



NEVADA GAMING COMMISSION

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NOTICE TO LICENSEES AND OTHER INTERESTED PERSONS

Notice # 2011-75

Issuer: Executive Secretary

DATE: OCTOBER 17, 2011
TO: ALL LICENSEES AND OTHER INTERESTED PERSONS
SUBJECT: NOTICE OF HEARING FOR CONSIDERATION AND/OR ADOPTION OF AMENDMENTS TO REGULATIONS 3, 4, 5, 5A, 8, 14, 15, 15A, AND 15B, OF THE NEVADA GAMING COMMISSION AND STATE GAMING CONTROL BOARD

The Nevada Gaming Commission will hold a public hearing on or about the hour of 10:00 a.m. on November 17, 2011, at the State Gaming Control Board, Grant Sawyer Building, Hearing Room 2450, 555 East Washington Avenue, Las Vegas, Nevada, for the purpose of considering adoption, amendment or repeal of the following regulations:

NGC REGULATION 3—LICENSING: QUALIFICATIONS. PROPOSED AMENDMENTS TO REGULATIONS 3.100.

PURPOSE: In accordance with NRS 463.150, NRS 463.750, and S.B. 218 passed during the 2011 Legislative Session, to amend Regulation 3.100 to include provisions related to interactive gaming and service providers; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

NGC REGULATION 4—APPLICATIONS: PROCEDURE. PROPOSED AMENDMENTS TO REGULATIONS 4.030.

PURPOSE: In accordance with NRS 463.150, NRS 463.750, and S.B. 218 passed during the 2011 Legislative Session, to amend Regulation 4.030 to delete language applicable to operator of a mobile gaming system license referencing public areas; to provide for a manufacturer of interactive gaming systems license; to provide for an operator of interactive gaming license; to provide for a service provider license; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

NGC REGULATION 5—OPERATION OF GAMING ESTABLISHMENTS.

PURPOSE: In accordance with NRS 463.150 and S.B. 218 passed during the 2011 Legislative Session, to amend Regulation 5 to add provisions pertaining to service providers including, but not limited, to provide definitions for “cash access and wagering instrument service provider,” “chairman,” “information technology service provider,” and “service provider;” to provide service provider license classifications; to provide that licensees may only use licensed service providers; to provide that a licensee continues to have an obligation to ensure, and remains responsible for, compliance with all gaming laws; to provide licensing standards and fees; to provide for service providers to be liable for their proportionate share of fees and taxes; to provide that certain service provider employees are gaming employees; to provide that provisions of Regulation 5A specifically applicable to interactive gaming service providers shall control; to provide for grounds for disciplinary action; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

NGC NEW REGULATION 5A—OPERATION OF INTERACTIVE GAMING.

PURPOSE: In accordance with NRS 463.150, NRS 463.750, and S.B. 218 and A.B. 258, passed during the 2011 Legislative Session, to adopt a comprehensive framework to regulate the operation of interactive gaming in the State of Nevada to include: 1) the scope of the regulations; 2) definitions; 3) licensing and application requirements; 4) license fees; 5) investigative fees; 6) operation of only approved interactive gaming systems; 7) requirements to identify to the board those persons having access to portions of an interactive gaming system; 8) required internal controls that shall meet minimum standards; 9) provisions for the detection and prevention of criminal activities; 10) provisions regarding access to premises and production of records; 11) requirements pertaining to the maintenance of a revolving investigative fund; 12) provisions pertaining to the adoption and display of house rules; 13) provisions pertaining to the registration of individuals to engage in interactive gaming; 14) provisions pertaining to interactive gaming accounts including records, funding, agreements and the setting of responsible gambling options; 15) requirements pertaining to reserve requirements; 16) requirements pertaining to self-exclusion; 17) prohibitions against certain types of wagers; 18) provisions allowing for the use of celebrity authorized players; 19) provisions pertaining to progressive payoff schedules; 20) requirements pertaining to information that must be on an interactive gaming website; 21) requirements pertaining to filing suspicious wagering reports; 22) provisions pertaining gross revenue including license fees, attribution, liability for proportionate share of license fees, responsibility for reporting, and computations; 23) resolution of disputes; 24) requirements pertaining to records; 25) grounds for disciplinary action; 26) powers pertaining to the issuance of an interlocutory stop order; 27) provisions pertaining to interactive gaming service providers including licensing, applications, license fees, designation of gaming employees, applicability of NRS 463.140, and liability for proportionate share of fees and taxes; 28) provisions allowing for the chairman to grant a waiver of certain sections; 29) scope and effectiveness of an operator of interactive gaming license; 30) and to take such additional action as may be necessary and proper to effectuate these stated purposes.

NGC REGULATION 8—TRANSFER OF OWNERSHIP; LOANS. PROPOSED AMENDMENTS TO REGULATION 8.130.

PURPOSE: In accordance with NRS 463.150, NRS 463.750 and S.B. 218 passed during the 2011 Legislative Session, to amend Regulation 8.130 to include operators of interactive gaming and service providers; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

NGC REGULATION 14—AMENDMENTS TO THE NEW GAMING DEVICE, NEW INTER-CASINO LINKED SYSTEM, AND NEW GAME FIELD TEST AND APPROVAL PROCEDURES.

PURPOSE: To amend the regulation to clarify that a new game may be offered to play by a licensee if approved by the chairman of the State Gaming Control Board ("chairman") for field trial; to amend regulation to add provision requiring the chairman to report new games undergoing field trial to the Nevada Gaming Commission ("Commission"); to amend regulation to provide procedures to follow once new game has completed field trial; to amend regulation to give the chairman authority to make recommendation to the Commission regarding approval of new games; to amend regulation to give chairman authority to deny application for new game; to amend regulation to give the chairman authority to limit or condition a recommendation for approval; to amend regulation to provide administrative decision appeal rights to applicants who have had their application for new game approval denied by the chairman; to amend regulation to require the chairman to report all recommendations for final approval of new games to the Commission; to amend regulation to state what actions the Commission may take regarding the chairman's recommendation for final approval of a new game; to amend regulation to provide the chairman with the option of referring a new game to the Commission without making a recommendation for approval; and to take such additional action as may be necessary and proper to effectuate this stated purpose.

NGC REGULATION 14—MANUFACTURERS, DISTRIBUTORS, OPERATORS OF INTER-CASINO LINKED SYSTEMS, GAMING DEVICES, NEW GAMES, INTER-CASINO LINKED SYSTEMS, ON-LINE SLOT METERING SYSTEMS, CASHLESS WAGERING SYSTEMS AND ASSOCIATED EQUIPMENT.

PURPOSE: In accordance with NRS 463.150 and NRS 463.750, to amend Regulations 14.010, 14.020, and 14.040 to include the following: to amend the definitions of "cashless wagering system," "chairman" and "manufacture;" to provide definitions for "equipment associated with interactive gaming," "interactive gaming system," "manufacturer of equipment associated with interactive gaming," and "proprietary hardware and software;" to require all manufacturers of associated equipment to register with the board; to provide that a person may act as a manufacturer or distributor of an interactive gaming system only if they hold a license; to provide that applications for a manufacturer or distributor of an interactive gaming system license shall be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses; to provide that applications for a manufacturer's, distributor's, manufacturer or distributor of interactive gaming system's, operator's licenses, or for a finding of suitability to be a manufacturer of equipment associated with interactive gaming shall be subject to the application and investigative fees established pursuant to Regulation 4.070; to amend the minimum standards for gaming devices to include that gaming devices must display the rules of play, the amounts to be paid on winning wagers, rake-off percentage or any fee charged to play

a game, and monetary wagering limits for games representative of live gambling games; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

NGC REGULATION 15—CORPORATE LICENSEES: PROPOSED AMENDMENTS TO REGULATIONS 15.1594-7, 15.530-1, 15.585.7-4, and 15.585.7-5; and PROPOSED DELETION OF REGULATIONS 15.1594-5, 15.1594-8, 15.490.1b-1, 15.510.1-4, and 15.585.7-3.

PURPOSE: To delete provisions applicable to corporate licensees and certain affiliates of such corporate licensees; to make changes to prohibitions with respect to the distribution or transfer of securities in the context of documents required to be filed and materially untrue, incorrect or misleading information; to delete provisions pertaining to effective dates of certain regulations; to delete provisions applicable to corporate licensees and holding companies that prohibit, without prior Commission approval, restrictions on the transfer of, or agreements not to encumber, an equity security; to make changes to the requirements concerning when findings of suitability, licensing, and/or registration are required of stockholders of corporate licensees; to make changes to the requirements concerning findings of suitability, licensing, and/or registration of corporate holding companies and stockholders of corporate 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 corporations holding a license issued by the Commission in line with statutory changes; to clarify those officers, employees and directors of holding companies who may be required to be found suitable or licensed; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

NGC REGULATION 15A—LIMITED PARTNERSHIP LICENSEES: PROPOSED AMENDMENTS TO REGULATIONS 15A.010, 15A.060, and 15A.190; PROPOSED NEW REGULATION 15A.065; and PROPOSED DELETION OF 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 less than a 5 percent 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.

NGC REGULATION 15B—LIMITED-LIABILITY COMPANY LICENSEES: PROPOSED AMENDMENTS TO REGULATIONS 15B.010, 15B.060, and 15B.190; PROPOSED NEW REGULATION 15B.065; and PROPOSED DELETION OF 15B.050 and 15B.100.

PURPOSE: To delete provisions applicable to limited liability company licensees and controlled affiliates of such limited liability company licensees; to adopt regulations setting out registration and licensing requirements for members of limited-liability companies holding less than a 5 percent ownership interest in the limited-liability company; to make changes to the requirements concerning licensing and/or registration of limited liability holding companies and members of limited-liability company 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-liability companies 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.

The proposed regulation changes will be considered by the Commission in accordance with the provisions of NRS 463.145 which allows that on the date and at the time and place designated, any interested person, or their duly authorized representative, or both, shall be afforded the opportunity to present statements, arguments or contentions in writing, with or without the opportunity to present the same orally.

This matter will be heard by the Nevada Gaming Commission at the November 17, 2011 meeting, and may be continued and heard at subsequent meetings of the Nevada Gaming Commission as required to effectuate the above stated purposes. This notice is also posted on the Commission's web site at www.gaming.nv.gov as required by NRS 463.145.

Sincerely,



Brian Duffrin
Executive Secretary