

PROPOSED AMENDMENTS TO REGULATION 16

PURPOSE: In accordance with NRS 463.145, NRS 463.150, and NRS 463.643, to amend the definition of “proscribed activity” to match the explicit statutory language; for any person who becomes subject to NRS 463.643(3), to establish the date by which such person must notify the Nevada Gaming Commission that a report has been filed with the Securities and Exchange Commission; for any person who becomes subject to NRS 463.643(4), to establish the date by which such person must apply to the Nevada Gaming Commission for a finding of suitability; 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: June 7, 2024)

New
~~Deleted~~

16.010 Definitions. As used in Regulation 16:

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. [No Change]

10. [No Change]

11. [No Change]

12. [No Change]

13. [No Change]

14. [No Change]

15. [No Change]

16. [No Change]

17. “Proscribed activity” ~~[has the meaning ascribed to it under Section 1.5 of Senate Bill 73 of the 80th Session (2019) of the Nevada Legislature]~~ means:

1. An activity that necessitates a change or amendment to the corporate charter, bylaws, management, policies or operation of a publicly traded corporation that is registered with the Commission;

2. An activity that materially influences or affects the affairs of a publicly traded corporation that is registered with the Commission; or

3. Any other activity determined by the Commission to be inconsistent with holding voting securities for investment purposes only.

18. [No Change]

19. [No Change]

20. [No Change]

21. [No Change]

22. [No Change]

16.405 Beneficial owners of voting securities.

1. The Commission shall consider the provisions of NRS 463.643(1), (2), (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. All rules and regulations of the Securities and Exchange Commission applicable in determining whether a person is the beneficial owner of a particular equity security for purposes of Section 13(d) of the Federal Securities Exchange Act may be considered by, but shall not be binding upon, the Commission in making its determination whether, and the extent to which, a person is the beneficial owner of a voting security for the purposes of NRS 463.643, and sections 16.010(8), 16.330, 16.405, and 16.430 of this regulation.

3. NRS 463.643 applies to every person who is, directly or indirectly, the beneficial owner of any voting security in a publicly traded corporation which is registered with the Commission, irrespective of the time of acquisition of such ownership.

4. If any securities of a publicly traded corporation are held in street name, by a nominee, an agent or trust, the publicly traded corporation shall render maximum assistance to the Board, upon its request, to determine the beneficial ownership of such securities.

5. Any person who becomes subject to NRS 463.643(3), shall, within 10 days after filing any report and any amendment thereto with the Securities and Exchange Commission, notify the Commission, in the manner prescribed by the Chair of the Board, that the report has been filed with the Securities and Exchange Commission.

6. Within 30 days after the date a person becomes subject to NRS 463.643(4), the person shall:

(a) Apply to the Commission for a finding of suitability; or

(b) Divest their ownership interest of voting securities in the publicly traded corporation to 10 percent or less such that the person is no longer subject to NRS 463.643(4).

↪ *The Chair may administratively extend the time periods specified herein upon good cause shown.*