

**PROPOSED REPEAL OF REGULATION 8.020
PROPOSED AMENDMENTS TO REGULATION 8.030**

PURPOSE: To condense transfers of interest to a single process; to repeal Regulation 8.020; to clarify that the transfer of interest process set out in regulation applies to all entities licensed, found suitable, or registered pursuant to the Gaming Control Act; to explicitly set out that the Commission approves all transfers of interest; to allow administrative approval of certain transfers of interest; to waive certain statutory and regulatory requirements to enable administrative approval of certain transfers of interest; to explicitly set out that the Commission may approve continuous transfers of interest; to recognize that certificates evidencing a transaction regarding the granting of a possessory security interest may no longer be physical, but be in digital form; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

REGULATION 8
TRANSFERS OF OWNERSHIP; LOANS
(Draft Date April 3, 2024)

New
~~[Deleted]~~

8.020 ~~[Repealed]~~ ~~[Transfer of interest among licensees. If a person who is the owner of an interest in a licensed gaming operation proposes to transfer any portion of his or her interest to a person who is then the owner of an interest in such licensed gaming operation, both parties shall give written notice of such proposed transfer to the Board, including the names and addresses of the parties, the extent of the interest proposed to be transferred and the consideration therefore. In addition, the proposed transferee shall furnish to the Board a sworn statement setting forth the source of funds to be used by the proposed transferee in acquiring such interest; and the proposed transferee also shall furnish to the Board such further information as it or the Commission may require. The Board shall conduct such investigation pertaining to the transaction as it or the Commission may deem appropriate and shall report the results thereof to the Commission. If the Commission does not give notice of disapproval of the proposed transfer of interest within 30 days after the receipt by it of the report of the Board, the proposed transfer of interest will be deemed approved and the transfer of interest may then be effected in accordance with the terms of transfer as submitted to the Board. The parties shall immediately notify the Commission when the transfer of interest is actually effected.]~~

8.030 Transfer of interest ~~[to stranger to license]~~.

1. Except as and to the extent provided in these regulations pertaining to emergency situations, no individual who is the owner of any interest in a licensed gaming operation or entity licensed, found suitable, or registered pursuant to the Gaming Control Act shall in any manner whatsoever transfer any interest therein ~~[to any person, firm or corporation not then an owner of an interest therein, and no such transfer shall become effective for any purpose]~~ until the proposed transferee or transferees shall have made application for and obtained all licenses, findings of suitability, or registrations required by the Nevada Gaming Control Act and these regulations ~~[, or have been found to be individually qualified to be licensed, as appropriate]~~.

2. Applications for a transfer of interest ~~[to a stranger to the license]~~, except the granting of a possessory security interest in equity securities of a licensee or of a holding company subject to Regulation 15, shall be made by the transferee ~~[applying for licensing or registration under NRS 463.585.1 or NRS 463.635.1 and the regulations thereunder as appropriate,]~~ as provided in Regulation 4. ~~[~~

~~3.]~~ Evidence of the transferor's agreement to transfer the interest applied for must accompany the application. ~~[Licensing or registration of the transferee shall be deemed to constitute approval of the transfer by the Commission under NRS 463.510(1).]~~

3. Except as otherwise provided by statute or regulation, all transfers of interest must be approved in advance by the Commission. The Commission may approve continuous transfers of interest for a specified period of time to specified persons.

4. Transfers of interest in a licensed gaming operation or an entity licensed, found suitable, or registered pursuant to the Gaming Control Act to a person who holds an interest in the licensed gaming operation or the entity licensed, found suitable, or registered prior to such transfer may be administratively approved by the Board Chair, in the Chair's sole and absolute discretion, if such transfer would result in the transferee owning 5 percent or less of a licensee through such transfer. If the Board Chair declines to grant such administrative approval, the transfer of interest must be approved in advance by the Commission.

5. In enacting subsection 4 of this section, the Commission finds that waiver of NRS 463.510, 463.567, and NRS 463.5733 pursuant to NRS 463.489 is appropriate to the extent required by subsection 4. 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

transfers of interest because the Board and Commission still require Commission approval for transfers of interest to a person who does not hold an interest in the licensed gaming operation or the entity licensed, found suitable, or registered pursuant to the Gaming Control Act prior to such transfer and for transfers which would result in greater than a 5 percent ownership interest in a licensee.

6. Applications for approval of the granting of a possessory security interest shall be made in writing to the Board and Commission. The application shall set forth all material facts relating to the transaction and be accompanied by copies of the documents evidencing the transaction. An application will not ordinarily be granted unless such documents include the following:

(a) The physical location of the certificates, if certificated, evidencing the transaction shall at all times remain within the territorial boundaries of the State of Nevada.

(b) The holder of said certificates shall not surrender possession of the securities without the prior approval of the Commission.

→ An approval of the granting of a possessory security interest shall be deemed to constitute approval of the transfer by the Commission under NRS 463.510.1 and the regulations thereunder. No such approval, however, shall constitute permission to foreclose without a further order of the Commission.