources of all funds used to finance the gaming operation including investments, loans from financial institutions, and loans from individuals or businesses. ○ Taxes, fees, and all other expenditures required to open the proposed operation. ○ Cash flow projections to demonstrate adequacy of initial funding and the ability to maintain sufficient working capital for the first year of operations. ○ The sources of all gaming devices to be used in the proposed operation. ○ Details on proposed key employees to demonstrate sufficient, suitable management for the proposed operation. • Every application for a state gaming license must include detailed information on all landlords who are not applicants in the immediate application [Regulation 3.020]. 	

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<ul style="list-style-type: none"> • Each individual applicant for a state gaming license must provide documentation and information supporting his or her personal financial activity for a period including but not limited to, the previous five years [Regulation 4.040]. • Each individual applicant for a state gaming license must provide documentation and information supporting all business activities for a period including, but not limited to, the previous three years [Regulation 4.040]. • Each individual applicant must provide detailed documentation and information, as specified, regarding his or her personal background for a period including, but not limited to, the past 15 years [Regulation 4.040] to satisfy the suitability requirements of NRS 463.170. 	
<p>25. After the state gaming license has been granted by the commission, the licensee must establish procedures to ensure compliance with gaming statutes and regulations. The list below highlights issues primarily related to the Investigations Division and is not intended to be all-inclusive:</p> <ul style="list-style-type: none"> • All gaming establishments in this state must be operated in a suitable manner to protect the public interest [Regulation 5.010 and 5.011]. • The burden of proving his qualifications to hold any license rests at all times on the licensee [Regulation 5.040]. • Once the commission approves the application, the requested act or involvement must occur or begin within six months. Otherwise, the commission action is void unless a waiver of that time limitation is obtained [Regulation 4.080]. • If the real property where the gaming operation is conducted is owned by parties other than the licensee, the licensee must provide detailed information on any changes in the real property ownership [Regulation 3.020]. • On or before January 15 and July 15 of each year, the licensee is responsible to file a report of all employees involved in the administration or supervision of the licensed operation [Regulation 3.100]. • No owner, officer, director, or key employee of either an entity which holds a gaming license, or an affiliate of that licensee, shall place a wager at a gambling game which is prohibited by Regulation 5.013. • The commission may suspend or revoke the license or finding of suitability of a person convicted of a crime [Regulation 5.014]. • No applicant or licensee shall refuse to provide any information or documents, cooperation, or access to a gaming property when lawfully requested by any member or agent of the board [Regulation 5.060]. • In the event of the death or disability of a licensee, a representative of the 	

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<p>licensee must notify the board within 30 days of the death or disability, and file appropriate applications to continue the operation within 30 days of the death or disability [Regulation 9.020].</p> <ul style="list-style-type: none"> • All changes in officers or directors of a corporation must be reported to the board [NRS 463.540]. • Any person who fulfills the role of race and/or sports book manager, supervisor, or who determines betting odds must register with the board [Regulation 22.035]. • No person who owns an interest in a licensed gaming operation, which is not publicly traded, shall in any way purchase from or transfer to another person an interest in the gaming operation without prior commission approval [Regulations 8.020 and 8.030]. • Except as provided in relation to emergency situations, consideration for the transfer or acquisition of any interest in a gaming operation may not be paid, received, or used without prior commission approval. Consideration may be paid into an escrow account [Regulation 8.050]. • Except as provided in the regulations, a person proposing to acquire an interest in a licensed gaming operation may not participate in any way in the licensed operation while his application is pending [Regulations 8.060 and 8.080]. 	
<u>Tax and License Division</u>	
26. See various forms at http://gaming.nv.gov/index.aspx?page=49#tax	
27. For schedule of tax report filing deadlines pertinent to nonrestricted licensees, see end of this document and refer to the webpage indicated above for forms and instructions.	
28. Regulation 5.050 requires licensees to submit information on any person, including lending agencies, who has the right to share in the profits of a licensed game. Review Regulation 5.050 and ensure that each quarter a letter with the required information is submitted to the Tax and License Division.	

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<u>Technology Division</u>	
<p>Associated Equipment (see definition that follows): Refer to Regulation 14.260 through 14.300 for “associated equipment” regulatory requirements. There are requirements that apply to both the manufacturer/distributor of the equipment and to the users (the casino). The applicant should ensure that the equipment to be used has received appropriate approval under Regulation 14.260 in addition to complying with requirements for users. See http://gaming.nv.gov/modules/showdocument.aspx?documentid=2773 and ensure that requests for approval are submitted timely.</p> <p>System based gaming, system supported gaming, mobile gaming systems (see definitions that follow): Procedures for approval are outlined in an industry letter at http://gaming.nv.gov/Modules/ShowDocument.aspx?documentid=5409.</p>	
<p>29. Complete a “User’s Installation of Associated Equipment Approval Request” for all associated equipment that will be installed. Form is available at http://gaming.nv.gov/modules/showdocument.aspx?documentid=2769</p> <p>NRS 463.0136 “Associated equipment” defined. “Associated equipment” means:</p> <ol style="list-style-type: none"> 1. Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or mobile gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or 2. A computerized system for recordation of sales for use in an area subject to the tax imposed pursuant to NRS 368A.200. <p>Note 1: For examples of typical associated equipment and approval criteria, see http://www.gaming.nv.gov/modules/showdocument.aspx?documentid=2772.</p> <p>Note 2: As noted in paragraph 2 above, “a computerized system for recordation of sales” includes point-of-sale systems used in areas subject to live entertainment tax and ticket sales systems for live entertainment events subject to live entertainment tax.</p>	

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<p>30. Complete a “User’s Request for Installation of a System Based, System Supported, or Mobile Gaming System” for any system based, system supported or mobile gaming system that will be installed. Form and Request Submission Requirements are available at http://gaming.nv.gov/modules/showdocument.aspx?documentid=2784.</p> <p>“<u>System Based Game</u>” is a gaming device comprised of a server or system part and client stations that, together, form a single integrated device where the system portion of the game determines the outcomes of the individual games conducted on the client stations and the client stations cannot operate independently from the system. Both the system portion and the clients of the system based gaming device will reside in a single gaming establishment. [Regulation 14 Technical Standard 1.010(27)]</p> <p>“<u>System Supported Game</u>” is a gaming device comprised of a collection of conventional gaming devices or client stations connected to a system for the purpose of downloading control programs and other software resources to the conventional gaming device or client station on an intermittent basis. The system portion, as well as the client stations, is installed in a single gaming establishment. The client stations connected to the system are capable of operating independently from the system once the downloading process has been completed. This configuration encompasses cases where the system may take control of peripheral devices or associated equipment typically considered part of a conventional gaming device such as a bill validator or a printer. In a system supported game, game outcome is determined by the conventional gaming devices or client stations connected to the system and not by the system itself. [Regulation 14 Technical Standard 1.010(28)]</p> <p>“<u>Mobile gaming system</u>” or “system” means a system that allows for the conduct of games through mobile communications devices operated solely within a public area of the licensed gaming establishment by the use of communications technology that allows a patron to bet or wager, and corresponding information related to the display of the game, gaming outcomes or other similar information. [Regulation 5.220(1)(g)]</p>	
<p><u>Other Compliance Issues</u></p>	
<p>31. Licensees that operate (or lease out) nightclubs, ultra lounges, European pools and similar venues should be aware of their responsibilities as outlined in a letter to the industry. Establish procedures to prevent problems. See http://gaming.nv.gov/Modules/ShowDocument.aspx?documentid=5377.</p>	

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<p>32. Periodic Payments – Review Regulation 5.115. If periodic payments are to be offered in lieu of a full award to the patron upon prize payout validation for any game, including a race book or sports pool, tournament, contest, or promotional activity, prior approval by the chairman of the funding method must be received. Pursuant to Regulation 5.115(3)(c), the reserve method may be used, provided that the licensee complies with certain financial, monitoring and reporting requirements as outlined in the Chairman’s letter dated April 30, 2004 at http://gaming.nv.gov/Modules/ShowDocument.aspx?documentid=4758. Other options are specified in Regulation 5.115(3)(a) and (b). All required documentation must be submitted at least 45 days prior to offering the activity for which periodic payments are to be made.</p>	

NONRESTRICTED TAX FORMS:

- NGC-01 Monthly Gross Revenue Report – **Filing Deadline: 24th of each month**
- NGC-11 Live Entertainment Tax – **Filing Deadline: 24th of each month**
- NGC-13 Live Entertainment Tax Report Maximum Occupancy/Seating of At Least 7500 –
Filing Deadline: 24th of each month
- NGC-31 Monthly Gross Revenue Statistical Report – **Filing Deadline: 24th of each month**
- NGC-04 Fiscal Year Report of Slot Machine Taxes – **Filing Deadline: June 30**
- NGC-15 Report of Quarterly State Gaming License Fees –
Filing Deadlines: March 31, June 30, September 30, December 31
- NGC-02 Annual State License Fee Report Based on the Number of Games to be Operated –
Filing Deadline: December 31
- NGC-16 Holiday or Special Event Application – **Filing Deadline: As Needed**
- NGC-32 Track Handle and Win Report – **Filing Deadline: 24th of each month**