

Title 13: Gaming

Part 2: LICENSING

Part 2 Chapter 1: APPLICATIONS

Rule 1.1 Procedures.

- (a) In General. It is the declared policy of the State of Mississippi that all establishments where gambling games are conducted or operated must be licensed and controlled so as to better protect the public health, safety, morals, good order and welfare of its inhabitants. Any license, registration, finding of suitability, or approval by the Commission shall be deemed to be a revocable privilege and no person holding such a license, registration, finding of suitability, or approval is deemed to have acquired any vested rights therein.
- (b) An application for a state gaming license or any other affirmative Commission action is seeking the granting of a privilege, and the burden of proving his qualification to receive any license, registration, finding of suitability or approval, is at all times on the applicant. The applicant must document compliance with all applicable federal, state and local rules, regulations and permit requirements. An applicant must accept any risk of adverse publicity, embarrassment, criticism, or other action, or financial loss which may result from action with respect to an application and expressly waive any claim for damages as a result thereof.
- (c) An application for a license, finding of suitability, or registration, besides any other factor attaching to such an application by virtue of the Act and these regulations, shall constitute a request to the Executive Director for a recommendation and to the Commission for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in, or be associated with, the gaming industry in the manner or position sought by the application, or the manner or position generally similar thereto; and, by filing an application with the Executive Director, the applicant specifically consents to the making of such a recommendation by the Executive Director and such a decision by the Commission at their election when the application, after filing, becomes moot for any reason other than death. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* § 75-76-63

Rule 1.2 Other Commission Considerations for Licensing

- (a) In General. This chapter sets forth some criteria which the Commission will consider when deciding whether to issue a license to conduct gaming on an establishment, vessel, or cruise vessel on Mississippi jurisdiction bodies of water. The various criteria set forth may not have the same importance in each instance and other factors may present themselves in the consideration of an application for a license. The criteria are not listed in any order of priority.
- (b) Revenue provided by facility. The Commission will consider the amount of revenue to be provided by the proposed facility to the state and local communities through direct taxation on its operation indirect revenues from tourism, ancillary businesses, creation of new industry, and taxes on employees and patrons.
- (c) Establishment, vessel, or cruise vessel viable and properly financed. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is economically viable and properly financed.
- (d) Adequate security. The Commission will consider whether the proposed establishment, vessel,

or cruise vessel is planned in a manner which provides adequate security for all aspects of its operation and for the people working, visiting, or traveling on the establishment, vessel, or cruise vessel.

(e) Efficient and safe operation. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is planned in a manner which promotes efficient and safe operation of all aspects of its facility including, but not limited to, docking facilities, all areas of establishment, vessel, or cruise vessel concession areas, and management areas.

(f) Efficient, safe and enjoyable for patrons. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is planned in a manner which promotes efficient, safe, and enjoyable use by patrons including, but not limited to, establishment, vessel, or cruise vessel structure, parking facilities, concessions, the casino, access to cashier windows, and rest rooms.

(g) Compliance with applicable state and local laws. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is in compliance with applicable state and local laws regarding fire, health, construction, zoning, and other similar matters.

(h) Employ appropriate persons. The Commission will consider whether the applicant will employ the persons necessary to operate the establishment, vessel, or cruise vessel in a manner consistent with the needs, safety, and interests of all persons who will be on the establishment, vessel, or cruise vessel.

(i) Population of area establishment, vessel, or cruise vessel will serve. The Commission will consider the population of the area to be served by an establishment, vessel, or cruise vessel together with location of other establishments, vessels, or cruise vessels within and without the state of whatever nature.

(j) Character and reputation. The Commission will consider the character and reputation of all persons identified with the ownership and operation of the establishment, vessel, or cruise vessel or licensed business, and their capability to comply with the rules of the Commission and the Mississippi Code.

(k) Economic development. The Commission will consider whether the proposed operation will maximize economic development. The operation, to the extent practicable, should exhibit a good faith effort to choose Mississippi businesses and residents in the awarding of contracts for goods, services and entertainment. The applicant shall demonstrate to the Commission all efforts made to comply with this regulation at the time of the initial licensing and all subsequent licensures.

(l) Tourism. The Commission will consider whether the proposed operation is beneficial to Mississippi tourism.

(m) Employment opportunities. The Commission will consider the number and quality of employment opportunities for Mississippians created and promoted by the proposed operation. The applicant shall demonstrate to the Commission all efforts made to comply with this regulation at the time of the initial licensing and all subsequent licensures.

(n) Shore development. The Commission will consider the amount and type of shore developments associated with the gaming establishment, vessel, or cruise vessel project.

(o) Miscellaneous. The Commission will consider such other factors as may arise in the circumstances presented by a particular application.

(Adopted: 09/25/1991; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-63, 75-76-34, 75-76-3

Rule 1.3 Licenses And Other Commission Actions

(a) Gaming License. A license which authorizes the holder to operate a gaming establishment. A

gaming license is granted for a period of no longer than three (3) years from the date of issue. A gaming license may be granted for a period of less than three (3) years within the discretion of the Commission. At the expiration of a license, if the Commission is satisfied, after careful review of the licensee's current report, verified by the affidavit of an officer of the licensee, that there has been no substantial change in the information provided in the application for the initial license, the Commission may, upon receipt of all prescribed fees and cost, continue the license for a period no longer than three (3) years. No more than two (2) continuances may be granted for each license and any continuance of a license is subject to the Commission's power to revoke, suspend, condition or limit as if it were the initial license.

(b) **Manufacturer's License.** A license which authorizes the holder to manufacture, assemble, or modify any gaming device in the State of Mississippi or for use or play in Mississippi. A manufacturer's license is granted for a period of no longer than three (3) years from the date of issue. A manufacturer's license may be granted for a period of less than three (3) years within the discretion of the Commission. At the expiration of a license, if the Commission is satisfied, after careful review of the licensee's current report, verified by the affidavit of an officer of the licensee, that there has been no substantial change in the information provided in the application for the initial license, the Commission may, upon receipt of all prescribed fees and cost, continue the license for a period no longer than three (3) years. No more than two (2) continuances may be granted for each license and any continuance of a license is subject to the Commission's power to revoke, suspend, condition or limit as if it were the initial license.

(c) **Distributor's License.** A license which authorizes the holder to lend, lease, sell, give, or distribute in any other manner any gaming device in the State of Mississippi or outside the State of Mississippi for use or play in Mississippi. A distributor's license is granted for a period of no longer than three (3) years from the date of issue. A distributor's license may be granted for a period of less than three (3) years within the discretion of the Commission. At the expiration of a license, if the Commission is satisfied, after careful review of the licensee's current report, verified by the affidavit of an officer of the licensee, that there has been no substantial change in the information provided in the application for the initial license, the Commission may, upon receipt of all prescribed fees and cost, continue the license for a period no longer than three (3) years. No more than two (2) continuances may be granted for each license and any continuance of a license is subject to the Commission's power to revoke, suspend, condition or limit as if it were the initial license.

(d) **Registration.** A commission action which authorizes an entity to be a holding company with respect to another entity which holds or applies for a state gaming license.

(e) **Other Licenses Or Findings Of Suitability.** The Act and these regulations require or permit the Commission to require that certain persons directly and actively involved in the administration or supervision of the gaming activities of gaming licensees be found suitable to hold a gaming license so long as that involvement continues.

1. The following persons shall apply for a finding of suitability and must be found suitable by the Commission in order to be involved with a licensee:
 - i. each person who serves as Chairman of the Board of Directors of any corporation, public or private, licensed or registered by the Commission; and
 - ii. each person who has a vote on any issue before the Board of Directors of any corporation, public or private, licensed or registered by the Commission and who is also an employee of the corporation or any of its subsidiaries.
2. The following persons shall apply for a finding of suitability and may be found

suitable by the Commission after review of the application:

- i. each person who serves as the Chairman of the audit or compliance committees of any corporation, public or private, licensed or registered by the Commission, and
 - ii. any executive, employee, or agent of a gaming licensee that the Commission determines as having the power to exercise a significant influence over decisions concerning any part of the operation of a gaming licensee.
3. Whenever it is the judgment of the Commission that the public interest and the policies set forth in the Act will be served by requiring any employee to be found suitable, the Commission shall serve notice of such determination upon the licensee. The Commission shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person involved in making its decision as to suitability status. Examples shall include, but are not limited to, persons acting in the capacity of a property level general manager, assistant general manager, or executive level personnel actively and directly engaged in the administration or supervision of the activities of a licensee. Grounds for requiring suitability of an executive, employee or agent which are deemed to serve the public interest and the policies of the Act include but are not limited to the following:
 - i. the individual is new to the industry, to the particular gaming establishment, or the position, and has significant influence and control and the Commission has little or outdated information concerning his or her character, background, reputation or associations; or
 - ii. information has been received by the Commission which, if true, would constitute ground for a finding of suitability to be associated with a gaming enterprise.
4. The licensee shall, within thirty (30) days of placing an employee into a position as described above shall present notification to the Executive Director who shall inform the licensee whether the application for a finding of suitability is necessary. Failure of the licensee to respond as required by this section shall constitute grounds for disciplinary action.
5. Any individual whose application for finding of suitability is required pursuant to this regulation may request the Commission in writing to review its determination of that individual's status within the gaming organization any time within ten (10) days following the filing of a completed application as required by this regulation. In the event the Commission determines that the applicant is not required to be found suitable or that the public interest and policies of the Act do not require the finding of suitability of the individual at the time, then the applicant shall be allowed to withdraw his application and he may continue in his employment.
6. An applicant for a finding of suitability has the burden of proving his qualification to receive and maintain a finding of suitability pursuant to Mississippi Code Annotated § 75-76-67. If the nature of the job changes from that for which the applicant is found suitable, he may be required to submit himself to a new determination of his suitability.

7. A finding of suitability is granted for a period of no longer than ten (10) years from the date of issue. A finding of suitability may be granted for a period of less than ten (10) years within the discretion of the Commission.
 - i. A holder of a finding of suitability must file with the Investigations Division of the Commission the “Investigations Division Annual Report”, providing all information requested on forms provided by the Commission, and any other information requested by the Executive Director. Such “Investigations Division Annual Report” shall be due by June 30th of each year, with the exception of the calendar year the license is granted.
 - ii. A holder of a finding of suitability shall immediately inform the Commission of any arrest or conviction.
- (f) Any executive, employee, or agent of a gaming licensee who is listed or should be listed in the annual employee report may be required to apply for a finding of suitability at the direction of the Commission.
- (g) Approvals. The Mississippi Gaming Control Act and these regulations require commission approval for certain acts of licensees or transactions directly or indirectly involving licensees. Such approvals by themselves do not constitute the licensing or a finding of suitability of any person involved, but merely an approval for the particular transaction involved. The Executive Director shall have complete discretion in determining whether to grant prior approval for a contract or agreement which would otherwise be prohibited under Miss. Code Ann. §75-76-61(5), or an employment relationship which would otherwise be prohibited under Miss. Code Ann. §75-76-61(6). Notwithstanding the foregoing, however, no such prior approval shall be granted unless the Commission has previously given unanimous approval of the contract, agreement or employment relationship.
- (h) Gaming Site Approval and Approval to Proceed with Development. The Commission may, in its discretion, grant approval of gaming sites. The Commission has divided the approval process into two separate phases:
 1. Gaming site approval; and
 2. Approval to proceed with development.

Source: *Miss. Code Ann.* § 75-76-63

Rule 1.4 Gaming Site Approval.

The Commission has the authority to determine the legality and suitability of gaming sites, and a finding of suitability of a gaming site constitutes the Commission’s finding that the location is both suitable for gaming and complies with applicable gaming laws and regulations. Gaming site approval is a revocable privilege, and no holder acquires any vested right therein. The Commission has final authority in reviewing and approving each site as it pertains to meeting the requirements of this regulation. When requesting approval the applicant must provide the following information, together with evidence satisfactory to the Commission in support thereof:

- (a) A survey and supporting conveyances indicating the specific location of the property and the location where gaming would be conducted on the property.
 1. For an inland site approval located in the three (3) most southern counties in Mississippi, the survey:

- a) Must be performed by a qualified surveyor of tidal surveys and establish the nineteen (19) year mean high water line;
 - b) Must establish that no gaming activities will be conducted more than eight hundred (800) feet from the mean high water line, or, if in Harrison County, no farther north than the southern boundary of Highway 90, whichever is greater, as provided in Miss. Code Ann. § 97-33-1(b)(ii);
 - c) Must establish that the applicant owns and/or leases the parcel(s) that will contain the gaming structure and the parcel(s) that contain or border the relevant mean high water line; in the case of multiple parcels, the survey must establish that all parcels are contiguous but for easements and rights-of-way for public streets and highways (which shall not be counted in the 800 foot distance calculation) as provided in Miss. Code Ann. § 97-33-1(b)(iii);
- (b) The current use of any adjacent property as well as the location of the nearest residential area, church and school.
- (c) Certification from the appropriate governing authorities that all applicable zoning ordinances allow gaming at the proposed site.

Source: *Miss. Code Ann.* §§ 75-76-225; 75-76-209 ; 75-76-27; 75-76-79; 75-76-33; 75-76-79;

Rule 1.5 Approval to proceed with development.

With respect to obtaining the Commission's approval to proceed with development, the following information, together with documentation to support this information, shall be submitted to the Commission:

- (a) Architectural plans or renderings showing details of all proposed construction and renovation for the project, together with a footprint of the project. Include a description of the construction and type of parking facilities, as well as parking lot capacity. Commission approval requires that the project include a 500-car, or larger parking facility in close proximity to the casino complex, and infrastructure facilities shall include a 300-room, or larger hotel of at least a three diamond rating as defined by an acceptable travel publication to be determined by the Commission. In addition, infrastructure facilities must include a restaurant capable of seating at least 200 people and a fine dining facility capable of seating at least 75 people, and the casino floor must be at least 40,000 square feet. The project will also have or support an amenity that will be unique to the market and will encourage economic development and promote tourism. The Commission will have authority in determining the quality of the amenity and the ultimate approval of the amenity, and may in its discretion reduce the requirements above should it determine that there is a justification to do so in certain markets. The Commission will further determine, in its discretion, if the prerequisite hotel and dining facilities may be supplanted by an amenity of high value to the overall tourism market in that the amenity will likely encourage economic development and promote tourism. As used herein, infrastructure facilities are not such items as parking facilities, roads, sewage and water systems, or civic facilities normally provided by cities and/or counties. The qualifying infrastructure must be owned or leased by (i) the holder of the site approval, or (ii) an affiliated company of the holder of the site approval where both the affiliated company and the holder of the site approval have identical direct or indirect equity ownership. This regulation shall apply to any new applicant for a gaming license for a new gaming facility and to the acquisition or purchase of a licensee or gaming facility for which gaming operations have ceased prior to the time of acquisition or purchase. This regulation, however, shall not apply to any licensee which

has been licensed by the Commission, or to any person which has received Approval to Proceed with Development from the Commission, prior to December 31, 2013. (or to such licensee upon any licensing renewal after such date). Any change to the plan, or placement or design of the establishment, cruise vessel or vessel, shall be submitted in advance to the Executive Director for determination of whether such a change constitutes a material change. If the Executive Director determines that a material change has occurred, Commission approval is required for the same.

(b) Statements reflecting the total estimated cost of construction or renovation of the establishment, vessel, or cruise vessel and shore and dock facilities, distinguishing between known costs and projections, and separately identifying:

1. Facility design expense;
2. Land acquisition costs;
3. Site preparation costs;
4. Construction costs or renovation costs;
5. Equipment acquisition costs;
6. Cost of interim financing;
7. Organization, administrative and legal expenses;
8. Projected permanent financing costs;
9. Qualified infrastructure costs; and
10. Non-qualifying infrastructure costs.

(c) A construction schedule for completion of the project, including an estimated date of project completion. Indicate whether a performance bond will be required by the applicant to be furnished by the contractor.

(d) Current financial statements, including, at a minimum, a balance sheet and profit and loss statement for the proposed licensee.

(e) A detailed statement of the sources of funds for all construction and renovation proposed by the site development plans. Any funding, whether equity or debt, to be obtained must be supported by firm written commitments satisfactory to the Commission. The applicant will have 120 days in which to close all financing and start construction or the approval is deemed void.

(f) Evidence that the following agencies (if applicable) were notified of the development and/or do not oppose the site development:

1. U.S. Corps of Engineers
2. U.S. Coast Guard
3. Mississippi Department of Transportation
4. Mississippi Department of Environmental Quality
5. Department of Marine Resources
6. Port and Harbor Commission
7. Levee Board
8. City and County government
9. Such other agencies as the Executive Director deems appropriate.

The application for a Gaming Operator's License shall be filed no later than ninety (90) days after the Commission grants approval to proceed with development. The gaming site approval will expire three (3) years from the date approval to proceed with development is granted unless the Commission grants an extension. Approval to proceed with development is not subject to sale, assignment or transfer.

Source: *Miss. Code Ann.* §§ 75-76-61, 75-76-77, 75-76-27, 75-76-45

Rule 1.6 Opening of a Casino.

Before any gaming facility may open to the public, all infrastructure requirements must be fully operational. The development shall be completed in accordance with the approved plan and be ready for operation within the gaming site approval time period. Gaming site approval may be extended, within the discretion of the Commission. Gaming shall not be conducted on any approved site unless the Commission has issued an operator's license to the person that owns, leases or controls the cruise vessel or structure where gaming activities will be conducted as provided in Miss. Code Ann. § 97-33-1(b)(i). If the casino is in any of the three (3) most southern counties of the state, and public trust tidelands are not leased in order to meet the requirements of Rule 1.4, the licensee will be required to pay an annual in-lieu tidelands assessment as required in Miss. Code Ann. § 29-1-107(4)(c) at the time of issuance of the operator's license. (Adopted: 09/25/1991; Amended: 10/13/94; Amended: 07/23/2003; Amended: 02/23/2006; Amended 06/21/2007.)

Source: *Miss. Code Ann.* §§ 75-76-77; 75-76-61

Rule 1.7 Compliance review and reporting system.

(a) Whenever the Commission is acting upon any application of a licensee or registrant, or pursuant to its powers provided in Miss. Code Ann. §75-76-103, and if the Commission determines that circumstances exist which require additional management review by a licensee or registrant, the Commission may impose a condition upon any license or order of registration to require implementation of a compliance review and reporting system by the licensee or registrant.

(b) The terms of the condition may include, but shall not be limited to:

1. That the condition shall expire on a certain date or after a designated period of time without commission action;
2. That the condition may be administratively removed by the Executive Director should a specified activity cease or a specified event occur; or That a periodic review shall be conducted by the Executive Director and upon such review the Executive Director may recommend and the Commission may remove or continue to require the condition.

(c) Notwithstanding the provision of paragraph (b) above, upon application, a licensee or registrant may request modification or removal of the condition imposed and the Commission may, after considering the recommendation of the Executive Director, modify or remove the condition.

(d) The compliance review and reporting system shall be created for the purpose of monitoring activities relating to the licensee's or registrant's continuing qualifications under the provisions of the Act and regulations of the Commission in accordance with a written plan to be approved by the Executive Director administratively or as otherwise ordered by the Commission.

(e) The written plan must provide for the operation of the compliance review and reporting system and must designate who shall be responsible for said system. The plan must provide for involvement of at least one person knowledgeable of the provisions of the Act and the regulations of the Commission. The plan must require periodic reports to senior management of the licensee or registrant. Such reports shall be advisory and the licensee or registrant shall maintain responsibility for compliance with the Act and regulations of the Commission. Copies of the reports must be provided to the Commission.

(f.) The activities to be monitored must be set forth in the written plan and must be determined by the circumstances applicable to the licensee or registrant. Without limitation, the activities that

may be required to be monitored pursuant to the compliance review and reporting system include the following:

1. Associations with persons denied licensing or other related approvals by the Commission or who may be deemed to be unsuitable to be associated with a licensee or registrant;
2. Business practices or procedures that may constitute grounds for denial of a gaming license or registration;
3. Compliance with other special conditions that may be imposed by the Commission upon the licensee or registrant;
4. Review of reports submitted pursuant to the Act and regulations of the Commission;
5. Compliance with the laws, regulations, or orders of duly constituted governmental agencies or entities having jurisdiction over the gaming affairs, or such other business activities which the
6. Executive Director or the Commission may deem necessary or proper, of the licensee, the registrant, or its affiliates; and

Review of such other activities determined by the Commission as being relevant to the licensee's or registrant's continuing qualifications under the provisions of the Act and the regulations of the Commission. (Adopted: 9/25/1991; Amended: 08/18/1994; Amended: 10/22/1998; Amended: 11/19/1998; Amended: 01/21/1999; Amended: 11/18/1999; Amended: 01/18/2001; Amended: 07/23/2003; Amended: 10/27/2005; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-61, 75-76-63, 75-76-77 , 75-76-103

Rule 1.8 Information Required; Failure To Provide Complete And Accurate Information Constitutes Grounds For Delay Or Denial Of Application; Amendments.

(a) In addition to the information required by Miss. Code Ann. § 75-76-73, an applicant shall provide to the Executive Director, on forms furnished by the Executive Director, complete information regarding the proposed operation, including but not limited to, a certification that any establishment, vessel or cruise vessel to be used by the proposed operation has been inspected and approved by all appropriate authorities as soon as such certification is complete, fingerprints of each individual applicant, the nature, source, and amount of any financing, the proposed uses of all available funds, the amount of funds available after opening for the actual operation of the establishment, and economic projections for the first three (3) years of operation of the establishment. In addition, the applicant shall provide complete information regarding his or her background for the ten year period preceding submission of the application.

(b) In all cases in which the premises to be used for the proposed operation are not wholly owned by the applicant, the applicant shall provide to the Executive Director complete information pertaining to the interest held by any person other than the applicant, including the name and address of the owner or owners of the premises, a copy of all agreements entitling the applicant to possession of the premises and such other information as the Executive Director may require.

(c) Pursuant to Miss. Code Ann. §75-76-73, the Commission or the Executive Director may require an applicant to provide such other information and details as they need to discharge their duties properly. Failure to supply any information promptly after receiving the Executive Director's or the Commission's request constitutes grounds for delaying consideration of the application or for denial.

(d) It is grounds for denial of an application or disciplinary action for any person to make any

untrue statement of material fact in any application, or in any statement or report filed with the Executive Director or Commission, or willfully to omit to state in any such application, statement or report any material fact which is required to be stated therein, or which is necessary to make the facts stated not misleading.

(e) All information included in an application must be true and complete as of the dates submitted and an applicant shall promptly supply by amendment, any information based on facts occurring after the original application so as to make such information not misleading as of the dates of any action taken by the Executive Director and the Commission.

(f) An application may be amended in any respect by leave of the Executive Director at any time prior to final action thereon by the Commission. Any amendment to an application shall have the effect of establishing the date of such amendment as the filing date of the application with respect to the time requirements for action on the application. Request for amendment to an application must be in writing.

(Adopted: 9/25/1991; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-63, 75-76-67, 75-76-73

Rule 1.9 Additional Application Information Required.

Every application to become a license holder shall contain the following additional information:

(a) Give actual establishment, vessel, or cruise vessel blueprints, including a layout of each floor stating the projected use of each area.

(b) State whether the establishment, vessel, or cruise vessel has been or will be certified by the United States Coast Guard, if applicable.

(c) Set forth the proposed route to be taken, identifying the body of water, and include any relevant Army Corps of Engineer data or Mississippi Departments of Environmental Quality and the Department of Wildlife, Fisheries and Parks data on that body of water.

(d) State the number of miles from the nearest population center and describe briefly the transportation facilities serving that population's center.

(e) Describe the casino size and configuration of slot machines, video games of chance and table games.

(f) State the availability of fire protection and the adequacy of law enforcement on the establishment, vessel, or cruise vessel, both at the docking facilities and along the proposed excursion route. Provide emergency evacuation plans for hurricane and flooding disasters.

(g) Describe the arrangements for food and drink concessions, indicating the names and addresses of concessionaires and the terms of the concession contracts, if applicable.

(h) Indicate the type of slot machines and video games of chance to be used; also, indicate the proposed distributors and manufacturers of this equipment.

(i) Describe the physical location, size and floor plan of the section of the establishment, vessel, or cruise vessel reserved for patrons under 21 years of age. Provide plans for activities and staffing of this section.

(j) Indicate establishment, vessel, or cruise vessel days and periods of time that the gaming areas will be in operation.

(k) Describe the proposed management of the facility, management personnel by function, and tip distribution policies.

(l) Include any and all known feasibility studies made available to the applicant which have been done on the type of gaming in the particular locale where the applicant intends to conduct gaming.

(m) Describe procurement policies that emphasize the utilization of Mississippi employees, resources, goods and services in the operation of the gaming establishment, vessel, or cruise vessel.

(Adopted: 9/25/1991; Amended: 7/ 23/2003; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-63, 75-76-67, 75-76-73

Rule 1.10 Separate Applications For Each Establishment.

Separate applications are required for each establishment for which a gaming license is sought, irrespective of the ownership of such establishment.

(Adopted: 9/25/1991.)

Source: *Miss. Code Ann.* § 75-76-73

Rule 1.11 Application And Investigative Fees

- (a) Simultaneously with the submission of its application for a gaming license, the applicant shall pay a non-refundable application fee of Five Thousand Dollars (\$5,000.00) along with all other fees provided for in the Gaming Control Act. These fees shall be payable to the Mississippi Department of Revenue.
- (b) An applicant for any subsequent gaming license, continuance of a gaming license, finding of suitability, registration, approval, or other license pertaining to a particular establishment shall pay such investigative fees and costs as determined by the Executive Director. Any licensee which is the subject of a periodic compliance investigation shall pay such investigative fees and cost as determined by the Executive Director. The Executive Director shall estimate the investigative fees and costs and may require a deposit to be paid by the applicant or licensee in advance as a condition precedent to beginning or continuing an investigation. If, at any time, the Executive Director determines that the investigative fees and costs are likely to exceed the deposits paid by the applicant or licensee, the Executive Director may require additional deposits.
- (c) The Executive Director and Commission will not take final action to approve any application unless all application and investigative fees and costs have been paid in full. The Executive Director may recommend denial and the Commission may deny the application if the applicant has failed or refused to pay all application and investigative fees and costs.
- (d) Upon final action on the application, the Executive Director shall give to the applicant an itemized accounting of the investigative fees and costs incurred. The Executive Director shall refund to any applicant who made deposits pursuant to Subsection (b) of this Regulation, any balance remaining in the investigative account of the applicant after all investigative fees and costs have been paid.

(Adopted: 09/25/1991; Amended: 11/18/1999.)

Source: *Miss. Code Ann.* §§ 75-76-183, 75-76-189, 75-76-183, 75-76-177

Rule 1.12 Timetable for Financing and Construction

- (a) License applicants shall submit, simultaneously with submission of their completed application, a timetable for financing arrangements (including applications for approval of public offerings or private placements), and commencement and completion of construction activities and setting forth the date upon which gaming activities will commence. This timetable will be subject to approval by the Commission, and monitored for compliance by the Executive Director.
- (b) The Commission may grant extensions of time upon the recommendation of the Executive Director.

- (c) License applicants shall not advertise or promote the opening of their proposed casino nor the commencement of employee training for that proposed casino until the applicant is granted a license by the Mississippi Gaming Commission. After the granting of a license, the licensee may advertise or promote the opening of their casino and/or the commencement of employee training for that casino. Applicants may request a waiver of this regulation from the Executive Director stating compelling reasons for an exception to this regulation. The granting of any waiver by the Executive Director shall be subject to revocation.
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* §§ 75-75-187, 75-76-175, 75-76-93

Rule 1.13 Withdrawal Of Application

- (a) A request for withdrawal of an application may be made at any time prior to final action upon the application by the Commission by filing a written request to withdraw with the Executive Director.
- (b) The Executive Director may, in his discretion, deny the request, or grant the request with or without prejudice. If the request is denied or granted with prejudice, the applicant may appeal to the Commission within ten (10) days of the Executive Director's decision.
- (c) If a request for withdrawal is granted with prejudice, the applicant is not eligible to apply again for licensing or approval until after expiration of one (1) year from the date of such withdrawal.
- (d) The Executive Director shall notify the applicant in writing whether its request for withdrawal has been granted with or without prejudice or denied.

Source: *Miss. Code Ann.* §§ 75-76-23, 75-76-67, 75-76-63

Part 2 Chapter 2: QUALIFICATIONS

Rule 2.1 Criteria for Cruise Vessels and Vessels.

- (a) Cruise Vessel:
1. Complies with all U.S. Coast Guard regulations;
 2. Has a minimum overall length of one hundred fifty feet (150');
 3. Has a minimum draft of six feet (6'); and
 4. Is certified by the U.S. Coast Guard to carry at least two hundred (200) passengers.
- (b) Vessel:
1. For purposes of the Mississippi Gaming Control Act, includes every
 2. description of floating watercraft or other floating artificial contrivance;
 3. Has a minimum overall length of one hundred fifty feet (150');
 4. Shall comply with all state and local safety and health ordinances and/or regulations.

(Adopted: 11/14/1990; Amended: 07/16/1998.)

Source: *Miss. Code Ann.* § 75-76-67

Rule 2.2 Location

- (a) The legislature has declared gaming operations legal if licensed by the Commission and conducted upon establishments, vessels and cruise vessels located in certain statutorily described areas where voters have not voted to prohibit gaming. The Commission, as authorized by law and in conformity with the power and responsibility vested in it by the

legislature, finds that gaming licensees may operate at the following locations. Nothing in this section shall act to prevent the Commission from denying a gaming license or preliminary site approval based on the unsuitability of a particular site.

1. Cruise Vessels. Waters within the State of Mississippi which lie adjacent to the three (3) most southern counties of the State. In addition to the Mississippi Sound, this would include St. Louis Bay, Biloxi Bay and Pascagoula Bay. However, the rivers, bayous, lakes and back bays leading into these bays, including but not limited to the Jourdan River, Wolf River, Bernard Bayou, Tchoutacabouffa River, Pascagoula River and Escatawpa River, Biloxi River, Big Lake and Back Bay of Biloxi are not within the authorized area. In determining where the river ends and the bay begins, an imaginary line shall be drawn from the foremost land mass at the intersection of the river and bay, straight across the river to the foremost land mass of the intersection on the other side. In determining where Back Bay of Biloxi ends and Biloxi Bay begins, an imaginary line shall be drawn beginning at a point 1200 feet west of the center line of Interstate 110 on the northern shore to a point on the center line of Interstate 110 on the southern shore.
2. Vessels. Vessels must be on the Mississippi River or navigable waters within any county bordering on the Mississippi River when such navigable waters run into the Mississippi River. Navigable waters mean any rivers, creeks, bayous or other bodies of water that are used or susceptible of being used as an artery of commerce and which either in their natural or improved condition are used or suitable for use as an artery of commerce or are used for the docking or mooring of a vessel, notwithstanding interruptions between the navigable parts of such rivers, creeks, bayous or other bodies of water by falls, shallows, or rapids compelling land carriage. Vessels may be located (1) on the Mississippi River, including oxbow lakes immediately adjacent to the Mississippi River, that communicate with the Mississippi River and are characterized by currents which reverse seasonally, running one direction when the Mississippi River rises, and the opposite direction when it falls, and (2) on navigable waters.
 - i. “Navigable Waters” are defined as rivers, creeks, bayous or other naturally occurring bodies of water that, at the time of application and prior to improvements to accommodate a vessel empty into the Mississippi River in the county where the applicant casino is located; are located within a county where gaming is legal, in other words, do not border a county where gaming is illegal; are used or susceptible of being used as an artery of commerce for substantial commercial traffic; either in their natural or improved condition are used or suitable for use as an artery of commerce for substantial commercial traffic or are used for docking or mooring of a vessel; and are of a sufficient depth and width at least thirty (30) days of the calendar year to accommodate a vessel of at least 150’ in length and the proposed width of the applicant vessel.
 - ii. Naturally occurring interruptions between the navigable parts of such rivers, creeks, bayous or other bodies of water by falls, shallows, or rapids compelling land carriage do not deprive it of its classification of navigable. Artificial impediments to navigation for substantial commercial traffic do not deprive rivers, creeks, bayous or other bodies of water of their status as navigable.
 - iii. In accordance with the above, vessels must be west of the main line levee that runs from the border between the states of Mississippi and Tennessee to the end of the main

line levee in Warren County and west of the naturally occurring levee system or bluffs from Warren County to the border between Wilkinson County, Mississippi and West Feliciana Parish, Louisiana, except vessels may be located on the Yazoo River within Warren County and the Big Black River where it forms the border between Warren and Claiborne Counties.

3. Establishments. The part of the structure in which licensed gaming activities are conducted is located entirely in an area which is located no more than eight hundred (800) feet from the mean high-water line (as defined in Section 29-15-1) of the waters within the State of Mississippi, which lie adjacent to the State of Mississippi south of the three (3) most southern counties in the State of Mississippi, including the Mississippi Sound, St. Louis Bay, Biloxi Bay and Pascagoula Bay, or, with regard to Harrison County only, no farther north than the southern boundary of the right-of-way for U.S. Highway 90, whichever is greater; and In the case of a structure that is located in whole or part on shore, the part of the structure in which licensed gaming activities are conducted shall lie adjacent to state waters south of the three (3) most southern counties in the State of Mississippi, including the Mississippi Sound, St. Louis Bay, Biloxi Bay and Pascagoula Bay. When the site upon which the structure is located consists of a parcel of real property, easements and rights-of-way for public streets and highways shall not be construed to interrupt the contiguous nature of the parcel, nor shall the footage contained within the easements and rights-of-way be counted in the calculation of the distances specified in the above paragraph.
4. The Executive Director may make a recommendation to the Commission regarding the qualification of a location for gaming operations upon the request of an applicant for an operator's license or upon a finding by the Executive Director that such determination is necessary and in accord with public policy.
5. These amendments shall apply to all existing, pending, renewal and new applicants for a license or preliminary site approval. (Adopted: 11/14/1990; Amended: 12/12/1990; Amended: 07/16/1998; Amended: 04/26/2001; Amended: 07/23/2003; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-3, 75-76-29, 75-76-33

Rule 2.3 Unsuitable Locations.

The Executive Director may recommend that an application for a license be denied if the Executive Director believes that the place or location for which the license is sought is unsuitable for the conduct of gaming operations. The Commission may deny an application for a state gaming license if it deems that the place or location for which the license is sought is unsuitable for the conduct of gaming operations. Without limiting the generality of the foregoing, the following places or locations may be deemed unsuitable:

- (a) Premises located within the immediate vicinity of residential areas, churches, schools and children's public playgrounds.
- (b) Premises where gaming is contrary to any county or city, ordinance, including, but not limited to, zoning ordinances restricting the permissible locations for gaming facilities, so long as such ordinances do not have the effect of absolutely excluding or prohibiting legal gaming;
- (c) Premises which fail to meet federal, state or local health and safety standards, and any other applicable laws or regulations including, but not limited to Coast Guard regulations.
- (d) Premises frequented by minors. The Executive Director may recommend and the Commission

may determine that premises frequented by minors are nevertheless suitable if the applicant demonstrates that it has taken sufficient precautions to separate areas of the premises frequented by minors from the gaming operation.

- (e.) Premises lacking adequate supervision or surveillance.
- (f.) Premises difficult to police, or where adequate fire protection may be difficult.
- (g.) Any other premises where the conduct of gaming would be inconsistent with the public policy of the State of Mississippi.
- (h.) The Legislature has declared certain public policy relating to gaming. In response to these directives, the Mississippi Gaming Commission has adopted certain rules as guidelines to adhere to this policy.
- (i.) The Commission, in conformity with this policy and guidelines in its rules and regulations when determining suitability of a site in which primary access is from a foreign jurisdiction, finds that:
 - 1. Access to any site on the west side of Mississippi River would require primary access from a foreign jurisdiction;
 - 2. Revenues from tourism and ancillary business would by necessity adhere to jurisdictions other than Mississippi;
 - 3. The population of the area served would be substantially non-Mississippi;
 - 4. It would not maximize economic development of Mississippi;
 - 5. Is not beneficial to Mississippi tourism;
 - 6. Employment opportunities would serve other than Mississippians;
 - 7. Shore developments would substantially be on foreign jurisdictions;
 - 8. Fire and police protection would fall on the shoulders of the foreign jurisdiction due to the inaccessibility of the site. There would be an undue burden on the Commission to strictly regulate as dictated by the Legislature.
 - 9. Any establishment that must be accessed by agents traveling through foreign jurisdictions, frequently, if not daily, puts an unacceptable burden on that agent as well as the State. The lost time through travel is a highly inefficient use of state assets and additionally requires the agent to abandon on a daily basis the protection afforded to him by the state and submit to the laws of the foreign jurisdiction. The Mississippi Gaming Commission therefore declares it to be the policy of the Commission that any location that requires primary access from foreign jurisdictions to be unsuitable for a gaming establishment. (Adopted: 09/25/1991; Amended: 10/13/1994.)

Source: *Miss. Code Ann.* §§ 75-76-29, 75-76-57

Rule 2.4 Safety Standards

- (a) Fire Safety Standards. Any establishment to be constructed for dockside gaming that will be permanently moored or on a land based structure, will be required to meet (1) the fire safety standards of the Mississippi Fire Prevention code, Section 45-11-101, (2) additional requirements for places of amusement as listed in Sections 45-11-21 through 45-11-55 of the Mississippi Code, (3) the fire safety standards contained in the National Fire Protection Association ("NFPA") Standard 307, Standard for the Construction and Fire Protection of Marine Terminals, Piers, and Wharfs, and (4) the NFPA Life Safety Code. However, to the extent local fire safety standards exceed the foregoing standards, the local standards must be followed.

- (b) Coast Guard, Department of Homeland Security Standards. Any vessel, cruise vessel or structure that is subject to the regulations of 46 CFR, Chapter 1, Subchapter S “Subdivision and Stability”, shall maintain compliance with Part 170 of Subchapter S and all Subparts thereunder which apply to the vessel or cruise vessel. Evidence of compliance with these requirements and all required testing shall be available to the Mississippi Gaming Commission upon request.
 - (c) Building Standards. All licensees must comply with the state and/or local building codes applicable to the gaming establishment and all required infrastructure facilities and amenities that are part of the gaming development and operation.
- (Adopted: 09/25/1991; Amended: 06/28/93; Amended 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-3*

Rule 2.5 Home Port; Excursions

- (a) Whenever any person intends to apply for a gaming license pursuant to the Act, he shall file a notice of intent to apply for a gaming license with the Commission.
- (b) The notice of intent must completely and accurately describe the proposed gaming establishment, including its size, the number and types of games to be operated, the vessel's home port, whether the vessel will make excursions and, if so, the approximate routes, frequency, and duration of such excursions. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-73*

Rule 2.6 Change Of Vessel, Location, Home Port Or Excursions.

A licensee shall not change its establishment or its vessel, the location of its establishment or vessel, home port of its vessel, or the routes, frequency, or duration of any excursions without the prior approval of the Commission. Notwithstanding the foregoing, the Executive Director may allow a licensee to temporarily change the routes, frequency, or duration of excursions pending final approval by the Commission. (Adopted: 09/25/1991; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-29*

Rule 2.7 Officials Not To Hold Gaming Licenses Or Related Approvals.

- (a) Prohibition. No state gaming license, finding of suitability, or approval, the granting of which requires an application to be made to the Commission, shall be held by nor granted to any person holding office in, or employed by, any agency of the State of Mississippi or any of its political subdivisions when the duties of such office or agency pertain to the enforcement of the provisions of the Act.
- (b) Inclusions. This regulation applies specifically, but without limitation, to the following categories of persons in gaming enforcement:
 - 1. Persons affiliated with the attorney general's office of the State of Mississippi;
 - 2. Persons affiliated with any district attorney's office within the state;
 - 3. Persons affiliated with any sheriff's office or police department within the state;
 - 4. Members, agents, or employees of the Commission;
 - 5. Any member of the judiciary; or
 - 6. Any local City or County officials.
- (c) Waivers. The Commission may waive the prohibition contained within subsection (a) of this regulation if it makes a written finding that such waiver is not inconsistent with the state policy

set forth in the Act, and the functions, duties, or responsibilities of the person otherwise restricted from holding the license, finding of suitability, or approval do not involve matters relating to the enforcement of the provisions of the Act.

- (d) Non-transferability Of Waivers. A waiver granted pursuant to this section is applicable only to the specific matter for which it is granted and shall not be transferable to any other license, finding of suitability, or approval applied for or held by the person otherwise prohibited from holding or being issued the same. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-63, 75-76-67*

Rule 2.8 Licensing Of A Natural Person Under The Age Of Twenty-One.

The Commission will not ordinarily grant a state gaming license or finding of suitability to an individual under twenty-one years of age. This policy would not affect the licensing or finding of suitability of a trust where the settlor or beneficiary is under the age of twenty-one years. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-155*

Rule 2.9 Notice To County Or Municipality; Objection By County Or Municipality.

- (a) Whenever the Commission receives a completed application for a gaming license proposing to operate a gaming establishment in a particular county or municipality, the Executive Director shall, within ten (10) days after receipt of the application, notify the board of supervisors of the county and, if applicable, the chief executive of the municipality, in which the proposed operation will be located, of the receipt of the application, and specify the name of the applicant and the proposed location for the gaming establishment.
- (b) The county or municipality in which the applicant proposes to operate a gaming establishment may file a duly enacted resolution specifying any objections or endorsements with the Executive Director within thirty (30) days after receipt of the notice provided by the Executive Director pursuant to sub-part (a) above. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-61, 75-76-63*

Rule 2.10 Hurricane Preparedness Policy.

It is the policy of the Mississippi Gaming Commission to require, as a condition of licensure, that cruise vessels utilized for gaming on the Mississippi Gulf Coast, in the Biloxi Bay or in the Bay of St. Louis, that are not self-propelled, to be moored to withstand a Category 4 hurricane with 155 mile per hour winds and 15 foot tidal surge. Casinos will be required through their State license or relicense application to follow emergency declarations made by local or State emergency management officials. (Adopted: 10/13/94; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-3*

Rule 2.11 Hurricane Emergency Procedure - Casino Operations.

- (a) DEFINITIONS. As used in this regulation.

- 1. EMERGENCY MANAGEMENT DIRECTOR/COORDINATOR:

- The individual in the local area responsible for coordination and leadership in developing civil preparedness and emergency management.

2. EMERGENCY OPERATIONS CENTER:

A central location used by command and control agencies or personnel. Usually located in a hardened building to increase protection for personnel.

(b) IDENTIFICATION OF AGENCIES AND ABBREVIATIONS.

As used in this regulation.

1. BVA - Bill Validator Acceptors.
2. EOC - Emergency Operations Center.
3. MEMA - Mississippi Emergency Management Agency.
4. MGC - Mississippi Gaming Commission.

(c) GENERAL. This regulation requires that establishments and cruise vessels utilized for gaming effected by Rule 2.10, Hurricane Preparedness Policy, shall be subject to this regulation. The purpose of this regulation is to describe the requirements casino management shall incorporate into their company emergency plan for use in closing and reopening the casino establishments, or cruise vessels in the event of a hurricane situation. In order to provide the most effective response to hurricane threats, coordination shall be through the MGC. This office will be in close and constant contact with MEMA and local Emergency Management through the Harrison County Emergency Operations Center. In the event of an emergency under this regulation, each casino shall have immediately available to MGC personnel the closure procedures as outlined and approved by this agency to be used as a check list for closure.

1. The response activities presented here are applicable to hurricane threats only and will provide adequate direction for casino management and will affect only the casino establishments and cruise vessels. All land based non-gaming facilities will receive direction from the Emergency Management Director. To expedite action, these directions may be passed through the MGC. (a) The procedures for closure and re-opening will not be identical for each casino due to the various sizes and shapes. Therefore, careful consideration must be made in preparation of each plan (b) The MGC will coordinate with MEMA on each plan to ensure procedures are adequate to ensure compliance with the Mississippi Gaming Control Act and Mississippi Gaming Commission Regulations.
2. The items identified in the following sections are not all inclusive. Each plan will be approved based on the individual casino, its design, layout, and internal controls.
3. Each casino effected by this regulation must develop a detailed time phased casino hurricane emergency operation's plan with supporting procedures and documents. The detailed plan must be designed to follow the warning and watch system normally used by the National Weather Service and promulgated locally by the County Emergency Management Agency. This tiered system should provide adequate notification for management to initiate a phased preparation for closure. Include the following items:
 - i. Emergency plan review to ensure it is adequate and current. Changes made to the facility must be incorporated.
 - ii. Identify a point of contact with current telephone and facsimile numbers and e- mail address to the MGC.
 - iii. Identify critical personnel who will be working closures.
 - iv. Identify training requirements and schedule for training personnel.
 - v. Review, identify, and update storm tracking responsibilities.
 - vi. Provide steps to procure any emergency supplies needed during closure actions such as bags, plastic wrap, wood, and tape.
 - vii. Develop a short notice closure program containing only the critical actions

- mandatory for closure and evacuation.
- viii. Provide procedures and methods for communicating with emergency agencies.
4. Each casino shall be responsible for the following preparedness duties:
- Instruct employees on disaster plans and their actions or roles.
 - Coordinate with supporting companies and agencies to ensure all are aware of individual casino requirements.
 - Secure adequate storage facilities for critical records and equipment.
 - Stock adequate supplies used in the emergency plan.
 - Maintain a constant schedule of maintenance and repair of equipment such as emergency generators.
5. Each casino shall be responsible for the following response during an emergency:
- Activate casino emergency operations staff.
 - Initiate time phased casino emergency plan.
6. The Emergency Operation's Plan shall include the following procedures:
- When TROPICAL STORM WATCH is issued:
- Provide casino representative for any meetings necessary with the MGC.
 - Inform the MGC where accounting back-up tapes will be stored. Preferred storage area is an institutional vault.
 - Ensure adequate storage space is available for critical items such as accounting records, computers, BVAs, table floats, etc.
 - Review manpower situation to ensure sufficient personnel are available.
 - Review requirements for boarding and/or taping windows.
 - Ensure security and surveillance requirements will be maintained.
- i. If TROPICAL STORM WARNING is issued:
- Verify actions outlined in TROPICAL STORM WATCH have been completed.
 - Ensure plans cover power loss.
 - Continue to monitor the storms progress.
- ii. If HURRICANE WATCH is issued:
- Provide procedures for scaling down operations.
 - Review drop schedules and predicted storm land fall to request time changes if needed.
 - Provide procedures for departments to review work schedules to allow employees to leave if possible so they can evacuate.
 - Maintain contact with the MGC agent assigned in preparation for possible closure order.
- iii. If HURRICANE WARNING is issued:
- Establish procedures to receive closure order from MGC.
 - Identify procedures for securing gaming cheques located in floats, for accomplishing table box drops, securing cards and dice, securing BVAs in the slot machines, securing monies in change booths, and count rooms.
 - Identify which entry will be primary entrance and exit during closure.
 - Identify procedures to ensure surveillance and security will be maintained.
 - Identify procedures to ensure fire and other safety codes or regulations will be met for as long as possible.
 - Identify critical records, documents, and accounting backup tapes and removal procedure.

7. Identify procedures for closing and securing KENO areas.
8. Identify any other procedures casino management feels necessary to safely close the casino.
9. Open lines of communication with MGC.
10. Completely close and evacuate casino as required.
11. Each casino shall be responsible for the following recovery action:
 - i. Continue response actions as required by the County Emergency Management Agency.
 - ii. Assess damage to establishments, casino vessel and supporting structures.
 - iii. Implement repairs to facilities.
 - iv. Request permission to reopen when safe environment is determined. The decision to reopen will be made by the MGC in conjunction with MEMA and local emergency management agencies.
 - v. Identify company personnel responsible for accomplishing damage assessment to work with the specialized teams from MEMA or the County Emergency Management Agency.
 - vi. Identify procedures for maintaining power, fire alarms, and safety items.
 - vii. Identify reopening team members.
 - viii. Identify means to ensure surveillance and security coverage will be provided to comply with MGC regulations.
 - ix. Identify procedures to install drop boxes, floats, BVAs, and any other materials placed into storage.
 - x. Identify procedures to start the slot computer accounting system.
 - xvi. Identify distribution procedures for cards and dice.
 1. If EOC personnel find that the risk of completing closure requirements will place casino personnel in imminent danger of loss of life, the Executive Director of the MGC or his designee may, at their discretion, override certain closure procedures or order immediate evacuation of the cruise vessel or gaming establishments. (Adopted: 03/21/1996; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-3*

Part 2 Chapter 3: INVESTIGATIONS AND HEARINGS.

Rule 3.1 Investigations.

The Executive Director shall investigate all applications for licenses or other Commission approvals and report all material facts to the Commission. The Executive Director may investigate, without limitation, the background of the applicant, the suitability of the proposed premises for gaming, the proposed establishment's compliance with all applicable standards, laws, and regulations, the suitability of the applicant's financing, and the applicant's business probity. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-103*

Rule 3.2 Waiver Of Privilege.

An applicant shall waive any statutory or common law privilege afforded by the laws of the State of Mississippi or of any other jurisdiction in which the applicant or any information pertaining to the application is located. Refusal to waive such a privilege shall constitute grounds for denial of the application. An applicant may claim any privilege afforded by the Constitution of the United States, or of the State of Mississippi, in refusing to answer questions by the Executive Director and the Commission. Since the burden of proving his qualifications is upon the applicant, however, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 3.3 Summoning Of Applicants.

The Executive Director or Commission may summon any person named in an application to appear and testify before them or their agents at such time and place as they may designate. All such testimony shall be under oath and may embrace any matter which the Commission, the Executive Director, or their authorized agents deem relevant to the application. Failure to appear and testify fully at the time and place designated, unless excused, constitutes grounds for denial of the application without further consideration by the Executive Director or the Commission. Any request for excuse of appearance must be in writing and filed with the Executive Director at least five (5) days prior to the scheduled appearance. The applicant may appeal a denial of excuse of appearance by the Executive Director to the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-27*

Rule 3.4 Notice Of Hearing.

The Executive Director shall give written notice to all applicants of his recommendation regarding their applications and the time and place that their application for a gaming license will be considered by the Commission. If the Executive Director recommends denial of an application, he shall also provide a written statement of the reasons for the recommendation. Applicants may be represented at the meetings by their attorneys or agents. The Commission will notify the applicant in writing of the disposition of his application. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-27*

Part 2 Chapter 4: GENERAL PARTNERSHIPS AND JOINT VENTURES.

Rule 4.1 Licensing Of Partners And Joint Venturers.

When a general partnership or joint venture applies for any license, registration, or finding of suitability required or permitted to be granted by the Commission, each individual partner and joint venturer must file a complete application with the Executive Director and be separately found suitable by the Commission, although only one license, in the name of the partnership or joint venture, will be issued for a particular establishment. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

Rule 4.2. Application Fees.

The general partnership or joint venture which applies for a license, registration or finding of suitability is required to file only one \$5,000.00 application fee, but each individual partner and

joint venturer is required to pay investigative fees and each partner or joint venturer shall be jointly and severally liable for the payment of supplemental investigative fees of the other partners or joint venturers. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-183*

Part 2 Chapter 5: CORPORATE LICENSEES.

Rule 5.1 Definitions.

As used in this regulation, the following terms have the following meanings:

- (a) "Control," "controlling," and "controlled by" mean a relationship between two entities whereby one possesses, indirectly or directly, the power to direct or cause the direction of the management and policies of the other, whether through the ownership of voting securities, by contract, or otherwise. The phrase "under common control with" means two entities which are controlled by the same entity.
- (b) A person shall be deemed to "own," "hold" or "have" a security of, or interest in, a corporation or other form of business organization if such person has either directly or indirectly, a record or beneficial interest therein.
- (c) The terms "sale" and "sell" include every contract of sale of, contract to sell, or disposition of, a security or interest in a security whether or not for value. The terms include an exchange of securities and any material change in the rights, preferences, privileges or restrictions of or on outstanding securities.
- (d) The term "security" means any interest or instrument commonly known as a "security", including without limitation, any stock, membership in any corporation or association, bond, debenture or other evidence of indebtedness, investment contract, voting trust certificate, certificate of deposit for a security, or any certificate of interest or participation in, temporary or interim certificate for, receipt for or warrant or register to subscribe to or purchase any of the foregoing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-199*

Rule 5.2 Individual Licensing Of Shareholders Of Corporate Licensee.

- (a) Except as provided in subsection (b), each individual must be found suitable to hold a gaming license before he may:
 - 1. Own an equity security issued by a corporate licensee, or
 - 2. Hold any security issued by a corporate licensee which gives the holder voting rights in the corporation.
- (b) This section does not apply to any employee who owns stock through a stock bonus plan, pension plan, or other employee benefit program established by the licensee, so long as the plan is administered by the licensee or the trustee or the administrator of the plan is found suitable by the Commission, and so long as the employee does not hold legal title to the security for any longer than is reasonably necessary to facilitate the transfer to the plan and does not exercise any voting rights or receive any dividends during such period. Notwithstanding the foregoing, the Commission may require any person holding a beneficial interest in such a plan to be found suitable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

Rule 5.3 Procedure For Complying With Miss. Code Ann. §75-76-213.

The reports required pursuant to Miss. Code Ann. §75-76-213 shall consist of applications signed by the President and the Secretary of the corporate licensee on a form provided by the Executive Director. The information required on the form shall include, but not be limited to, the following information:

- (a) The name, address and telephone number of the applicant.
- (b) If the report is being filed pursuant to Miss. Code Ann. §75-76-213, the name, address, and telephone number of any person to whom a security is being issued or transferred, the current ownership of the corporation, and the future ownership of the corporation if the issuance or transfer of the securities is approved.
- (c) If the application is made pursuant to subsection 2 Miss. Code Ann. §75-76-213, the name, address, telephone number, and capacity of the corporate officer or director. If the new officer or director is replacing a former officer or director, the name, address, telephone number and capacity of the former officer or director, and a statement regarding the reason for the change in officers or directors.
- (d) A complete and accurate application for licensing filed on behalf of the person to whom any security is being issued or transferred or any new officer or director of the corporation. The Executive Director shall investigate the person to whom the corporate licensee proposes to issue or transfer any security or the proposed new corporate officer or director and make a recommendation to the Commission with regard to the licensing of the proposed stockholder, officer or director. If the Commission licenses the proposed stockholder, officer or director, the issuance or transfer of the security or the change in corporate officers or directors is deemed approved. If the Commission denies such license or if the Executive Director permits withdrawal of the application upon the request of the applicant, then the transfer or issuance of the security or the change of officers or directors is disapproved. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-213*

Rule 5.4 Compliance With Miss. Code Ann. §75-76-211.

- (a) The Commission may request persons, affiliated entities and greater than 5% equity owners to submit an application for finding of suitability pursuant to Miss. Code Ann. Section 75-76-211 (1972).
- (b) Any person, entity and greater than 5% equity owner required or requested to submit an application for finding of suitability to the Commission must submit such within the thirty (30) days provided by Miss. Code Ann. §75-76-211. The term Entity includes, but is not limited to, corporation, general partnership, limited partnership, limited liability company, revocable trust and irrevocable trust.
- (c) Any person, entity and greater than 5% equity owner may be found unsuitable by the Commission and it shall constitute grounds for denial of any subsequent application by such person, entity and greater than 5% equity owner. The corporate licensee may be deemed to have failed to require the submission of an application for finding of suitability by such person, entity and greater than 5% equity owner in violation of Miss. Code Ann. §75-76-211. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

Rule 5.5 Approvals Required.

The following transactions involving corporate licensees are ineffective unless approved in

advance by the Commission:

- (a) Any act or transaction by virtue of which any other corporation or other form of business organization becomes a controlled affiliate of a corporate licensee;
 - (b) Any act or transaction by virtue of which any other corporation or other form of business organization becomes under common control with a corporate licensee, unless the corporation or other business organization is wholly owned by a licensee, by persons who are licensed or who have been found suitable with respect to ownership of the corporate licensee, or by any combination thereof;
 - (c) The imposition of any restriction on the transfer of an equity security issued by a corporate licensee, whether imposed by the issuer or by the holder or by any other person, except the following:
 - 1. Any restriction on resale which is required for compliance with the Federal Securities Act, or the Federal Securities Exchange Act, or a general securities law of any state;
 - 2. Any restriction which results from a "stop transfer order" given to a transfer agent by the holder of a security on the grounds that the certificate has been lost or stolen; and
 - 3. Any restriction which arises from a binding contract to sell or hypothecate a security in a current transaction which will be consummated, if at all, in nine months or less.
 - (d) Any guarantee of securities issued by a corporate licensee pursuant to a public offering or private placement and any hypothecation of assets by a corporate licensee to secure the payment or performance of obligations evidenced by securities issued pursuant to a public offering or private placement, except where continuous or delayed approval has been granted pursuant to Part 2, Rule 8.7.
- (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

Rule 5.6 Statement of Restrictions on Equity Securities.

The statement required by Mississippi Code Annotated 75-76-207 shall be substantially as follows:

- (a) "The sale, assignment, transfer, pledge or other disposition of this security is ineffective unless approved in advance by the Mississippi Gaming Commission. If at any time such commission finds that an owner of this security is unsuitable to continue to have an involvement in gaming in such state, such owner must dispose of such security as provided by the laws of the State of Mississippi and the regulations of the Mississippi Gaming Commission thereunder. Such laws and regulations restrict the right under certain circumstances:
 - 1. To pay or receive any dividend or interest upon such security;
 - 2. to exercise, directly or through any trustee or nominee, any voting right conferred by such security; or
 - 3. to receive any remuneration in any form from the corporation, for services rendered or otherwise."
- (Adopted: 08/20/1998.)

Source: *Miss. Code Ann. § 75-76-211*

Part 2 Chapter 6: LIMITED PARTNERSHIP LICENSEES.

Rule 6.1 Definitions. As used in this regulation:

- (a) "Contribution" means cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in his capacity as a partner.
- (b) "Delayed licensing" means an approval granted by the Commission to a limited partner of a limited partnership licensee, enabling the limited partner to receive a share or percentage of revenues derived in the conduct of gaming prior to the limited partner being licensed.
- (c) "Foreign limited partnership" means a partnership formed under the laws of any state of the United States other than this state or any foreign country and having as its partners one or more general partners and one or more limited partners.
- (d) "Partnership agreement" means any valid, written agreement of the partners as to the affairs of a limited partnership and the conduct of its business.
- (e) "Capital account" means a particular limited partner's contribution plus the limited partner's proportionate share of the income of the limited partnership licensee, minus the limited partner's proportionate share of any of the losses of the limited partnership licensee and any distributions to the limited partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-199*

Rule 6.2 Required Provisions And Certificate Of Limited Partnership.

Pursuant to Miss. Code Ann. §75-76-223, the following provisions must be included in the Certificate of Limited Partnership of every limited partnership that applies for or holds a state gaming license:

- (a) "Notwithstanding anything to the contrary, expressed or implied in this agreement, the sale, assignment, transfer, pledge, or other disposition of any interest in the partnership is void unless approved in advance by the Commission. If at any time the Commission finds that an individual owner of any such interest is unsuitable to hold that interest, the Commission shall immediately notify the partnership of that fact. The partnership shall, within ten (10) days from the date that it receives the notice from the Commission, return to the unsuitable owner the amount of his capital account as reflected on the books of the partnership. Beginning on the date when the Commission serves notice of a determination of unsuitability, pursuant to the preceding sentence, upon the partnership, it is unlawful for the unsuitable owner:
- (b) To receive any share of the profits or distributions of any cash or other property other than a return of capital as required above;
- (c) To exercise, directly or through any trustee or nominee, any voting right conferred by such interest; or
- (d) To receive any remuneration in any form from the partnership, for services rendered or otherwise. Any limited partner granted delayed licensing that is later found unsuitable by the Commission shall return all evidence of any ownership in the limited partnership to the limited partnership, at which time the limited partnership shall return to the unsuitable limited partner the amount of his capital account, and the unsuitable limited partner shall no longer have any direct or indirect interest in the limited partnership." (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-223*

Rule 6.3 Delayed Licensing Of Limited Partners.

Miss. Code Ann. §75-76-219 and this regulation, the Commission may waive licensing of certain limited partners and, in lieu thereof, grant approval of delayed licensing for a limited partner.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-219*

Rule 6.4 Eligibility For Delayed Licensing.

- (a) A limited partnership that holds or has applied for a gaming license may file an application for approval of delayed licensing of its limited partners.
 - (b) Only limited partners whose aggregate effective ownership percentage in the limited partnership is less than ten percent (10%) will be considered for delayed licensing approval. For purposes of determining aggregate effective ownership percentage, an applicant who owns any part of a legal entity that is a limited partner shall be deemed to have the percentage ownership interest held by the legal entity, in addition to the percentage ownership that the applicant holds directly.
 - (c) A general partner is not eligible for delayed licensing.
 - (d) If the Commission rules that a limited partnership is eligible for delayed licensing of its limited partners, the Commission shall direct the Executive Director, based upon such investigation as he deems appropriate, to recommend to the Commission which of the limited partners who have applied for delayed licensing, if any, should be granted delayed licensing.
- (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

Rule 6.5 Application For Delayed Licensing By Individual Limited Partners.

Once a limited partnership has been found eligible for delayed licensing pursuant to Rule 6.4, each limited partner seeking delayed licensing shall file an application for delayed licensing pursuant to Rule 6.6 of this regulation. A limited partner may file an application for delayed licensing prior to the Commission's ruling on the eligibility of the limited partnership, but the application will not be considered by the Executive Director and Commission until the Commission rules that the limited partnership is eligible for delayed licensing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

Rule 6.6 Procedure For Consideration Of Application For Delayed Licensing.

Any application for delayed licensing, whether by the limited partnership pursuant to Rule 6.4, or by an individual limited partner pursuant to Rule 6.5 of this regulation, shall be made to the Executive Director on forms furnished by the Executive Director. The Executive Director shall investigate the applicant and make a recommendation to the Commission which shall determine whether to grant or deny the application for delayed licensing. The Executive Director has full and absolute power and authority, to the extent permitted by law, to recommend the granting, denial, limitation, conditioning or restriction of any application for delayed licensing required or permitted by law or this regulation for any cause deemed reasonable by the Executive Director. The Commission shall have full and absolute power and authority to grant, deny, limit, condition, or restrict any application for delayed licensing required or permitted by the Act or this regulation for any cause deemed reasonable by the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

Rule 6.7 Information To Be Provided By Applicants For Delayed Licensing.

In addition to the information required by Miss. Code Ann. §75-76-73 and Rule 6.2(a) of these regulations, each limited partner applying for approval of delayed licensing shall provide the following information:

- (a) A listing of any other business interests between the applicant and any general partner or any other limited partner existing prior to, at the time of, or after the formation of the limited partnership.
- (b) Whether the applicant has a familial relationship, either by blood, marriage or adoption, with a general partner or any other limited partner.
- (c) A certification that the applicant does not have and will not have a material relationship to, or material involvement with, a general partner of the limited partnership with respect to the operations of the limited partnership. A person may be deemed to have a material relationship to, or material involvement with, a general partner if he is a shareholder, controlling person or key employee of a legal entity that is a general partner, or if, as an agent, consultant, advisor, or otherwise, he exercises a significant influence upon the management or affairs of such general partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-225*

Rule 6.8 Standards.

The Executive Director shall consider all relevant facts in recommending and the Commission shall consider all relevant facts in determining whether to grant an approval of delayed licensing to a limited partnership, and thereafter to a limited partner. Without limiting the generality of the foregoing, the Executive Director and Commission shall consider the effects of the action or approval requested by the applicant, the benefits for the State of Mississippi and the following:

- (a) The effect of granting delayed licensing and the benefits, if any, to the State of Mississippi.
- (b) Whether the applicant, either individually or in conjunction with other limited partners, has any direct or indirect control or significant influence over a general partner, or the management of the limited partnership's business or gaming operation, or the ability to acquire such control.
- (c) Whether the limited partnership agreement has clear and specific provisions restricting the priority rights of the limited partnership with respect to income, losses, or other distributions, during the term of the limited partnership or upon its dissolution, of limited partners seeking delayed licensing; vesting in the general partner(s) the sole and exclusive right to manage and control the partnership's business; defining the scope of the general partner(s)' authority and any limitations thereon; restricting the right of limited partners to remove or elect general partners, except to the extent necessary to elect a general partner upon the retirement, death, or disability of a general partner who is a natural person; and whether any additional assessment or capital contribution can be required of the limited partners.
- (d) Whether the applicant has, or has had a material relationship with a general partner. Without limiting the generality of the foregoing an applicant who has a familial relationship, either by blood, marriage or adoption, to a general partner may be deemed to have such a material relationship.
- (e) The commonality of business interests between a general partner and any limited partners prior to, or existing at, formation of the limited partnership.
- (f) Whether the applicant had a key role in forming the limited partnership.
- (g) The relative level of risk for each general and limited partner.

- (h) The business probity of each general partner, in gaming or otherwise.
- (i) The presence or absence of restrictions on the limited partners.
- (j) Whether a substantial portion of the assets of the limited partnership were owned by the applicant and other limited partners prior to formation of the limited partnership.
- (k) Whether a substantial portion of the depreciable assets involved in the proposed gaming operation will be owned by the limited partnership or leased or loaned to the limited partnership by one more limited partners.
- (l) Whether a limited partner has guaranteed any obligation of the limited partnership.
- (m) The number of persons and entities involved in the limited partnership. The Commission will not ordinarily grant delayed licensing status to a limited partnership with fewer than ten (10) limited partners.
- (n) The various percentage ownership interests in the limited partnership.
- (o) The terms of any agreements which provide for a buy-out of a limited partner's interest in the event the limited partner is found unsuitable for licensing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

Rule 6.9 Post Approval Monitoring After Approval Of Delayed Licensing.

The partnership agreement of a limited partnership that seeks delayed licensing must obtain language to the effect that the licensing of any limited partner granted delayed licensing may be activated at any time pursuant to this regulation. The granting of delayed licensing to a limited partner by the Commission shall be a revocable approval. The Executive Director and Commission shall not relinquish jurisdiction. Any limited partner receiving approval for delayed licensing from the Commission has no legal vested right or privilege inherent in that approval, nor shall the limited partners that have been granted delayed licensing accrue any privilege in the licensing of the limited partnership. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-225*

Rule 6.10 Powers Of The Executive Director And Commission After Delayed Licensing Approval.

After granting delayed licensing to any limited partner, the Executive Director and Commission may exercise, without limitation, any of the following powers:

- (a) The Executive Director may at any time recommend to the Commission that the Commission activate the licensing process for any limited partner granted delayed licensing. Without limiting the generality of the foregoing, the Executive Director may recommend that the licensing of any limited partner be activated if he believes that:
 1. A limited partner has thereafter developed a material relationship with or to a general partner;
 2. A limited partner, individually or in conjunction with other limited partners, has acquired the ability to exercise significant control or influence over the management of the limited partnership's gaming operations or business affairs;
 3. A limited partner, individually or in conjunction with other limited partners, has exercised, for any reason, significant control or influence over the management of the limited partnership's gaming operations, either directly or indirectly, even if such control is contemplated or authorized by the partnership agreement;
 4. There is reason to believe that the limited partner cannot demonstrate its suitability

- pursuant to the provisions of Miss. Code Ann. §75-76-67;
5. The aggregate effective ownership percentage held by a limited partner granted delayed licensing has increased to ten percent (10%) or more; or
 6. Any other cause he deems reasonable.
- (b) The Commission, after considering the recommendation of the Executive Director, may activate the licensing process for any limited partner granted delayed licensing at any time.
 - (c) The Commission may, at the time it grants delayed licensing to a limited partner, delegate to the Executive Director the authority to activate, without Commission approval, the licensing process for any particular limited partner.
 - (d) The Executive Director may issue an order requiring the escrow of funds, profits, or other monies due any limited partner granted delayed licensing from the licensed limited partnership for any cause deemed reasonable. Any such escrow ordered by the Executive Director automatically terminates at the conclusion of the next regular Commission meeting unless:
 1. The Executive Director recommends that the Commission activate the licensing process for the limited partner that is the subject of the order;
 2. The Executive Director delays a determination of whether he should recommend that the licensing process be activated at the request of the limited partner who is the subject of the order; or
 3. The Executive Director activates the licensing process pursuant to a delegation of authority from the Commission.
 - (e) Any escrow ordered by the Executive Director pursuant to Subsection (d) automatically terminates if the Commission decides not to activate the licensing process for the limited partner that is the subject of the order or if the Commission licenses the limited partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-219*

Rule 6.11 Delayed Licensing Approval Not Transferable.

Delayed licensing approval shall be personal to the limited partner granted delayed licensing. A limited partner's interest that is held under delayed licensing may not be transferred, assigned, encumbered or hypothecated in any manner without the prior approval of the Commission, upon recommendation of the Executive Director. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-219*

Part 2 Chapter 7: HOLDING COMPANIES

Rule 7.1 Escrow Of Securities.

If the Executive Director files a complaint for disciplinary action against any holding company, affiliated licensee, or officer, director or shareholder of any holding company or affiliated licensee, or calls any such person forward for a finding of suitability, the Commission may order that securities issued by a holding company or affiliated licensee be placed in escrow on specified terms and conditions during the pendency of the disciplinary or licensing proceeding. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

Rule 7.2 Compliance With Miss. Code Ann. §75-76-237.

The Commission may determine that a holding company has failed to comply with Miss. Code Ann. §75-76-237 and is therefore subject to disciplinary action, if any holding company or intermediary company:

- (a) Pays the person found unsuitable pursuant to Miss. Code Ann. §75-76-237 any dividend or interest upon any securities or any payment or distribution of any kind whatsoever;
- (b) Recognizes the exercise by any such unsuitable person, directly or indirectly, or through any proxy, trustee or nominee, of any voting right conferred by any securities or interest in any securities;
- (c) Pays to any such unsuitable person any remuneration in any form, for services rendered or otherwise, or permits the affiliated gaming licensee to make any such payment; or
- (d) Makes any other payment or distribution, of any kind whatsoever, in respect to any such security or interest by way of, or pursuant to payment of principal, redemption, conversion, exchange or liquidation or any other transaction. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

Rule 7.3 Approval By Commission Required For All Issues Or Transfers By A Holding Company Or Intermediary Company Of Its Securities.

No holding company shall issue or transfer any security of which it is the issuer without the prior approval of the Commission. Every approval required by this regulation shall be sought by the filing of an application signed by the President or a Vice-President, and the Secretary or Assistant Secretary of the holding company on a form provided by the Executive Director. Information required on the form shall include, but not be limited to, the following information:

- (a) The name, address and telephone number of the holding company;
- (b) The name, address and telephone number of any person to whom the security is being issued or transferred;
- (c) Current ownership of the holding company, and future ownership of the holding company for which the issuance or transfer of securities is approved; and
- (d) The names of all licensed gaming establishments in which the holding company owns any interest. The Executive Director shall investigate the person to whom the holding company proposes to issue or transfer any security and make a recommendation to the Commission with regard to the licensing of the proposed transferee. If the Commission licenses the proposed transferee, issuance or transfer of the securities is deemed approved. If the Commission denies such license or if the Executive Director permits withdrawal of the application upon the request of the applicant, then the transfer or issuance of the security is disapproved. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

Rule 7.4 Licensing Of General Partners Of Limited Partnership Holding Companies And Officers And Directors Of Corporate Holding Companies.

Each general partner of a limited partnership holding company and each officer and director of a corporate holding company must be licensed before the limited partnership or corporation may become a holding company. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

Rule 7.5 Certain Transactions Prohibited.

- (a) Except as permitted by subsection (b), no restrictions on the transfer of an equity security issued by a holding company, whether imposed by the issuer or by the holder or by any other persons, shall be effective for any purpose whatsoever unless such restrictions are approved in advance by the Commission or unless such restrictions are otherwise required by the Act or these regulations. No agreement not to encumber an equity security issued by a holding company shall be effective for any purpose whatsoever unless such agreement is approved in advance by the Commission.
- (b) The following restrictions on the transfer of a security are permitted without the necessity of prior approval pursuant to subsection (a):
 - 1. Any restriction on resale which is required for compliance with the Federal Securities Act, or the Federal Securities Exchange Act, or a general securities law that states;
 - 2. Any restriction which results from a "stock transfer order" given to a transfer agent by the holder of a security on the grounds that a certificate has been lost or stolen; and
 - 3. Any restriction which results from a binding contract to sell or hypothecate a security in a current transaction which will be consummated if at all in nine (9) months or less.(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-201, 75-76-207, 75-76-247*

Rule 7.6 Certain Payees.

Any person who receives payments from a holding company computed on the basis of the earnings or profits of a holding company, or on the basis of the receipts from gaming of an affiliated licensee of such holding company, may be required to be found suitable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-57*

Rule 7.7 Exclusion Of Publicly Traded Corporations.

Part 2 Chapter 7 shall not apply to publicly traded corporations who have publicly traded equity securities. Part 2 Chapter 7 shall apply to publicly traded corporations whose registration is based solely on publicly traded debt securities. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-57*

Part 2 Chapter 8: PUBLICLY TRADED CORPORATIONS

Rule 8.1 Definitions.

- (a) "Corporate acquisition opposed by management" means an attempt to acquire control of a publicly traded corporation that is an affiliated company by means of a tender offer that is opposed by the board of directors of the affiliated company.
- (b) "Current market price" means the average of the daily closing prices for the 20 consecutive trading days immediately preceding the date of a transaction or the closing price on the day immediately preceding the date of such transaction, whichever is higher. For the purpose of this definition, the closing price for each day shall be the last reported sale price, regular way, or in case no such reported sale takes place on such date, the average of the last reported bid and asked prices, regular way, in either case on the principal national securities exchange

registered under the Securities Exchange Act of 1934 on which such security is admitted to trading or listed, or if not listed or admitted to trading on any national securities exchange, the closing price of such security, or in case no reported sale takes place, the average of the closing bid and asked prices, on GNOSTIC or any comparable system, or if such security is not listed or quoted on GNOSTIC or any comparable system, the closing sale price, or in case no reported sale takes place, the average of the closing bid and asked prices, as furnished by any member of the National Association of Securities Dealers, Inc., selected from time to time by the issuer for that purpose.

- (c) "Exceptional repurchase of securities" means the direct or indirect purchase by a corporation of securities representing beneficial ownership of more than one percent (1%) of its voting securities, whether in a single transaction or a series of related transactions, at a price more than ten percent above the current market price of such securities on the date of the agreement to purchase such securities from any person, other than a person who has been an executive officer or a member of the board of directors for at least the past two years, who, on the date of the agreement to purchase, is the beneficial owner of more than three percent of the voting securities of such corporation and has been the beneficial owner of more than three percent of such securities for less than one year, unless such purchase has been approved by the affirmative vote of a majority of the holders of voting securities [voting on the transaction] exclusive of the selling security holder, or is pursuant to the same offer and terms as made to all holders of voting securities of such class, other than holders, if any, who have consented in writing to be excluded from the class of offerees, executive officers, or members of the board of directors. For the purpose of this definition, when determining whether a corporation has purchased more than one percent of its voting securities, the amount of voting securities of such corporation shall be deemed to include voting securities issuable pursuant to purchase rights where the price of the purchase rights is less than the current market price of such securities on a given determination date provided, however, that in any event, the amount of such voting securities beneficially owned by a selling security holder pursuant to purchase rights shall be included to determine the amount of the corporation's voting securities for purposes of such computation if not otherwise included based on the foregoing provision.
- (d) "Executive officer" with respect to a publicly traded corporation, means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any other person who performs similar policy-making functions for a publicly traded corporation.
- (e) "Federal Securities Act" means Title 15 United States Code sections 77a-77aa, as amended from time to time, and the rules and regulations of the United States Securities and Exchange Commission now or hereafter promulgated thereunder.
- (f) "Federal Securities Exchange Act" means Title 15 United States Code section 78a-78kk, as amended from time to time, and the rules and regulations of the United States Securities and Exchange Commission now or hereafter promulgated thereunder. (Adopted: 09/25/2000.)
- (g) "Full disclosure" with respect to a transaction or to a series of transactions means a descriptive statement thereof which contains all material facts, and which contains no false or misleading declarations of material fact. (Adopted: 10/27/2005.)
- (h) "Plan of recapitalization" means a plan proposed by the board of directors of a publicly traded corporation that is an affiliated company, which plan:
 - 1. Contains recommended action in response to a corporate acquisition opposed by management, which acquisition cannot be consummated until approval has been obtained pursuant to Section 14, and which acquisition has not been consummated, withdrawn or

- terminated;
2. Involves either a cash dividend to voting securities or an exchange of voting securities held by security holders in return for a payment of cash or the issuance of securities of the issuer or a combination of cash and securities of the issuer, with an aggregate value in excess of fifty percent of the aggregate current market price of the voting securities of the company on the day of the public announcement of the plan of recapitalization; and
 3. Is financed in substantial part by borrowing from financial institutions or the issuance of debt securities.
- (i) "Public offering" means a sale of securities that is subject to the registration requirements of section 5 of the Federal Securities Act, or that is exempt from such requirements solely by reason of an exemption contained in section 3(a)10, 3(a)11 or 3 (c) of said Act or Regulation A adopted pursuant to section 3(b) of said Act.
 - (j) "Purchase rights" means a security or contractual right in securities issued or issuable on the exercise of options, warrants or other beneficial interest in securities obtained for value upon the issuance of securities, or on conversion of other securities.
 - (k) "Speculative securities" means:
 1. Securities, the value of which depends substantially upon proposed or promised future promotion or development rather than on material existing assets, conditions or operating results; or
 2. Securities, an investment in which involves an extraordinary risk of loss to the investor.
 - (l) "Tender offer" means a public offer by a person other than the issuer to purchase voting securities of a publicly traded corporation that is an affiliated company, made directly to security holders for the purpose of acquiring control of the affiliated company.
 - (m) "Voting security" means a security the holder of which is entitled to vote for the election of a member or members of the board of directors or board of trustees of a corporation or a comparable person or persons in the case of a partnership, trust or other form of business organization other than a corporation. (Adopted: 09/25/1991; Amended: 09/25/2002; Amended: 10/27/2005.)

Source: *Miss. Code Ann. §§ 75-76-199, 75-76-21*

Rule 8.2 Powers Of Commission And Executive Director.

- (a) Without in any way limiting the generality of the provisions of the Act, in connection with any recommendation or action, the Executive Director or Commission may provide:
 1. That a time period be accelerated or extended; or
 2. That as a condition to the processing of an application or to the granting of an approval:
 - i. An application be supplemented in any particular and to any extent either before or after the Commission has acted thereon;
 - ii. An applicant or other person urging the approval or denial of an application appear personally before the Executive Director and Commission and submit to interrogation under oath or otherwise;
 - iii. Funds, securities, instruments or agreements be placed in escrow upon specified conditions;
 - iv. A transaction be in compliance with the applicable laws and regulations of any federal, state, or local governmental entity or agency;
 - v. A transaction be approved by an applicant's board of directors;
 - vi. An opinion of an applicant's legal counsel be furnished to the Commission;

- vii. An opinion of an applicant's auditors be furnished to the Commission;
 - viii. All or any portion of an application be examined or evaluated by a consultant to the Commission at the expense of the applicant.
- (b) The Commission has the power to delegate to the Executive Director, in its order granting approval, the power to issue an interlocutory stop order. The interlocutory stop order may be issued for any cause deemed reasonable by the Executive Director. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-21, 75-76-27*

Rule 8.3 Commission Review Of Stop Orders.

If a stop order is issued by the Executive Director pursuant to the provisions of this regulation, the Commission shall, upon request of the person that is the subject of the order, conduct a hearing on the merits of the matter no later than its next regular meeting for which notice of the hearing pursuant to Mississippi Law is practicable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-21, 75-76-27*

Rule 8.4 Standards For Action By Executive Director And Commission.

The Executive Director and Commission will consider all relevant material facts in determining whether to recommend or grant an approval required or permitted by this regulation. The Executive Director and Commission may consider not only the effects of the action or approval requested by the applicant, but whatever other facts are deemed relevant, including but not limited to the following:

- (a) The business history of the applicant, including its record of financial stability, integrity, and success of its operations;
- (b) The current business activities and interests of the applicant, as well as those of its executive officers, promoters, lenders, and other sources of financing, or any other individuals associated therewith;
- (c) The current financial structure of the applicant, as well as changes which could reasonably be anticipated to occur to such financial structure as a consequence of the proposed action of the applicant;
- (d) The gaming-related goals and objectives of the applicant, including a description of the plans and strategy for achieving such goals and objectives;
- (e) The relationship between such goals and objectives and the requested approval;
- (f) The adequacy of the proposed financing or other action to achieve the announced goals and objectives;
- (g) The present and proposed compensation arrangement between the applicant and its directors, executive officers, principal employees, security holders, lenders, or other sources of financing;
- (h) The equity investment, commitment or contribution of present or prospective directors, officers, principal employees, investors, lenders, or other sources of financing;
- (i) The dealings and arrangements, prospective or otherwise, between the applicant and any investment bankers, promoters, finders or lenders, and other sources of financing;
- (j) The effect of the proposed action on existing and prospective security holders of the applicant, both before and after the intended action;
- (k) Whether the applicant has made full and complete disclosure of all material facts relative to the proposed action to the Executive Director and the Commission and made provision for

- such disclosure to all prospective security holders;
- (l) Whether the proposed action tends not to work a fraud upon the public;
 - (m) Whether a proposed public offering contains speculative securities;
 - (n) Whether a proposed transaction will create a significant risk that the publicly traded corporation and its affiliated companies will not:
 - 1. satisfy their financial obligations as they become due; or
 - 2. satisfy all financial and regulatory requirements imposed by the Act and these regulations. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-29*

Rule 8.5 Corporate Licensees.

- (a) A publicly traded corporation is not eligible to apply for or hold a state gaming license or manufacturer's, seller's, or distributor's license. A publicly traded corporation may be found suitable to acquire or hold an interest in a corporate licensee.
- (b) A person shall not make a public offering of any security issued by a corporate licensee.
- (c) The provisions of subsection (b) do not prevent a corporate licensee from guaranteeing a security issued by an affiliated company pursuant to a public offering, nor from hypothecating its assets to secure the payment or performance of the obligations evidenced by a security issued by an affiliated company pursuant to a public offering, provided that the prior approval of the Commission is obtained.
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-71*

Rule 8.6 Public Offerings Of Affiliated Companies.

Prior approval of the Commission is required for any public offering of any securities of an affiliated company:

- (a) Which is not a publicly traded corporation if the securities will be offered by such an affiliated company or by a controlling person thereof.
- (b) Which is a publicly traded corporation if the securities will be offered by such affiliated company and if such securities or the proceeds from the sale thereof are intended to be used:
 - 1. To pay for construction of gaming facilities in Mississippi to be owned or operated by the affiliated company or a subsidiary of the affiliated company;
 - 2. To acquire any direct or indirect interest in gaming facilities in Mississippi;
 - 3. To finance the operation by the affiliated company or a subsidiary of such affiliated company of gaming facilities in Mississippi; or
 - 4. To retire or extend obligations incurred for one or more such purposes.
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-53*

Rule 8.7 Continuous Or Delayed Public Offerings.

- (a) 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:
 - 1. 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 other equivalent domestic or foreign stock exchanges which are regulated in a manner which is determined to protect investors and the State of Mississippi; or has stockholders' equity in an amount of \$15 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

2. Has filed all reports required to be filed by section 13 or section 15(d) 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.
- (b) The Commission may grant approval of a continuous or delayed offering for a period of up to three years. An approval granted pursuant to this regulation does not constitute an approval of other related transactions for which separate Commission or Executive Director approval is otherwise required by the Act or these regulations.
- (c) If an application is approved, the affiliated company shall notify the Executive Director of its intent to make the public offering and identify the type and amount of securities it proposes to sell and the date on which it is anticipated the sale will occur. If such notification is not written, it must be followed, as soon as practicable, with a written confirmation which need not precede such sale.
- (Adopted: 09/25/1991; Amended: 07/16/1998; Amended: 10/27/2005.)

Source: *Miss. Code Ann. § 75-76-53*

Rule 8.8 Certain Public Offerings And Stockholder Approvals.

The Commission may find a publicly traded corporation unsuitable to be a holding company of a corporate license if at a time when the applicant was not subject to the jurisdiction of the Commission it obtained the approval or consent of its stockholders to have a material involvement with gaming in the State of Mississippi, and in connection with such offering, approval or consent, it did not make a full disclosure of all material facts to the offerees or its stockholders relating to such material involvement including, without limitation, a description of the nature and scope of the state and applicable local laws of Mississippi regarding gaming control.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-53*

Rule 8.9 Approval Of Securities Issuable On Exercise Of Options Or Warrants Or Conversion Of Other Securities.

If the Commission approves a public offering of securities which involves securities issuable on exercise of purchase rights, such approval is deemed continuing for the entire period of its exercise or convertibility and further approval is not required for the actual issuance of such securities.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-5*

Rule 8.10 Application For Approval Of Public Offering.

A person applying for approval of a public offering pursuant to this section shall make a full disclosure of all material facts relating thereto to the Executive Director and Commission. To the extent applicable, the application must include the following information:

- (a) A description of the securities to be offered.

- (b) The terms upon which the securities are to be offered.
- (c) The gross and net proceeds of the offering, including a detailed list of expenses.
- (d) The use of proceeds.
- (e) The name and address of the lead underwriter and the participating underwriters, if any.
- (f) The forms of the underwriting agreement, the agreement among underwriters, if any, and the selected dealers agreements, if any.
- (g) A statement of intended compliance with all applicable federal, state, local and foreign securities laws.
- (h) The names and addresses of the applicant's general counsel, local counsel, special securities counsel, independent auditors, and any special consultants on the offering.
- (i) If any securities to be issued are not to be offered to the general public, the names and addresses of the other offerees and the form of the offering thereto.
- (j) True copies or descriptions of all papers filed with the United States Securities and Exchange Commission and all material communications between the applicant and the United States Securities and Exchange Commission or, if the offering is not subject to the registration requirements of Section 5 of the Federal Securities Act other than by reason of an exemption contained in regulation A adopted pursuant to Section 3 of said Act, copies or description of all papers filed with, and all material communications between the applicant and such other governmental entity charged with securities regulation, if any. A copy of each registration statement and each amendment thereto must be filed with the Executive Director by the end of the next business day after their filing with the United States Securities and Exchange Commission. All other papers required to be included pursuant to this subsection must be filed with the Executive Director as soon as practicable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-53*

Rule 8.11 Coordination.

The Executive Director and Commission will ordinarily permit an application for approval of a public offering pursuant to this regulation to be completed over a period of time as documents and information become available in accordance with the normal and customary practice in the securities industry. An application may be filed without all the information required by Section 10 if all such information required by the Executive Director and Commission is supplied prior to the sale of the securities. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.12 Approval Of Acquisition Of Control.

A publicly traded corporation shall not directly or indirectly acquire control of a corporate licensee or affiliated company, and a person shall not acquire control of a publicly traded corporation which is an affiliated company, without the prior approval of the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.13 Application For Approval Of Acquisitions Of Control.

An application for approval of a transaction subject to Rule 8.11 above must contain full disclosure of all material facts relating thereto, and include to the extent applicable:

- (a) The information required by Miss. Code Ann. §75-76-255(1) (b).

- (b) The terms and provisions of the contemplated transaction.
- (c) A statement of any contemplated management and operating changes to be effected after completion of the contemplated transaction, and
- (d) Copies or descriptions of all material documents and correspondence filed with the United States Securities and Exchange Commission in connection with the contemplated transaction, if any, or, if the transaction is not subject to the Federal Securities Act, copies or descriptions of all material documents and correspondence filed with such other governmental entity charged with securities regulation, if any. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.14 Approval Of Plan Of Recapitalization.

Except as provided by Rule 8.16 below, a publicly traded corporation that is an affiliated company shall not consummate a plan of recapitalization without the prior approval of the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.15 Approval Of Exceptional Repurchases Of Securities.

Except as provided by Rule 8.16 below, a publicly traded corporation that is an affiliated company shall not make an exceptional repurchase of securities without the prior approval of the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.16 Exempt Transactions. Unless otherwise required by the provisions of the Act or these regulations, and notwithstanding the provisions of Sections 14 and 15 above, the approval of the Executive Director or Commission is not required before a publicly traded corporation that is an affiliated company may repurchase securities issued by such corporation if:

- (a) The repurchase is made pursuant to contractual rights or arrangements, including without limitation puts and price guarantees, given the issuer of such securities or his designee at the time of the original issuance of the security;
- (b) The repurchase is made for purposes of compromising a bona fide dispute with a security holder arising from the original issuance of such securities;
- (c) The repurchase is made pursuant to calls or redemptions of any securities in accordance with the terms and conditions of the governing instruments of such securities;
- (d) The repurchase involves securities evidenced by a scrip certificate, order form, or similar document that represents a fractional interest in a share of stock or similar securities;
- (e) The repurchase is made pursuant to a statutory procedure for the purchase of dissenting security holders' securities;
- (f) The repurchase is made in order to comply with any court or administrative order;
- (g) The repurchase is made in accordance with or to effectuate the provisions of any employee compensation arrangement, employee stock plan, or employee benefit program including, without limitation, an employee stock ownership plan or to eliminate or cancel outstanding employee stock options or create a "disposition" for federal income tax purposes as to securities acquired as a result of the exercise of an employee incentive stock option as defined under the Internal Revenue Code;
- (h) The repurchase involves a transaction or series of related transactions occurring within a

fiscal quarter in which the aggregate price of the securities purchased is less than the greater of \$1 million or five percent (5%) of the consolidated net worth of the corporation purchasing the securities determined using the most recent audited financial statements of the corporation or the financial statements most recently filed by the corporation with the Securities and Exchange Commission; or

- (i) The repurchase is made pursuant to a publicly announced open market securities repurchase program in which the price and other terms of sale are not negotiated between the purchaser and seller. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.17 Application For Approval Of Recapitalization Plan Or Exceptional Securities Repurchases.

An application for approval of a plan of recapitalization subject to Rule 8.15 or an exceptional repurchase of securities subject to Section 15 must contain full disclosure of all material facts relating thereto, and include to the extent applicable:

- (a) The terms and provisions of the contemplated transaction;
- (b) A statement of any contemplated management and operating changes to be effected after completion of the contemplated transaction.
- (c) An analysis showing on a pro forma basis the effect of the transaction on the financial statements of the publicly traded corporation that is an affiliated company.
- (d) A general description of the source of funds for the purchase and any financing arrangements.
- (e) Copies or descriptions of all material documents and correspondence filed with the United States Securities and Exchange Commission in connection with the contemplated transaction, if any, or, if the transaction is not subject to the Federal Securities Act, copies or descriptions of all material documents and correspondence filed with any other governmental entity charged with securities regulation.
- (f) Any other documents, papers, reports, or other information deemed relevant by the Executive Director. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.18 Powers Of Commission.

The Commission may determine, upon the recommendation of the Executive Director, 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 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 if he is a controlling person or key employee of the corporation, or if he, as an agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of the corporation. The foregoing powers of the Commission are not limited to individuals having a formal and direct involvement or relationship with a publicly traded corporation nor to individuals who are beneficial owners of any stated percentage of the outstanding equity securities of a public traded corporation.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.19 Beneficial Owners Of Voting Securities.

- (a) The Commission shall consider the provisions of Miss. Code Ann. §75-76-263 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.
- (b) 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 Miss. Code Ann. §75-76- 263 of these regulations.
- (c) Miss. Code Ann. §75-76-263 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.
- (d) 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 Executive Director, upon his request, to determine the beneficial ownership of such securities. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-263*

Rule 8.20 Officers And Employees.

- (a) The Commission shall require an application for a finding of suitability and may require licensing of any officer or employee of a publicly traded corporation whom the Commission finds to be actively and directly engaged in the administration or supervision of, or any other significant involvement with, the activities of a corporate licensee.
- (b) The Commission may require an application for licensing or a finding of suitability by any officer or employee of a publicly traded corporation whose application is not otherwise required pursuant to subparagraph (a) of this regulation and Mississippi Code Annotated §75-76-257, if the Commission determines that the policies of the state regarding gaming would be served by such action.
- (c) The following officers and 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 required to be licensed or found suitable:
 - 1. Each employee who is involved in gaming and who is also a director of the publicly traded corporation; and
 - 2. The president, any person performing the function of principal executive officer or principal operating officer, the principal accounting officer, and secretary. (Adopted: 09/25/1991; Amended: 10/27/2005.)

Source: *Miss. Code Ann. §§ 75-76-263*

Rule 8.21 Directors.

- (a) The Commission shall require an application for a finding of suitability and may require

licensing of any director whom the Commission finds to be actively, and directly engaged in the administration or supervision of the gaming activities at a licensed gaming establishment of a licensee.

- (b) The Commission may require an application for licensing or finding of suitability by any director of a publicly traded corporation whose application is not otherwise required by subparagraph (a) of this regulation and Mississippi Code Annotated §75-76-257, if the Commission determines that the policies of the state regarding gaming would be served by such action.
- (c) The following persons of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of the gaming activities of the licensee and therefore are required to be licensed or found suitable:
 - 1. Each person who serves as chairman of the board of directors;
 - 2. Each person who, individually or in association with others, is the beneficial owner of greater than five percent (5%) of any class of voting securities of the registered publicly traded corporation for which he serves as a director;
 - 3. 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 licensee; and
 - 4. Each person who has a vote on any issue before the Board of Directors who is also an employee of the corporation.
- (d) The following persons of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of the gaming activities of the licensee and therefore are required to complete an application for suitability which will be reviewed and in the Commission's determination may be subject to a full finding of suitability investigation:
 - 1. Each person, whether as director or otherwise, who serves as the Chairman on the audit committee; and
 - 2. Each person, whether as director or otherwise, who serves as the Chairman on the compliance committee.

(Adopted: 09/25/1991; Amended: 10/27/2005.)

Source: *Miss. Code Ann. § 75-76-263*

Rule 8.22 Appointments And Elections.

Except in a transaction subject to Section 12 which involves a change of control of a publicly traded corporation as a whole, an individual may be appointed or elected to a position described in Section 20 or 21 without the prior approval of the Commission, and may occupy the position and exercise the authority and duties thereof until otherwise ordered by the Commission. The Commission may impose stricter requirements, including a requirement of prior approval, on any publicly traded corporation or with respect to any individual at any time. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-263*

Rule 8.23 Institutional Investors

(a) "Institutional investor" means:

- 1. A bank as defined in Section 3(a)(6) of the Federal Securities Exchange Act;

2. An insurance company as defined in Section 2(a)(17) of the Investment Company Act of 1940, as amended;
 3. An investment company registered under Section 8 of the Investment Company Act of 1940, as amended;
 4. An investment advisor registered under Section 203 of the Investment Advisors Act of 1940, as amended;
 5. Collective trust funds as defined in Section 3(c)(11) of the Investment Company Act of 1940, amended;
 6. An employee benefit plan or pension fund that is subject to the Employee Retirement Income Security Act of 1974, as amended, excluding an employee benefit plan or pension fund sponsored by a corporation registered with the Commission;
 7. A state or federal government pension plan;
 8. A group comprised entirely of persons specified in (1) through (7); or
 9. Such other persons as the Commission may determine for reasons consistent with the policies expressed in the Mississippi Gaming Control Act. To qualify as an institutional investor, a person other than a state or federal government pension plan must meet the requirements of a “qualified institutional buyer” as defined in Rule 144A of the Federal Securities Act.
- (b) An institutional investor that becomes or intends to become subject to Mississippi Code Annotated §75-76-263(3) as a result of its beneficial ownership of voting securities of a corporation licensed or registered with the Commission may apply to the Executive Director for a waiver of the requirements of Mississippi Code Annotated §75-76-263(3) with respect to the beneficial ownership of the voting securities of such corporation if such institutional investor holds the securities for investment purposes only; provided, however, that an institutional investor shall not be eligible to receive or hold a waiver if the institutional investor beneficially owns, directly or indirectly, except as otherwise provided in subsection (c), more than ~~15~~ 25 percent of the voting securities and if any of the voting securities were acquired other than through a debt restructuring. Voting securities acquired before a debt restructuring and retained after a debt restructuring or as a result of an exchange, exercise or conversion, after a debt restructuring, of any securities issued to the institutional investor through a debt restructuring, shall be deemed to have been acquired through a debt restructuring. A waiver granted under this section shall be effective only as long as the institutional investor’s direct or indirect beneficial ownership interest in such voting securities meets the limitations set forth above, and should the institutional investor’s interest exceed such limitations at any time, it shall be subject to Miss. Code Ann. §75-76-263(3), and the institutional investor shall apply within thirty (30) days thereof and without any request by the Executive Director, as otherwise provided in Miss. Code Ann. § 75-76-263(5), for a finding of suitability.
- (c) An institutional investor that has been granted a waiver pursuant to subsection (b), may beneficially own more than 25 percent, but not more than 29 percent, of the voting securities of a publicly traded corporation licensed or registered with the Commission, only if such additional ownership results from a stock repurchase program conducted by such publicly traded corporation, and upon the condition that such institutional investor does not purchase or otherwise acquire any additional voting securities of the publicly traded corporation that would result in an increase in the institutional investor’s ownership percentage.
- (d) An institutional investor shall not be deemed to hold voting securities for investment purposes only unless the voting securities were acquired and are held in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or

indirectly, the election of a majority of the members of the board of directors, any change in the corporate charter, bylaws, management, policies or operations of the corporation licensed or registered with the Commission or any of its gaming affiliates, or any other action which the Commission finds to be inconsistent with investment purposes only. The following activities shall not be deemed to be inconsistent with holding voting securities for investment purposes only:

1. Voting, directly or indirectly through the delivery of a proxy furnished by the board of directors, on all matters voted on by the holders of such voting securities;
2. Serving as a member of any committee of creditors or security holders formed in connection with a debt restructuring;
3. Nominating any candidate for election or appointment to the board of directors in connection with a debt restructuring;
4. Accepting appointment or election as a member of the board of directors in connection with a debt restructuring and serving in that capacity until the conclusion of the member's term;
5. Making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and
6. Such other activities as the Commission may determine to be consistent with such investment intent.

(e) A request for a waiver must include:

1. 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 subsection (a) above.
2. 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 herein 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 Mississippi Gaming Control Act and the regulations adopted thereunder, to be subject to the jurisdiction of the courts of Mississippi, and to consent to Mississippi as the choice of forum in the event any dispute, question, or controversy arises regarding the application or any waiver granted under this section.
3. A description of all actions, if any, taken or expected to be taken by the institutional investor relating to the activities described in subsection (d).
4. 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 corporation licensed or registered with the Commission.
5. 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 corporation licensed or registered with the Commission.
6. The name and address of each person that beneficially owns more than 5 percent of the institutional investor's voting securities or other equivalent, together with the percentage ownership of each such person.
7. A list of the institutional investor's affiliates.
8. A list of all securities of the corporation licensed or 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.

9. A list of all regulatory agencies with which the institutional investor or any affiliate that beneficially owns voting securities of the corporation licensed or 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.
 10. 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.
 11. A copy of the institutional investor's most recent Schedule 13D or 13G and any amendments thereto filed with the United States Securities and Exchange Commission concerning any voting securities of the corporation registered with the Commission.
 12. 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 corporation registered with the Commission.
 13. Any additional information the Executive Director or the Commission may request.
- (f) The Commission shall consider all relevant information in determining whether to grant a waiver requested pursuant to subsection (b), including but not limited to:
1. Whether the waiver is consistent with the policy set forth in Mississippi Code Annotated §§ 75-76-3 and 245;
 2. The factors set forth within 13 Miss. Admin. Code Pt. 2, R. 8.4; and
 3. Any views expressed to the Commission by the corporation or any licensed affiliate thereof.
- (g) An institutional investor that has been granted a waiver of a finding of suitability and that subsequently intends not to hold its voting securities of the corporation for investment purposes only, or that intends to take any action inconsistent with its prior intent shall, within 2 business days after its decision, deliver notice to the Executive Director in writing of the change in its investment intent. The Executive Director may then take such action under the provisions of Miss. Code Ann. § 75-76-263(3) as he deems appropriate.
- (h) A waiver of the requirements of Miss. Code Ann. § 75-76-263(3) that has been granted pursuant to this section and Miss. Code Ann. § 75-76-201(2) shall not be construed as a waiver of or exemption from the prior approval requirements of 13 Miss. Admin. Code Pt. 2, R. 8.12. An institutional investor that intends to apply for a waiver of the requirements of Miss. Code Ann. § 75-76-263(3) pursuant to this section must also simultaneously apply to the Commission for an exemption from the prior approval requirements of 13 Miss. Admin. Code Pt. 2, R. 8.12 if the proposed acquisition would give the institutional investor, directly or indirectly, the power to direct or cause the direction of the management and policies of the corporation.
- (i) If the Executive Director finds that an institutional investor has failed to comply with the provisions of this section, or should be subject to a finding of suitability to protect the public interest, the Executive Director may, in accordance with Miss. Code Ann. § 75-76-263(3), require the institutional investor to apply for a finding of suitability. The institutional investor affected by the action taken by the Executive Director may request a hearing on the merits of

such action. The hearing shall be included on the agenda of the next regularly scheduled Commission meeting occurring more than 10 working days after the request for hearing. Upon good cause shown by the institutional investor, the Executive Director may waive the 10-day requirement and place such hearing on an earlier Commission agenda. The Commission, for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the Executive Director, or remand the matter to the Executive Director for such further investigation and reconsideration as the Commission may order. While the application for a finding of suitability or Commission review of the Executive Director's action requiring the filing of such application is pending, the institutional investor shall not, directly or indirectly, cause or attempt to cause any management, policy, or operating changes in the corporation or any gaming affiliate and shall not purchase or otherwise acquire any additional voting securities of the corporation.

- (j) Any corporation licensed or registered with the Commission or any registered or licensed subsidiary thereof shall immediately notify the Executive Director of any information about, fact concerning or actions of, an institutional investor holding any of its voting securities, that may materially affect the institutional investor's eligibility to hold a waiver under this section. (Adopted: 11/20/2002.)

Source: *Miss. Code Ann. § 75-76-263*

Part 2 Chapter 9: TRANSFERS OF OWNERSHIP; LOANS; LEASES

Rule 9.1 Transfers Of Ownership In General.

- (a) No person shall sell, purchase, assign, lease, grant or foreclose a security interest, hypothecate or otherwise transfer, convey or acquire in any manner whatsoever any interest of any sort whatever in or to any licensed gaming operation or any portion thereof, or enter into or create a voting trust agreement or any other agreement of any sort in connection with any licensed gaming operation or any portion thereof, except in accordance with law and these regulations.
- (b) No licensee shall permit any person to make any investment whatever in, or in any manner whatever participate in the profits of, any licensed gaming operation, or any portion thereof, except in accordance with law and these regulations.
- (c) No person shall transfer or convey in any manner whatsoever any interest of any sort whatever in or to any licensed gaming operation, or any portion thereof, to, or permit any investment therein or participation in the profits thereof by, any person acting as agent, trustee or in any other representative capacity whatever for or on behalf of another person without first having fully disclosed all facts pertaining to such representation to the Executive Director. No person acting in any such representative capacity shall hold or acquire any such interest or so invest or participate without first having fully disclosed all facts pertaining to such representation to the Executive Director and obtained written permission of the Commission to so act.
- (d) This regulation shall apply to transfers of interest in corporate licensees and holding companies, but shall not apply to transfers of interest in publicly traded corporations. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.2 Approval Required.

- (a) 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 shall in any manner whatsoever transfer any interest therein to any person, firm or corporation, and no such transfer shall become effective for any purpose without the prior approval of the Commission.
- (b) Applications for a transfer of interest to a person who is not already the owner of an interest in the licensed gaming operation, except the granting of a possessory security interest in equity securities of a licensee or of a holding company, shall be made by the transferee applying for licensing or registration pursuant to the Act and these regulations.
- (c) 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.
- (d) Applications for approval of the granting of a possessory security interest shall be made in writing to the Executive Director. The application shall set forth all material facts relating to the transaction and be accompanied by copies of the documents evidencing the transaction. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.3 Duties Of Corporations And Agents.

No licensee or holding company, or officer, director or transfer agent thereof, shall cause or permit any stock certificate or other evidence of beneficial interest therein to be registered in its books or records in the name of any nominee, agent, trustee or any other person other than the true and lawful owner of the beneficial interest therein without written permission of the Executive Director to do so. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.4 Escrow Required.

Except as and to the extent provided in these regulations pertaining to emergency situations, no money or other thing of value constituting any part of the consideration for the transfer or acquisition of any interest in a licensed gaming operation, in a licensee or in a holding company shall be paid over, received or used until complete compliance has been had with all prerequisites set forth in the law and these regulations for the consummation of such transaction; but such funds may be placed in escrow pending completion of the transaction. Any loan, pledge or other transaction between the parties or with other parties may be deemed an attempt to evade the requirements of this regulation and, as such, in violation of this regulation. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.5 Emergency Situations.

If a transfer of an interest in a licensed gaming operation, in a licensee or in a holding company, is contemplated and, in the opinion of the Commission, the exigencies of the situation require that the proposed transferee or transferees be permitted to make available funds or credit for use in connection with such licensed gaming operation or establishment during the pendency of an application for a license or to be permitted to acquire such interest, the Commission may waive the requirements of Part 3 Chapter 4 of this regulation in accordance with the procedures

hereinafter set forth.
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.6 Application For Permission To Participate.

- (a) A proposed transferee of an interest who desires to make available funds or credit for use in the operation of the licensed establishment or games prior to actual completion of the transfer of interest in accordance with the foregoing regulations shall make written application to the Executive Director for permission to so participate, setting forth, under oath, facts showing the necessity of such participation, together with the following information:
1. The extent to which and the manner in which the proposed transferee desires to participate pending completion of the proposed transfer.
 2. A complete financial statement and a statement showing sources of all funds to be used in connection with the proposed transfer of interest and in the participation prior to transfer.
 3. A full and complete statement of the proposed plan for effecting the proposed transfer of interest, including:
 - i. The extent of the interest to be transferred;
 - ii. The date on which it is desired to complete the transfer;
 - iii. The total consideration to be paid and the time and manner of payment hereof;
 - iv. Details of any other financial arrangements between all parties involved; and
 - v. Details of all other pertinent arrangements between the parties.
 4. Full, true and correct copies of all documents pertaining to the proposed transaction or transactions, including all agreements between the parties, leases, notes, mortgages or deeds of trust, and pertinent agreements or other documents with or involving third parties.
 5. The names and addresses of all persons with whom the proposed transferee expects to be associated in connection with the operation of the licensed games or establishment, or both.
 - i. If two or more individuals desire to participate in the operation of a licensed establishment or games as a group, whether as individuals or as stockholders, officers or directors of a corporation or other business entity, joint application may be made in accordance with subsection (a) above.
 - ii. If the emergency requiring immediate participation consists of the actual or threatened insolvency of a licensee or holding company, the application will not be granted unless the applicant demonstrates the immediate and unqualified availability of sufficient funds and credit to cure such emergency to the same extent that such funds and credit would be required in connection with an application for licensing or registration not involving actual or threatened insolvency.
 - iii. The Executive Director may require an applicant for permission to participate to furnish such additional information as it may desire before acting on the application. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-209*

Rule 9.7 Permission To Participate.

After receipt of a proper application for permission to participate and such additional information as the Executive Director or the Commission may require, and after such investigation as the Executive Director or the Commission deems necessary, the Commission

may grant emergency permission for a proposed transferee to make available funds or credit in the operation of the licensed games or establishment, licensee or holding company. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-209*

Rule 9.8 Extent Of Participation Permitted.

- (a) Pending final action on the application of a proposed transferee, the existing licensee or licensees will be held responsible for the conduct of the licensed games or establishment, for all license fees payable, and for all acts or omissions of proposed transferees participating in the operation.
- (b) Except as hereinafter provided, no proposed transferee who has been granted such emergency permission to participate shall be permitted to withdraw or receive any portion of the profits of such establishment or licensee or holding company derived from gaming until final approval of the proposed transfer of interest has been granted by the Commission. If granted, such approval shall be retroactive to the date of emergency permission to participate.
- (c) A proposed transferee who has been granted emergency permission to participate and who actually renders services may be paid a salary or otherwise be compensated for such actual services, but such salary or other compensation shall not exceed the usual and customary compensation in the industry for similar services.
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-209*

Rule 9.9 Application For License

Any proposed transferee to whom emergency permission to participate has been granted shall, within ten (10) days thereafter if he has not already done so, make formal application for licensing, registration, or approval as required by law and these regulations.
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-209; 75-76-105*

Rule 9.10 Effect Of Permission To Participate; Withdrawal.

- (a) The granting of emergency permission to participate is a revocable privilege, and is not to be construed as a finding on the part of the Commission that the proposed transferee is qualified or suitable to hold a state gaming license or to be registered or to be approved. Such permission will be without prejudice to any action that the Commission may take with respect to any application for final approval of the proposed transfer of interest.
- (b) Emergency permission to participate may be withdrawn summarily at any time in the absolute discretion of the Commission, without notice or hearing or other proceedings of any kind.
- (c) Upon receipt of notice that emergency permission to participate has been withdrawn the proposed transferee shall be immediately disassociated from any participation whatever in the operation of the licensed establishment, licensee or holding company. Any money or other thing of value which may have been invested or made use of in the operation of the licensed establishment, licensee or holding company shall be forthwith returned to the proposed transferee or deposited in escrow in compliance with Section 4 of this regulation.

Any participation whatever on the part of a proposed transferee after notice of withdrawal of emergency permission to participate may be deemed to be in violation of law and these regulations and, as such, grounds for denial of the application of the proposed transferee and also grounds for disciplinary action against the existing license, registration or approval. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-209; 75-76-105*

Rule 9.11 Loans To Licensees and Other Reportable Transactions.

- (a) Any licensee that receives, accepts, or makes use of any cash, property, credit, guaranty, benefit or any form of security loaned to, or provided for or on behalf of the licensee or an officer, director, agent employee or stockholder of the licensee, in a transaction required to be reported under subsections (b) or (c) hereof, must report the transaction to the Executive Director in the manner required herein within thirty (30) days after the transaction is consummated. A transaction is considered consummated the earlier of the contract date or the date the cash, property, credit, guaranty, benefit or security is received.
- (b) Except as exempted from reporting as provided in subsection (e) hereof, each of the following transactions must be reported to the Executive Director if the dollar amount of the transaction or the fair market value of the assets involved exceeds \$300,000 or the average monthly payment exceeds \$50,000:
 - 1. Deposits received by the licensee pursuant to an arrangement for use of space at the licensee's establishment.
 - 2. Installment purchase contracts.
 - 3. Property donated to the licensee.
 - 4. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.
- (c) Except as exempted from reporting as provided in subsection (e) hereof, each of the following transactions must be reported to the Executive Director if the dollar amount of the transaction exceeds \$50,000:
 - 1. Loans, mortgages, and trust deeds.
 - 2. Capital contributions and loans by a person who is a stockholder, partner or proprietor of the licensee.
 - 3. Safekeeping deposits that are commingled with the licensee's funds.
 - 4. Lines of credit.
 - 5. Accounts payable and accrued expenses due to unaffiliated persons where the payment terms or actual length of payments exceed twelve (12) months.
 - 6. Conversions of accounts payable, accrued expenses or other liabilities to notes payable.
 - 7. Debts forgiven by a lender.
 - 8. Guaranties received by the licensee.
 - 9. Accruals of salary due to an individual directly or indirectly owning an interest in the licensee where the accrual period exceeds ninety (90) days.
 - 10. Financing of gaming devices or associated equipment installed and used during a trial period authorized by the Executive Director.
 - 11. Cash, property, credit, services, guaranty, benefit or any form of security loaned to or provided for or on behalf of the licensee by a licensed or unlicensed affiliate or subsidiary, registered parent of the licensee, stockholder, partner, or proprietor of the licensee.
 - 12. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.

- (d) For purposes of this regulation, those transactions in subsections (b) and (c) that occur no more than thirty (30) days apart from a single source shall be considered a single transaction and must be reported if the total amount exceeds the thresholds stated.
- (e) The following transactions need not be reported to the Executive Director regardless of the dollar amount of the transaction, fair market value of the assets involved, or average monthly payment:
 - 1. Draws against a previously reported extension of credit.
 - 2. Except for items specifically described in subsections (b) or (c), goods or services which are exchanged for other goods or services of an affiliate of the licensee.
 - 3. Short-term cash loans which have a payback period of less than seven (7) days and are provided to the licensee on a regularly recurring basis, provided the terms and conditions of the arrangement have not changed, and provided the initial loan or financing arrangement has been reported.
 - 4. Loans and other financing activities that were approved by Commission action, provided the terms and conditions of the arrangements have not changed.
 - 5. Funds received by the licensee in satisfaction of accounts or notes receivable.
 - 6. Payments of gaming winnings over time to patrons pursuant to Section III. A. 9, provided that any required approvals have been obtained.
 - 7. Deposits or payments received by the licensee in conjunction with a convention or similar event.
 - 8. Financing activity that has been filed and administratively approved by the Commission or Executive Director.
- (f) The report to the Executive Director required by this section must include the names and addresses of all parties to the transaction, the amount and source of the funds, property or credit received or applied, the nature and amount of the security provided by or on behalf of the licensee, the purpose of the transaction, and any additional information the Executive Director may require. The report must also identify the dates of each loan or contribution. The report must be made on the Loan to Licensees and Lease Transaction Reporting Form, or such other form as the Executive Director may hereafter require, with a fully executed copy of the financing agreement, and signed by an owner or key employee under oath.
- (g) In the event a party to any transaction reportable pursuant to this regulation is a person other than the reporting licensee or its affiliate, subsidiary or registered holding company, or a financial institution or related subsidiary, or a publicly traded company, the report must be accompanied by a supplemental filing which must include that person's federal tax identification number or social security number and date of birth, banking references, and source of funds, and any additional information the Executive Director may require. The report must be made on the Loan to Licensees and Lease Supplemental Information Form, or such other form as the Executive Director may hereafter require.
- (h) If, after such investigation as the Executive Director deems appropriate, the Commission finds that a reported transaction is inimical to the public health, safety, morals, good order or general welfare of the people of the State of Mississippi, or would reflect, or tend to reflect, discredit upon the State of Mississippi or the gaming industry, it may order the transaction rescinded within such time and upon such terms and conditions as it deems appropriate.
- (i) A bankruptcy filing by a licensee does not relieve that licensee of the reporting requirements of this regulation.
- (j) The Executive Director may waive one or more of the provisions of this section or require a report of a transaction not otherwise addressed in this section or a supplemental filing, upon

a finding that the waiver, reporting requirement or supplemental filing is consistent with the public policy of the State of Mississippi, as set forth in Section 75-76-3 of the Mississippi Code, as amended.

(Adopted: 09/25/1991; Amended: 9/21/2000.)

Source: *Miss. Code Ann. § 75-76-103*

Rule 9.12 Finding Of Suitability Of A Person Holding An Option To Acquire An Interest In A General Partnership, Limited Partnership, Or Corporate Licensee.

- (a) No person shall acquire or be granted an option to purchase an interest in a general partnership, limited partnership, or corporate licensee without first notifying the Executive Director, on such forms as may be required by the Executive Director, of the terms and conditions upon which the option was granted or acquired.
- (b) The Commission may, upon a recommendation by the Executive Director, require the application of any person for a determination of suitability to hold an option to purchase or otherwise obtain an interest in a general partnership, limited partnership, or corporate licensee. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

Rule 9.13 Leases.

- (a) Definitions. In addition to the terms defined in the Act and the regulations thereunder, the following definitions shall apply in this regulation:
 - 1. "Lessor" means any person who leases or rents any property, real or personal, to an operating licensee or to a person who, in turn, leases or rents property to an operating licensee.
 - 2. "Lease" means any formal or informal, written or oral, contract or understanding or arrangement whereby any operating licensee obtains the use or possession of any property, real or personal, to be used, occupied, or possessed in connection with any gaming establishment. The term "lease" includes, without limitation, payments made to an affiliated person under a real property lease or a personal property lease.
 - 3. "Operating licensee" means the person or entity to whom a state gaming license has been issued for the conduct of gaming. The term does not include persons or entities which have been issued licenses or findings of suitability as officers, directors, stockholders, or key employees.
- (b) Each of the following transactions must be reported by the operating licensee to the Executive Director if the dollar amount of the transaction exceeds \$50,000:
 - 1. Leases, including leaseback transactions and capital leases.
 - 2. Leases, other than vehicle leases, where an option to purchase exists.
 - 3. Leases of any associated equipment.
 - 4. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.
- (c) For purposes of this regulation, those transactions in subsection (b) that occur no more than thirty (30) days apart from a single source shall be considered a single transaction and must be reported if the total amount exceeds the threshold stated.
- (d) Reports by operating licensee. The operating licensee shall report to the Executive Director all leases to which it is a party not later than 30 days after the effective date of the lease and

shall include the following information:

1. The name, address, and a brief statement of the nature of the business of the lessor.
 2. A brief description of the material terms of the lease.
 3. A brief description of any business relationships between the operating licensee and the lessor other than by the lease. The report must be made on the Loan to Licensees and Lease Transaction Reporting Form, or such other form as the Executive Director may hereafter require, with a fully executed copy of the lease, and signed by an owner or key employee under oath.
- (e) In the event a party to any transaction reportable pursuant to this regulation is a person other than the reporting licensee or its affiliate, subsidiary or registered holding company, or a financial institution or related subsidiary, or a publicly traded company, the report must be accompanied by a supplemental filing which must include that person's federal tax identification number or a social security number and date of birth, banking references, and source of funds, and any additional information the Executive Director may require. The report must be made on the Loan to Licensees and Lease Supplemental Information Form, or such other form as the Executive Director may hereafter require.
- (f) If, after such investigation as the Executive Director deems appropriate, the Commission finds that a reported transaction is inimical to the public health, safety, morals, good order or general welfare of the people of the State of Mississippi, or would reflect, or tend to reflect, discredit upon the State of Mississippi or the gaming industry, it may order the transaction rescinded within such time and upon such terms and conditions as it deems appropriate.
- (g) A bankruptcy filing by a licensee does not relieve that licensee of the reporting requirements of this regulation.
- (h) Leases between two Mississippi licensees are exempt from this reporting requirement.
- (i) The Executive Director may waive one or more of the provisions of this section or require a report of a transaction not otherwise addressed in this section or a supplemental filing, upon a finding that the waiver, reporting requirement or supplemental filing is consistent with the public policy of the State of Mississippi, as set forth in Section 75-76-3 of the Mississippi Code, as amended.

(Adopted: 09/25/1991; Amended: 09/21/2000.)

Source: *Miss. Code Ann. §§ 75-76-3, 75-76-103*

Rule 9.14 Death Or Disability Of Licensee.

- (a) In the event of the death or judicially established disability of a licensee or a stockholder of a corporate licensee, the spouse, next of kin, personal representative or guardian of such deceased or disabled person or the person in charge of the licensed establishment, or, in the case of a corporate licensee, a managing officer of such corporation, shall notify the Executive Director immediately of the fact of such death or disability.
- (b) In case such deceased or disabled person is the sole licensee for an establishment, the Executive Director may, in his sole and absolute discretion, authorize the spouse, next of kin, personal representative or guardian for a license to operate such establishment.
- (c) In any case in which the interest held by such deceased or disabled person in any licensed establishment would pass by operation of law or otherwise to his estate or to any person other than a co-licensee, such person or the personal representative or guardian of the deceased or disabled person shall, within thirty (30) days after the date of death or disability, make application to the Executive Director for a temporary license as successor in interest,

representative or guardian, whichever is appropriate.

- (d) The Executive Director may, if satisfied of the necessity of such action, recommend to the Commission that a temporary license be issued to the applicant for such period of time as he may deem necessary. Such temporary license will entitle the person named therein to take part in the operation of such establishment and to receive profits therefrom as successor in interest, representative or guardian of the deceased or disabled person. Such temporary license may not be assigned in whole or in part.
- (e) No licensee shall permit any spouse, heir, next of kin, personal representative or guardian to take part in the operation of the licensed establishment, nor pay over to such person any part of the profits of such operation which accrue after the date of death or disability, unless such person is either a co-licensee or the holder of a temporary license as successor in interest, representative or guardian.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-21, 75-76-23*

Rule 9.15 Insolvency Of A Licensee.

- (a) In the event that a licensee files any petition with the bankruptcy court for relief as a debtor or has such a petition filed against it, or a receiver is appointed for such licensed business or an assignment of such business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, shall immediately notify the Executive Director of such fact in writing. Such written notice shall have attached a copy of the petition filed with the court, and any relevant court orders such as orders appointing trustees, receivers, or assignees.
- (b) No licensed establishment shall be operated by any trustee, receiver or assignee for the benefit of creditors until such operation has been authorized by the Commission.
- (c) Any such trustee, receiver, or assignee desiring to continue operation of the licensed establishment shall immediately make application for permission to do so. Application shall be made in the same manner as an application for an initial license; but the operation, if approved, shall be deemed to continue under the existing license of the establishment.
- (d) Permission for such trustee, receiver, or assignee to continue the operation of the licensed establishment may be summarily withdrawn at any time in the discretion of the Commission without the necessity of any hearing or proceedings for revocation or suspension. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann §§ 75-76-21, 75-76-23*

Part 2 Chapter 10: GAMING EMPLOYEES

Rule 10.1 Work Permits Required.

- (a) No person shall be employed as a gaming employee unless such person is the holder of a valid work permit issued by the Commission.
- (b) Every licensee, shall, before employing any person in connection with the licensed gaming operation, ascertain that such person holds a valid work permit issued in accordance with this regulation, and shall cause his employment records to reflect such fact. No work permit shall be effective for more than three (3) years from the date of issue. A permit may be issued for a period of less than three (3) years within the discretion of the Executive Director. A

work permit expires unless renewed within ten (10) days after a change of place of employment as a gaming employee, or if the holder is unemployed as a gaming employee within the jurisdiction of the Mississippi Gaming Commission for more than ninety (90) days. The ninety (90) day period shall be tolled upon the opening of an investigation pursuant to Rule 11.5 herein into alleged violations of The Gaming Control Act or other applicable law, with said tolling period to conclude upon final disposition of said investigation, including revocation of the affected work permit. Complete renewal applications must be received by the Mississippi Gaming Commission at least sixty (60) days prior to the date of expiration of an employee's existing work permit.

- (c) Every gaming employee shall keep his work permit on his person and available for inspection at all times when actively engaged in the conduct of gaming operations. The employee must wear a name badge while on duty identifying the employee's common name, casino name and job title if in a supervisory position.
- (d) Each work permit holder shall report any arrest and/or criminal charges and final dispositions to the Mississippi Gaming Commission within ten (10) days after such conviction or arrest or other disposition.
- (e) Each employee of a holding company, intermediary company or affiliated company of a licensee who is directly or indirectly engaged in the administration or supervision of the gaming operations or physical security activities of such licensee and performs such duties at any time on the premises of the licensee shall obtain a work permit.
- (f) Each employee of a holding company, intermediary company or affiliated company, contract employee, agent, attorney, accountant or other representative performing services, other than maintenance, for the licensee must hold a valid work permit or finding of suitability in order to enter surveillance, count room or any cage area.

(Adopted: 09/25/1991; Amended: 10/22/1998; Amended: 02/19/2003.)

Source: *Miss. Code Ann. §§ 75-76-57, 75-76-61, 75-76-131(8)*

Rule 10.2 Application For Work Permit; Procedure.

- (a) The Mississippi Gaming Commission will process all work permit applications, to include taking photographs and fingerprints from all applicants. The Commission shall conduct background investigations on all work permit applicants. The applicant shall provide any information requested by the Executive Director in order to allow for a complete investigation of the applicant's background.
- (b) An applicant for a work permit shall pay the application fee established by the Executive Director, which shall be sufficient to cover the costs of processing the application.
- (c) The Executive Director shall investigate the applicant and may either grant or deny the work permit. The burden is on the applicant at all times to prove suitability for a work permit.
- (d) The Executive Director shall refuse to issue a work permit if the applicant has:
 - 1. committed, attempted or conspired to commit a crime which is a felony in Mississippi or an offense in any other jurisdiction which would be a felony if committed in Mississippi; regardless of whether the charges have been non-adjudicated or expunged;
- (e) The Executive Director may refuse to issue a work permit if the applicant has:
 - 1. failed to disclose, misstated or otherwise attempted to mislead the Commission with respect to any material fact contained in the work permit application;
 - 2. knowingly failed to comply with the provisions of the Gaming Control Act, MGC regulations, and /or internal controls of a gaming licensee as filed with and approved by the Commission;

3. committed, attempted or conspired to commit any crime of moral turpitude, embezzlement or larceny or any violation of any law pertaining to gaming or any crime which is inimical to the declared policy of Mississippi concerning gaming including, but not limited to, the following: any misdemeanor theft convictions, excluding first time conviction for false pretense/bad checks (false pretense) during the three (3) years prior to the date of application;
 - i. any misdemeanor drug convictions during the three (3) years prior to the date of application;
 - ii. any misdemeanor convictions pertaining to gaming or gambling during the three (3) years prior to the date of application;
 - iii. any misdemeanor convictions pertaining to crimes of violence during the three (3) years prior to the date of application; and
 - iv. any pattern of criminal offenses making an applicant unsuitable;
4. been identified in published reports of any federal or state legislative or executive body as being a member or associate of organized crime, or as being of notorious and unsavory reputation;
5. been placed and remains in the constructive custody of any federal, state or municipal law enforcement authority when the crime involved would be a crime constituting grounds for denial of an application;
6. had a work permit revoked or committed any act which is a ground for the revocation of a work permit or would have been a ground for revoking a work permit if the applicant had been holding a work permit at that time.
7. failed to complete the application process for a gaming work permit by:
 - i. failing to submit to additional fingerprinting where initial fingerprints are insufficient for proper analysis;
 - ii. failing to provide the Commission with court records and/or other requested documents detailing the disposition of previous arrests and/or convictions as well as facts and circumstances of the underlying offense(s); or
 - iii. failing to provide any other requested information necessary to determine the suitability of the applicant. The above enumerated reasons for denial shall not limit the Executive Director's discretion to deny an applicant if that applicant has committed, attempted or conspired to do any act which is inimical to the best interest of gaming in Mississippi. (Adopted: 09/25/1991; Amended: 03/29/1993; Amended: 10/22/1998.)

Source: *Miss. Code Ann. §§ 75-76-63, 75-76-67*

Rule 10.3 Procedure For Hearing After Denial By Executive Director.

- (a) If the Executive Director denies an application for a work permit and the applicant requests a hearing pursuant to Miss. Code Ann. 75-76-131(5), the hearing examiner shall schedule a hearing as soon as practicable after receipt of the request.
- (b) At the hearing, the Executive Director shall present any evidence supporting his reasons for denial and the applicant shall then present any evidence controverting the Executive Director's reasons.
- (c) Each party may cross-examine all witnesses and may subpoena witnesses to testify or produce evidence at the hearing. The hearing examiner shall issue subpoenas upon the request of a party, but for good cause shown may limit or quash any subpoena issued.

- (d) No discovery shall be permitted except upon a finding of good cause justifying the discovery sought.
- (e) The standard of review to be used by a hearing examiner is identical to the scope of review a court would have of a final commission action. The Hearing Examiner is to focus on the Commission regulations, policies and procedures, as well as the Commission's adherence to its own regulations and fairness of enforcing the Gaming Control Act and Mississippi Gaming Commission Regulations; then determine only whether the Commission is in compliance with those regulations.
- (f) Notwithstanding any other regulations concerning denial of work permits, the Hearing Examiner shall have discretion to recommend grant or denial of a permit and the Mississippi Gaming Commission shall have discretion to grant or deny a permit, except as proscribed by statute. Factors to be considered in the exercise of discretion include, but are not limited to:
 - 1. the nature and character of the offense or other matters alleged against the applicant, including all surrounding facts and circumstances, whether or not resulting in conviction;
 - 2. the length of time since commission of the offense or other matters alleged;
 - 3. all criminal history of the applicant, including arrests, considering the type, frequency and number of arrests and convictions, before and after the offense or matter alleged; and
 - 4. whether it is in the best interests of gaming for the applicant to hold a work permit.
- (g) Hearing Examiners shall be chosen as follows; either from the Attorney General's office, a contracted private party or an individual whose expertise is relevant to properly interpret and enforce the Gaming Control Act and Mississippi Gaming Commission Regulations. Hearings may be conducted by telephone if the parties agree. (Adopted: 09/25/1991; Amended: 03/29/1993; Amended: 10/22/1998)

Source: *Miss. Code Ann. §§ 75-76-75*

Rule 10.4 Revocation of Work Permit; Procedure.

- (a) The Executive Director shall recommend that the Commission revoke the work permit of a gaming employee if the gaming employee:
 - 1. is convicted of any violation of the Gaming Control Act or if in investigating an alleged violation of the Gaming Control Act by any licensee the Executive Director or the Commission finds that a gaming employee employed by the licensee has been guilty of cheating.
- (b) The Executive Director may recommend that the Commission revoke the work permit of a gaming employee if, subsequent to being issued a work permit, the gaming employee:
 - 1. fails to disclose, misstates or otherwise misleads the Commission with respect to any fact contained within any application for a work permit.
 - 2. commits, attempts or conspires to do any of the acts prohibited by the Gaming Control Act;
 - 3. knowingly possesses or permits to remain in or upon any licensed premises any cards, dice, mechanical device or any other cheating device whatever the use of which is prohibited by statute or ordinance;
 - 4. conceals or refuses to disclose any material fact in any investigation by the Executive Director or the Commission;
 - 5. commits, attempts or conspires to commit larceny or embezzlement against a gaming licensee or upon the premises of a licensed gaming establishment;
 - 6. is convicted in any jurisdiction other than Mississippi of any offense involving or relating

- to gambling;
 - 7. accepts employment without prior commission approval in a position for which he is required to be licensed under this chapter after having been denied a license for a reason involving personal unsuitability or after failing to apply for licensing when requested to do so by the Commission or the Executive Director;
 - 8. is refused the issuance of any license, permit or approval to engage in or be involved with gaming in any jurisdiction other than Mississippi, or had any such license, permit or approval revoked or suspended;
 - 9. is prohibited under color of governmental authority from being present upon the premises of any gaming establishment for any reason relating to improper gambling activities or any illegal act;
 - 10. contumaciously defies any legislative investigative committee or other officially constituted bodies acting on behalf of the United States or any state, county or municipality which seeks to investigate crimes relating to gaming, corruption of public officials, or any organized criminal activities; Or,
 - 11. is convicted of any felony or misdemeanor, other than one constituting a violation of the Gaming Control Act.
- (c) A work permit shall not be issued to a person whose work permit has previously been revoked pursuant to this section or to whom the issuance or renewal of a work permit has been denied, except with the unanimous approval of the Commission members. Applicants who have been denied or revoked pursuant to Rule 10.2(d) are not eligible to request unanimous approval. (Adopted: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-137*

Rule 10.5 Procedure for Hearing After Recommendation of Revocation By Executive Director.

- (a) If the Executive Director recommends the revocation of a gaming work permit, the matter will be set for hearing before a hearing examiner. The Hearing Examiner shall schedule a hearing as soon as practicable after receipt of the recommendation from the Executive Director.
- (b) At the hearing, the Executive Director shall present any evidence supporting his reasons for revocation and the applicant shall then present any evidence controverting the grounds for revocation.
- (c) Each party may cross-examine all witnesses to testify or produce evidence at the hearing. The hearing examiner shall issue subpoenas upon the request of a party, but for good cause shown may limit or quash any subpoena issued.
- (d) No discovery shall be permitted except upon a finding of good cause justifying the discovery sought.
- (e) The Hearing Examiner is to focus on the Commission regulations, policies and procedures, as well as the Commission's adherence to its own regulations and fairness of enforcing the Gaming Control Act and Mississippi Gaming Commission Regulations; then determine only whether the Commission is in compliance with those regulations.
- (f) Notwithstanding any other regulations concerning revocation of work permits, the Hearing Examiner shall have discretion to recommend revocation or continuation of a work permit and the Mississippi Gaming Commission shall have discretion to revoke or continue a work permit, except as proscribed by statute. Factors to be considered in the exercise of discretion include, but are not limited to:

1. the nature and character of the offense or other matters alleged against the applicant, including all surrounding facts and circumstances, whether or not resulting in conviction;
 2. the length of time since commission of the offense or other matters alleged;
 3. all criminal history of the applicant, including arrests, considering the type, frequency and number of arrests and convictions, before and after the offense or matter alleged; and
 4. whether it is in the best interests of gaming for the applicant to hold a work permit.
- (g) Hearing Examiners shall be chosen as follows; either from the Attorney General's Office, a contracted private party or an individual whose expertise is relevant to properly interpret and enforce the Gaming Control Act and Mississippi Gaming Commission Regulations. Hearings may be conducted by telephone if the parties agree.
- (h) The Commission or its Hearing Examiner may recall and declare void work permits or other approvals that were granted contrary to the provisions of the Gaming Control Act or Mississippi Gaming Commission Regulations. (Adopted: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-137*

Rule 10.6 Work Permit Applications After Objection Or Revocation.

- (a) An application filed pursuant to Miss. Code Ann. §75-76-131 for the reconsideration of an objection to the issuance of a work permit or for the reinstatement of a work permit previously revoked must not be entertained by the Commission for a period of one (1) year following either a decision by the Commission upon the same matter or the failure of the person seeking the work permit to pursue all administrative remedies provided by Section 66.
- (b) Applications for reconsideration of work permit actions by the Commission will be referred to the Executive Director for investigation and review. The Executive Director shall thereafter make a recommendation to the Commission regarding the application. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 10.7 Employee Report.

- (a) Annually, on or before the 1st of July, each licensee shall submit an "Annual Employee Report" to the Executive Director on a form to be furnished by the Executive Director. The report shall identify every individual who is directly or indirectly engaged in the administration or supervision of the gaming operations or physical security activities of such licensee. The following classes of gaming employees are presumed to be actively and directly engaged in the administration or supervision of gaming:
1. All individuals who are compensated in any manner in excess of \$100,000 per annum;
 2. All individuals who may approve or extend gaming credit in any amount, or whose recommendations in this regard are ordinarily sought or followed;
 3. All individuals who have authority to hire or terminate gaming employees;
 4. All individuals who have the authority to supervise or direct a shift of any gaming or security activity, including but not limited to supervision or direction of the pit area, keno games, slot machines, or any persons having authority to supervise or direct such persons;
 5. All individuals who supervise the count teams and all individuals responsible for directing each shift involving a count team;
 6. All individuals who may approve or extend to casino patrons complimentary house services other than beverages only;

7. All individuals who supervise or direct other employees engaged in the control of gaming assets and revenues and record keeping, including the recording of cash and evidences of indebtedness, and the maintenance, review or control of the records, accounts, and reports of transactions which are required to be kept pursuant to these regulations;
 8. Any individual who has been specifically represented to the Executive Director or Commission by a licensee or any officer or director thereof as being important or necessary to the operation of the gaming establishment;
 9. All persons who individually or as part of a group formulate management policy.
- (b) The "Annual Employee Report" shall also include a description of the gaming duties, casino responsibilities, and casino authority delegated to each individual identified in the report, if requested by the Investigations Division of the Commission.
 - (c) Any changes, additions, or deletions to any information contained within the annual employee report which occurs subsequent to the filing of the report and prior to the filing of the report for the next calendar year shall be reported to the Executive Director in writing no less than ten (10) days after the end of the calendar quarter during which the change, addition, or deletion occurred.
 - (d) The Annual Employee Report and subsequent reports of changes, additions, or deletions shall be confidential and may not be disclosed except upon order of the Commission or pursuant to the terms of Mississippi Code Annotated §75-76-153. (Adopted: 09/25/1991; Amended: 07/16/1998; Amended: 10/22/1998; Amended: 10/27/2005.)

Source: *Miss. Code Ann. §§ 75-76-139, 75-76-153*

Part 2 Chapter 11: GAMING SCHOOLS

Rule 11.1 Gaming School License Required.

- (a) No gaming school shall enroll any student or offer any course to the public of this state or do any other business whatsoever in this state whether for compensation or not, relating to the teaching of gaming or playing or dealing techniques unless such gaming school is the holder of a valid Gaming School License issued by the Commission.
- (b) An application for a Gaming School License shall describe the training to be offered in sufficient detail to allow the Commission to properly evaluate that training. This description shall include but need not be limited to:
 1. The course or program title;
 2. The number of persons involved in such training and the maximum number of students that will be permitted to enroll in any one session of such training;
 3. A description of the plan of instruction to be used;
 4. The tuition and other charges of costs to the persons trained;
 5. The name, license number and employer of every instructor to be utilized for such training;
 6. The name, license number and employer of any support personnel to be used in such training;
 7. The location where such training is to be conducted; and
 8. Any certificate or other documentation to be awarded to persons successfully completing such training program. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.2 Gaming School Employee License Required.

- (a) No natural person shall be employed by a licensed gaming school as an instructor, administrative employee or sales representative unless he or she has first established his or her qualifications in accordance with Section 75-76-34 (K) of the Mississippi Gaming Control Act and the regulations of the Commission unless such gaming school employee is the holder of a valid gaming school employee license; provided, however, that notwithstanding the provisions of this section, the licensure of clerical personnel shall be required.
- (b) Notwithstanding any other requirements of this subchapter, guest lecturers who do not possess a gaming school employee's license may be employed provided that prior notice is filed with the Commission and that an individual who possesses a valid employee's license is responsible for the conduct of the class and is in attendance during the sessions conducted by the guest lecturer.
(Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.3 Standards for Qualification.

- (a) Each operator required to be licensed in accordance with commission regulations shall, prior to the issuance of a Gaming School License, produce such information, documentation and assurances to establish by clear and convincing evidence:
 - 1. The financial stability, integrity and responsibility of the applicant;
 - 2. The applicant's good character, honesty and integrity;
 - 3. That the applicant, either himself or through his employees, has sufficient business ability and experience to establish, operate and maintain his enterprise with reasonable prospects for successful operation;
 - 4. That all owners/management and supervisory personnel, and sales representatives qualify under the standards set forth under the provisions of these regulations;
 - 5. The integrity of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes or other evidence of indebtedness, either in effect or proposed, which bears any relationship to the enterprise;
 - 6. The integrity of all officers, directors, and trustees of the applicant;
 - 7. If the gaming school is a corporation, that it:
 - i. Either is incorporated in this state or is authorized to do business in this state;
 - ii. Maintains a registered office in the premises licensed or to be licensed and has designated and maintains in this state a registered agent;
 - iii. Complies with all requirements of the laws of this state pertaining to corporations.
 - 8. If the gaming school is not a corporation, that it maintains an office in this state and has designated to the Commission and maintains in this state an agent for the acceptance of service of process; and
 - 9. The appropriate individuals associated with or employed by the gaming school be properly qualified as required by the Gaming Control Act and these regulations.
(Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.4 Application Requirements.

- (a) The principal(s) of each operator, employee and student must set forth by application that he or she does not fall within any one (1) of the following categories:
1. Is under indictment for, or has been convicted in any court of a felony;
 2. Is a fugitive from justice;
 3. Is an unlawful user of any controlled substance, is addicted to any controlled substance or alcoholic beverage, or is an habitual drunkard;
 4. Is a mental defective, has been committed to a mental institution, or has been voluntarily committed to a mental institution on more than one (1) occasion;
 5. Has been discharged from the Armed Forces under dishonorable conditions; or
 6. Has been found at any time by the Executive Director or commission to have falsified any information.
 7. Has been denied a work permit or license or excluded or ejected from a casino operation in another gaming jurisdiction. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-63*

Rule 11.5 Investigations.

- (a) The Commission may, within its discretion, make such inquiry or investigation concerning an operator, employee, student or any other person involved with an applicant or licensee as it may deem appropriate either at the time of the initial application and licensure or at any time thereafter. It shall be the continuing duty of each applicant to provide full cooperation to the Commission in the conduct of such inquiry or investigation and to provide any supplementary information requested by the Commission.
- (b) The Commission shall require fingerprints of the operator(s), employees and students of the gaming schools or other methods of identification and shall forward all fingerprints taken pursuant to regulations to the Federal Bureau of Investigation. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-103*

Rule 11.6 Investigative Fees.

- (a) Simultaneously with the submission of its application for a gaming school license, the operator(s) shall pay a non-refundable application/investigation fee of one thousand (\$1,000.00) along with all other fees provided for in the Gaming Control Act. These fees shall be payable to the Mississippi Department of Revenue.
- (b) Simultaneously with the submission of its application for a gaming school employee license, the applicant shall pay a non-refundable application/investigation fee of one hundred dollars (\$100.00) along with all other fees provided for in the Gaming Control Act. These fees shall be payable to the Mississippi Department of Revenue.
- (c) Each student upon enrolling at a licensed gaming school shall pay a non-refundable fee which is the same fee imposed for work permits.
- (d) The Executive Director may require an additional deposit to be paid by the applicant or employee as a condition precedent to beginning or continuing the investigation where the investigative fees and costs are likely to exceed the deposit paid.
- (e) If the Executive Director denies an application for an Operator License, Instructor/Administrator License or a Student Work Permit License, the procedure for a hearing after denial will be the same as outlined in Part 2, Rule 10.3 of the Mississippi Gaming Commission Regulations.
(Adopted: 11/04/1992; Amended: 03/20/97.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 11.7 Age Requirements.

All employees and students of the gaming school shall be at least twenty-one (21) years of age.
(Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-155*

Rule 11.8 Courses and Programs of Instruction.

- (a) No person or school, whether or not a governmental agency, shall offer any course or program of instruction or enroll any student in any course or program of instruction unless an approval authorizing such course or program of instruction shall have first been obtained from the Commission.
- (b) For each course or program submitted to the Commission for approval, the gaming school shall submit a course or program outline in sufficient detail for proper evaluation which outline shall include, but need not be limited to:
 - 1. The course or program title;
 - 2. The objective or goal the course or program is intended to meet;
 - 3. For courses, the content in outline form showing the major elements or items of instruction, the number of teacher contact hours of instruction for each element of the course, the number of laboratory or practice hours required and the total number of hours for the course;
 - 4. The entrance requirements, if any, such as education, physical fitness or dexterity, and the procedure for determining compliance with such;
 - 5. The proposed tuition and other charges or cost to the student;
 - 6. The maximum number of students that will be permitted to enroll in any one session of the course or program taking into account the facilities available;
 - 7. A copy of all textual material to be used in the course of program of instruction.
- (c) The administrator of the gaming school shall file a plan outlining the curriculum and the minimum requirements for each area of instruction.
- (d) Subsequent changes in curriculum shall be submitted for approval of the Executive Director.
- (e) Upon satisfactory completion of any course or program or instruction, the gaming school shall, in writing, certify directly to the Commission that the student has completed the said course or program of instruction. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.9 Facilities, Supplies and Equipment.

- (a) The physical facilities and equipment of each gaming school shall be sufficient for attainment of the school's purposes and shall be safe and adequate in quality, size and number to effectively accommodate students, faculty and staff. The school shall have sufficient space, equipment and supplies on hand to provide a shop, laboratory or classroom space for each of the students in attendance at every session of instruction or training.
 - 1. No gaming school shall alter its physical facility unless prior notice, which shall include a diagram detailing the proposed change, has been submitted to and approved by the Commission.
- (b) Physical facilities of all gaming schools shall meet all applicable State, county and local laws, regulations and ordinances with regard to space, safety, health, fire, construction, sanitation,

heating, lighting, ventilation, zoning and environmental protection and such other standards as may from time to time be adopted by the Commission.

1. The gaming school shall be at least four hundred (400) feet from any church, school, kindergarten or funeral home. However, within an area zoned commercial or business, the minimum distance shall not be less than one hundred (100) feet.
- (c) Facilities leased or rented which house the instructional program of the school shall be bound by contract or lease agreement between the owner of the school and the owner of the facilities. Said contract or lease agreement shall stipulate length of lease, conditions of lease and shall be signed by both parties. A copy of the agreement must be filed with the Commission prior to the issuance of a certificate of operation.
- (d) Unless the Commission shall otherwise determine, all gaming equipment utilized by a gaming school shall conform to all requirements set forth in the regulations of the Commission governing gaming equipment utilized by casino licensee. Each gaming school shall keep an itemized list of its dealing shoes, gaming tables, slot machines, and roulette and big six wheels.
 1. Unless the Commission shall otherwise determine, each table for blackjack, roulette, craps, baccarat and big six shall have the name of the gaming school, or some other identifying attribute as approved by the Commission, permanently imprinted thereon in letters at least one inch in height and shall, as shall each slot machine, also have permanently affixed on it a serial number which, together with the location of the table or machine, shall be filed with the Commission.
- (e) Unless the Commission shall otherwise determine, all gaming chips and plaques utilized by a gaming school shall be distinctly dissimilar to any gaming chips and plaques utilized by a casino licensee.
 1. No gaming school shall issue or cause to be utilized in its gaming school any gaming chips or plaques until such gaming chips and plaques are submitted to and approved by the Commission.
- (f) Each gaming school shall provide adequate security of its premises for the protection of its equipment. No such equipment shall be removed from the premises of the school or sold or transferred to any person without the prior approval of the Commission; provided, however, the gaming chips and plaques may be removed by students for practice purposes without the necessity of any approval of the Commission.
 1. Each gaming school shall require all employees and students to possess a work permit and have it on their person while on school premises.
 2. Upon graduation a student may, upon written request to the Commission, enter the gaming school for the purpose of practice after obtaining prior approval. The gaming school shall properly document each practice session attended by the graduate.
- (g) Gaming chips and plaques and equipment of a gaming school shall be used for training, instructional and practice purposes only. Utilization of same for actual gaming by any person shall be prohibited and may constitute cause for the suspension or revocation of the gaming school license.
- (h) Each gaming school shall have a telephone listed in the local telephone directory. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.10 Causes for Suspension.

- (a) Any of the following shall be cause for suspension, refusal to renew or revocation of a gaming school license of gaming school employee license, although suspension, refusal to renew or revocation may be made for sufficient cause other than those listed:
 - 1. Violation of any provision of the Gaming Control Act or the Mississippi Gaming Commission rules and regulations;
 - 2. Conduct which would disqualify the applicant, or any other person required to be qualified, if such person were applying for original licensure;
 - 3. Failure to comply with all applicable Federal, State and local statutes, ordinances and regulations;
 - 4. A material departure from any representation made in the application for licensure. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.11 Duration of License.

- (a) Licensure pursuant to Mississippi Gaming Commission Regulations is granted for a term of two years, and for a term of two years for all subsequent renewals within the discretion of the Commission.
 - 1. A change in any item that was a condition of the original license or a license renewal must be approved by the Commission. A change in ownership shall invalidate any approval previously given by the Commission. The proposed new owner shall be required to submit an application for licensure and evidence that he is qualified for licensure. (Adopted: 11/04/1992; Amended: 10/27/05.)

Source: *Miss. Code Ann. § 75-76-85*

Part 2 Chapter 12: FOREIGN GAMING

Rule 12.1 Application For Preliminary Approval For Involvement In Foreign Gaming.

- (a) Unless a licensee has been granted continuous approval for involvement in foreign gaming, the licensee may apply for preliminary approval for a proposed involvement in foreign gaming. The application shall be made on such forms as may be prescribed by the Executive Director. The licensee shall pay an application/ investigation fee of two thousand dollars (\$2,000). The applicant shall pay the cost of any additional investigation as required by the Executive Director.
- (b) A preliminary approval for a proposed involvement in foreign gaming constitutes a finding by the Commission that, based upon consideration of the information submitted by the licensee, it finds no present reason to object to the proposed involvement. The preliminary approval may be limited or conditioned in any manner deemed reasonable by the Commission.
- (c) A preliminary approval does not:
 - 1. Constitute final approval for the proposed involvement in foreign gaming; or
 - 2. Obligate the Commission to grant final approval for the proposed involvement in foreign gaming.
- (d) The Commission shall consider all relevant information in considering the application for preliminary foreign gaming approval including, but not limited to, the following:
 - 1. The business history of the licensee, including its record of financial stability, and the

- integrity, duration, scope and success of its operations in Mississippi and elsewhere;
 2. The current business activities and investments of the licensee and its gaming affiliates;
 3. The regulatory history of the licensee and its affiliates in Mississippi and in foreign jurisdictions;
 4. The availability and accessibility in Mississippi of information to the Commission regarding the Mississippi operation and the operation in the foreign jurisdictions for which application has been made;
 5. The extent of personnel capable of managing both the licensee's Mississippi gaming businesses and the foreign operation;
 6. Whether a foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy their financial obligations as they become due;
 7. Whether a foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy all financial and regulatory requirements imposed by the laws of Mississippi and the regulations of the commission; and
 8. The current financial status and structure of the applicant, both within and without Mississippi, including historical and perspective balance sheets and statements of operation for business activities in Mississippi and other jurisdictions, key financial statistics such as debt to equity ratios and other financial data.
- (e) A preliminary approval for a proposed involvement in foreign gaming granted by the Commission pursuant to this regulation shall terminate automatically if:
1. The licensee or its affiliate has not commenced in involvement in foreign gaming within two (2) years after grant of the preliminary approval;
 2. The licensee or its affiliate has commenced the involvement in foreign gaming but the licensee has failed to file with the Executive Director the supplemental application for final foreign gaming approval required by paragraph 7 hereof; or
 3. The preliminary approval has not been extended by the Commission.
- (f) A licensee who has received preliminary approval of a proposed involvement in foreign gaming must continuously and promptly inform the Executive Director of each and every material action or step taken concerning the proposed involvement, leading up to the execution of a definitive agreement for the proposed involvement.
- (g) Unless a licensee has been granted continuous approval for involvement in foreign gaming and said continuous approval is in effect at the time of commencement of involvement in foreign gaming, a licensee granted preliminary approval for involvement in foreign gaming must file with the Executive Director an application for final approval for involvement in foreign gaming as soon as practicable, but in no event later than thirty (30) days after the execution of a definitive agreement pertaining to the proposed involvement or at such time as any application for licensing or related approval is made to the foreign jurisdiction for the proposed involvement, whichever occurs first.
- (h) If the Commission does not grant or deny the application for final approval for involvement in foreign gaming for which preliminary approval was granted within ninety (90) days after the filing of such application, unless waived by the applicant, the licensee may commence the involvement in foreign gaming for which final approval was sought. (Adopted: 12/30/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 12.2 Application For Final Approval For Involvement In Foreign Gaming

- (a) Unless a licensee has been granted continuous approval for involvement in foreign gaming, an application for final approval for involvement in foreign gaming must be filed with the Executive Director as soon as practicable and in no event later than thirty (30) days after the execution of a definitive agreement pertaining to the proposed involvement or at such time as any application for licensing or related approval is made to the foreign jurisdiction, whichever occurs first. The application shall be made on such forms as may be prescribed by the Executive Director. Failure to timely file an application may constitute grounds for denial.
- (b) The application must:
 - 1. Provide information about the proposed involvement in foreign gaming, to the extent it is practicable, as would be required in an application for a similar involvement in Mississippi gaming;
 - 2. Provide a description of the regulatory system that will govern the proposed involvement in foreign gaming; and
 - 3. An application/investigation fee of two thousand dollars (\$2,000.00). The application shall pay the cost of any additional investigation as required by the Executive Director.
- (c) The applicant shall file with the application a descriptive index of all application forms and related documents filed with the foreign jurisdiction by the applicant or by any entity affiliated with the applicant.
- (d) The applicant shall maintain within the State of Mississippi, and make available for examination by the Executive Director, executed copies of all application forms and related documents filed with the foreign jurisdiction by the applicant or by any applicant affiliated with the applicant.
- (e) The Commission shall consider all relevant information in considering the application, including, but not limited to, the following:
 - 1. Whether the applicant has provided sufficient reason for belief that the foreign gaming operation for which involvement is proposed will be conducted in accordance with the standards of honesty and integrity required of gaming activities in Mississippi and will pose no threat to gaming control in this state;
 - 2. Whether an effective accounting system will be implemented in the foreign gaming operation for which involvement is proposed that will prevent the employment of any techniques that could result in the avoidance of any Mississippi gaming license fees or taxes;
 - 3. The business history of the licensee, including its record of financial stability, and the integrity, duration, scope and success of its operations in Mississippi and elsewhere;
 - 4. The current business activities and investments of the licensee and its gaming affiliates;
 - 5. The regulatory history of the licensee and its affiliates in Mississippi and in foreign jurisdictions;
 - 6. The availability and accessibility in Mississippi of information to the Commission regarding the Mississippi operation and the involvement in the foreign jurisdiction for which application has been made;
 - 7. The extent of personnel capable of managing both the licensee's Mississippi gaming businesses and the foreign gaming operation;
 - 8. Whether the foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy their financial obligations as they become due;
 - 9. Whether the foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy all financial and regulatory requirements imposed by the laws of Mississippi and the regulations of the Commission; and

10. The current financial status and structure of the applicant, both within and without Mississippi, including historical and perspective balance sheets and statements of operation for business activities in Mississippi and other jurisdictions, key financial statistics such as debt to equity ratios and other financial data.
 - (f) The final approval may be limited or conditioned in any manner deemed reasonable by the Commission.
- (Adopted: 12/30/1992.)

Source: *Miss. Code Ann. § 75-76-205, 75-76-251, 75-76-273*

Rule 12.3 Application For Continuous Approval For Involvement In Foreign Gaming

- (a) A licensee who has been granted continuous approval for involvement in foreign gaming is exempt from compliance with preliminary approval and final approval, unless otherwise required by the Commission.
- (b) An application for continuous approval for involvement in foreign gaming shall be:
 1. Made on such forms as may be prescribed by the Executive Director;
 2. Accompanied by an application fee of four thousand dollars (\$4,000.00), the applicant shall pay the cost of any additional investigation as required by the Executive Director; and
 3. Be supplemented by such information as the Executive Director may request.
- (c) By filing the application, the licensee agrees:
 1. To conduct any foreign gaming operations in accordance with the standards of honesty and integrity required for gaming activities in this state;
 2. That foreign gaming operations will be lawfully conducted in the foreign jurisdiction, and that the licensee's involvement will pose no threat to gaming control in Mississippi; and
 3. To utilize an effective accounting system in the foreign jurisdiction which is designed to prevent the employment of techniques to avoid payment of Mississippi license fees and taxes.
- (d) The Commission shall consider all relevant information in determining whether to grant continuous approval including, but not limited to, the following:
 1. The business history of the applicant, including its record of financial stability, and the integrity, duration, scope and success of its operations in Mississippi and elsewhere;
 2. The current business activities and investments of the applicants and its gaming affiliates;
 3. The current financial status and structure of the applicant, both within and without Mississippi, including historical and perspective balance sheets and statements of operation for business activities in Mississippi and other jurisdictions, key financial statistics such as debt to equity ratios and other financial data;
 4. The regulatory history of the applicant and its affiliates in Mississippi and in foreign jurisdictions;
 5. The availability and accessibility in Mississippi of information regarding the Mississippi operation and any foreign operation;
 6. The extent of personnel capable of managing both the Mississippi operation and the foreign operation;
 7. Whether a foreign gaming operation will create a significant risk that the applicant or its gaming affiliates will not satisfy their financial obligations as they become due; and
 8. Whether a foreign gaming operation will create a significant risk that the applicant or its

affiliates will not satisfy all financial and regulatory requirements imposed by the laws of Mississippi and the regulations of the Commission.

- (e) The Commission may grant continuous approval to participate in foreign gaming for a period of up to two (2) years and may impose whatever conditions upon a continuous approval to participate in foreign gaming operations it deems reasonable.
- (f) A licensee who has received continuous approval to participate in foreign gaming must continuously and promptly inform the Executive Director of each and every material action or step taken concerning a specific transaction, leading up to the execution of a definitive agreement for the conduct of foreign gaming.
- (g) After receiving continuous approval, a licensee intending to commence foreign gaming operations shall notify the Executive Director of his intent as soon as practicable, but in no event later than forty-five (45) days before actual commencement of the operations and shall provide documentation related to such proposed operation that must include in addition to any other information required by the Executive Director:
 - 1. The information required by Mississippi Gaming Commission Regulation Part 2, Rule 12.2 (c) and (d);
 - 2. A complete description of the dealings or arrangements between the applicant, affiliates and unaffiliated parties or foreign governments; and
 - 3. A complete description of sources of financing for the proposed venture.
- (h) Upon commencement of foreign gaming operation in each jurisdiction, the licensee shall:
 - 1. Engage the services of an independent public accounting firm of good standing and reputation to perform a certified audit, or reasonable equivalent, of the foreign gaming operation for the purpose of rendering an opinion;
 - 2. Submit an annual operational and regulatory status report specifically addressing regulatory compliance, audit procedures and surveillance procedures relating to the foreign gaming operation;
 - 3. Report to the Executive Director within thirty (30) days after the end of each quarter regarding the occurrence or absence of the following:
 - i. Any changes in ownership or control of any interest in the subject foreign gaming operation;
 - ii. Any changes in officers, directors or key personnel earning at least one hundred thousand dollars (\$100,000) or more, or its equivalent;
 - iii. All gaming-related complaints, disputes, orders to show cause and disciplinary actions instituted by the foreign jurisdiction. This must include, but not be limited to, all matters, contested or not, in which a gaming regulatory agency presides or is a party thereto;
 - iv. All arrests made of employees of the foreign affiliate of the licensee involving gaming cheating or theft in the foreign jurisdiction. The report must include the name, position, charge, arresting agency and a brief description of the event; and
 - v. All arrests or convictions of officers, directors, key employees and equity owners of the licensee's affiliate in the foreign jurisdiction, regarding offenses which would constitute a gross misdemeanor or felony in the State of Mississippi. The report must include the name, position, charge, arresting agency and a brief description of the event.
 - 4. Comply with any additional reporting or other requirements as may be imposed by the Commission;
 - 5. File with the Executive Director copies of annual audited financial statements of the

- foreign gaming operation;
6. Provide to the Executive Director access to all files, books, records, photographs and memoranda related to the foreign operations and provide copies of said documents when requested, and provide immediate access to all gaming-related areas to the Executive Director or his representative upon request; and
 7. The Executive Director may, in his sole discretion and at the applicant's expense, employ an independent public accounting firm to make observations of the foreign gaming operation and to render a report to the Executive Director; and may conduct, at the expense of the licensee, other on-site inspections of the foreign gaming operation.
- (i) Unless otherwise ordered by the Commission, the Executive Director may issue an interlocutory stop order. The stop order may be issued for any cause deemed reasonable by the Executive Director. If a stop order is issued by the Executive Director pursuant to the provisions of this regulation, the Commission shall, upon request of the person that is the subject of the order, conduct a hearing on the merits of the matter no later than its next regular meeting for which notice of the hearing is practicable.
 - (j) The Commission may revoke, suspend, condition, limit or restrict any approval granted pursuant to this section. A continuous approval shall not apply to any jurisdiction which by law would prohibit the Executive Director and commission access to the books, records, documents, files, photographs, exhibits, memoranda or other records of the foreign affiliate; or to any gaming operation which is unlawful or which in any manner violates any federal, state, county or local law, statute or regulation.
- (Adopted: 12/30/1992.)

Source: *Miss. Code Ann. §§ 75-76-251, 75-76-253, 75-76-273*

Rule 12.4 Waiver of Certain Foreign Gaming Activities

- (a) Pursuant to Miss. Code Ann. §75-76-271(5), the Mississippi Gaming Commission finds that consistent with the public policy of this state concerning gaming, the requirements of Miss. Code Ann. §75-76-269 through 75-76-277, inclusive, are waived for the following activities:
 1. Any activity conducted within the fifty (50) states or any territory of the United States or, on board any cruise ship embarking from a port located therein; and
 2. Any activity conducted outside the area described in subsection (a) (1) for which casino operator's licensure or its equivalent is not required in order to legally conduct said activity.
 - (b) Notwithstanding the foregoing subsection, a licensee must report any activity described in subsection (a) (1) by notifying the Executive Director in writing no later than thirty (30) days after the commencement of said activity.
- (Adopted: 06/21/2007.)

Source: *Miss. Code Ann. § 75-76-271*

Part 2 Chapter 13: LABOR ORGANIZATIONS

Rule 13.1 Labor Organization Registration Required.

- (a) Each labor organization, union or affiliate thereof representing or seeking to represent employees requiring work permits by the Commission and employed by a licensee, shall register with the Commission annually.

- (b) The Commission may exempt any labor organization, union or affiliate thereof from registration requirements where it is found that such labor organization, union or affiliate:
 - 1. Is not the certified bargaining representative of any employee holding a work permit or employed by a licensee; and
 - 2. Is neither involved nor seeking to be involved actively, directly, or substantially in the control or direction of the representative of any such employee. Such exemption shall be subject to revocation upon disclosure of information which indicates that the affiliate does not or no longer meets the standards for exemption. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.2 Registration Statement

- (a) In order to register, a labor organization, union or affiliate thereof shall file with the Commission a "labor organization registration statement." The registration statement shall be completed and approved by the Executive Director prior to the labor organization becoming the certified bargaining representative for employees holding work permits and employed by a licensee.
- (b) Said statement shall be in the form prescribed by the Commission and shall include, without limitation, the following:
 - 1. The names of all labor organizations affiliated with the registrant;
 - 2. Information as to whether the registrant is involved or seeking to be involved actively, directly or substantially in the control or direction of the representation of any employee holding a work permit and employed by a licensee;
 - 3. Information as to whether the registrant holds, directly or indirectly, any financial interest whatsoever in any licensee whose employees it represents;
 - 4. The names of any pension retirement and welfare systems maintained by the registrant and all officers and agents of such systems;
 - 5. The names of all officers, agents and principal employees of the registrant; and
 - 6. All written assurances, consents, waivers and other documentation required of a registrant by the Commission.(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.3 Registration Renewal

A labor organization registration shall be effective for one year. Any such registration may be renewed upon filing of an updated "labor organization registration statement" no later than one hundred twenty (120) days prior to the expiration of the current registration. The Commission shall act upon such application for renewal no later than thirty (30) days prior to the date of expiration of the current registration. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.4 Continuing Duty to Disclose.

Every registered labor organization shall be under a continuing duty to promptly disclose to the Commission any change in the information contained in the "labor organization registration statement" or otherwise requested by the Commission.
(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-133*

Rule 13.5 Federal Reports Exception.

Notwithstanding the reporting requirements imposed by the regulations of the Commission, no labor organization, union, affiliate thereof or person shall be required to furnish any information which is included in a report filed by any labor organization, union, affiliated or person with the Secretary of Labor, pursuant to 29 U.S.C., section 431, et seq. (Labor-Management Reporting and Disclosure Act) or 29 U.S.C., section 1001 et seq. (Employee Retirement Income Security Act) if a copy of such report, or if the portion thereof containing such information, is also furnished to the Commission.

(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-133*

Rule 13.6 Qualification of Officers, Agent and Principal Employees.

Every officer, agent and principal employee of a labor organization, union or affiliate thereof required to register with the Commission pursuant to this chapter and the regulations of the Commission shall be qualified in accordance with criteria contained in Mississippi Gaming Commission regulations.

(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.7 Qualification Procedure.

- (a) In order to be qualified, every officer, agent and principal employee of a labor organization, union or affiliate thereof required to register with the Commission pursuant to the regulations of the Commission shall file with the Commission a "labor organization individual disclosure form," which shall be completed, signed and filed in accordance with the requirements of this chapter, provided, however, that such a form need not be filed by an officer of a national or international labor organization where that officer exercises no authority, discretion or influence over the operation of such labor organization with regard to any employment matter relating to employees holding work permits and employed by a licensee; and provided, further, that any such officer of a national or international labor organization may be directed by the Commission to file a "labor organization individual disclosure form" or to provide any other information in the same manner and to the same extent as may be required of any other officer of a labor organization which is required to register under this chapter.
- (b) Each officer, agent or principal employee required to file a "labor organization individual disclosure form" shall do so initially at the time the pertinent labor organization, union or affiliate thereof applies or should apply for registration within thirty (30) days of the date the individual is elected, appointed or hired, whichever is later.
- (c) Following an initial finding of qualification, each qualified individual who has filed an initial "labor organization individual disclosure form" shall annually file with the Commission a properly completed, updated "labor organization individual disclosure form." Such form shall be filed with the Commission at the same time as the related labor organization renewal application. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-139*

Rule 13.8 Waiver of Disqualification Criteria.

Notwithstanding the qualification requirements as to any such officer, agent or principal employee, the Commission may waive any disqualification criteria upon a finding that the interests of justice so require. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.9 Interest in Licensee Prohibited.

Neither a labor organization, union, or affiliate thereof nor its officers, agents and principal employees not otherwise individually holding work permits in accordance with the Gaming Control Act and employed by a licensee may hold any financial interest whatsoever in the licensee whose employees they represent. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.10 Failure to Comply; Consequences.

- (a) No labor organization, union or affiliate thereof required to register with the Commission shall receive any dues from or on behalf of or administer any pension, retirement or welfare funds from or on behalf of any employee holding a work permit and employed by a licensee or its agent:
 - 1. If the said labor organization, union, or affiliate thereof shall fail to properly register with the Commission or provide all information requested by the Commission in accordance with the provisions of this chapter or the regulations of the Commission;
 - 2. If any officer, agent or principal employee of such labor organization, union, or affiliate thereof shall fail to qualify in accordance with the provisions of this chapter or the regulations of the Commission; or
 - 3. If the said labor organization, union, affiliate thereof or any officer or agent thereof shall hold a prohibited interest in a licensee.
- (b) Nothing herein shall be construed to limit the right of the Commission to impose any sanctions or take any action authorized by these regulations of the Gaming Control Act. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-137*

Title 13: Gaming

Part 2: LICENSING

Part 2 Chapter 1: APPLICATIONS

Rule 1.1 Procedures.

(a) In General. It is the declared policy of the State of Mississippi that all establishments where gambling games are conducted or operated must be licensed and controlled so as to better protect the public health, safety, morals, good order and welfare of its inhabitants. Any license, registration, finding of suitability, or approval by the Commission shall be deemed to be a revocable privilege and no person holding such a license, registration, finding of suitability, or approval is deemed to have acquired any vested rights therein.

(b) An application for a state gaming license or any other affirmative Commission action is seeking the granting of a privilege, and the burden of proving his qualification to receive any license, registration, finding of suitability or approval, is at all times on the applicant. The applicant must document compliance with all applicable federal, state and local rules, regulations and permit requirements. An applicant must accept any risk of adverse publicity, embarrassment, criticism, or other action, or financial loss which may result from action with respect to an application and expressly waive any claim for damages as a result thereof.

(c) An application for a license, finding of suitability, or registration, besides any other factor attaching to such an application by virtue of the Act and these regulations, shall constitute a request to the Executive Director for a recommendation and to the Commission for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in, or be associated with, the gaming industry in the manner or position sought by the application, or the manner or position generally similar thereto; and, by filing an application with the Executive Director, the applicant specifically consents to the making of such a recommendation by the Executive Director and such a decision by the Commission at their election when the application, after filing, becomes moot for any reason other than death. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-63*

Rule 1.2 Other Commission Considerations for Licensing

(a) In General. This chapter sets forth some criteria which the Commission will consider when deciding whether to issue a license to conduct gaming on an establishment, vessel, or cruise vessel on Mississippi jurisdiction bodies of water. The various criteria set forth may not have the same importance in each instance and other factors may present themselves in the consideration of an application for a license. The criteria are not listed in any order of priority.

(b) Revenue provided by facility. The Commission will consider the amount of revenue to be provided by the proposed facility to the state and local communities through direct taxation on its operation indirect revenues from tourism, ancillary businesses, creation of new industry, and taxes on employees and patrons.

(c) Establishment, vessel, or cruise vessel viable and properly financed. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is economically viable and properly financed.

- (d) Adequate security. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is planned in a manner which provides adequate security for all aspects of its operation and for the people working, visiting, or traveling on the establishment, vessel, or cruise vessel.
 - (e) Efficient and safe operation. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is planned in a manner which promotes efficient and safe operation of all aspects of its facility including, but not limited to, docking facilities, all areas of establishment, vessel, or cruise vessel concession areas, and management areas.
 - (f) Efficient, safe and enjoyable for patrons. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is planned in a manner which promotes efficient, safe, and enjoyable use by patrons including, but not limited to, establishment, vessel, or cruise vessel structure, parking facilities, concessions, the casino, access to cashier windows, and restrooms.
 - (g) Compliance with applicable state and local laws. The Commission will consider whether the proposed establishment, vessel, or cruise vessel is in compliance with applicable state and local laws regarding fire, health, construction, zoning, and other similar matters.
 - (h) Employ appropriate persons. The Commission will consider whether the applicant will employ the persons necessary to operate the establishment, vessel, or cruise vessel in a manner consistent with the needs, safety, and interests of all persons who will be on the establishment, vessel, or cruise vessel.
 - (i) Population of area establishment, vessel, or cruise vessel will serve. The Commission will consider the population of the area to be served by an establishment, vessel, or cruise vessel together with location of other establishments, vessels, or cruise vessels within and without the state of whatever nature.
 - (j) Character and reputation. The Commission will consider the character and reputation of all persons identified with the ownership and operation of the establishment, vessel, or cruise vessel or licensed business, and their capability to comply with the rules of the Commission and the Mississippi Code.
 - (k) Economic development. The Commission will consider whether the proposed operation will maximize economic development. The operation, to the extent practicable, should exhibit a good faith effort to choose Mississippi businesses and residents in the awarding of contracts for goods, services and entertainment. The applicant shall demonstrate to the Commission all efforts made to comply with this regulation at the time of the initial licensing and all subsequent licensures.
 - (l) Tourism. The Commission will consider whether the proposed operation is beneficial to Mississippi tourism.
 - (m) Employment opportunities. The Commission will consider the number and quality of employment opportunities for Mississippians created and promoted by the proposed operation. The applicant shall demonstrate to the Commission all efforts made to comply with this regulation at the time of the initial licensing and all subsequent licensures.
 - (n) Shore development. The Commission will consider the amount and type of shore developments associated with the gaming establishment, vessel, or cruise vessel project.
 - (o) Miscellaneous. The Commission will consider such other factors as may arise in the circumstances presented by a particular application.
- (Adopted: 09/25/1991; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-63, 75-76-34, 75-76-3

Rule 1.3 Licenses And Other Commission Actions

(a) Gaming License. A license which authorizes the holder to operate a gaming establishment. A gaming license is granted for a period of no longer than three (3) years from the date of issue. A gaming license may be granted for a period of less than three (3) years within the discretion of the Commission. At the expiration of a license, if the Commission is satisfied, after careful review of the licensee's current report, verified by the affidavit of an officer of the licensee, that there has been no substantial change in the information provided in the application for the initial license, the Commission may, upon receipt of all prescribed fees and cost, continue the license for a period no longer than three (3) years. No more than two (2) continuances may be granted for each license and any continuance of a license is subject to the Commission's power to revoke, suspend, condition or limit as if it were the initial license.

(b) Manufacturer's License. A license which authorizes the holder to manufacture, assemble, or modify any gaming device in the State of Mississippi or for use or play in Mississippi. A manufacturer's license is granted for a period of no longer than three (3) years from the date of issue. A manufacturer's license may be granted for a period of less than three (3) years within the discretion of the Commission. At the expiration of a license, if the Commission is satisfied, after careful review of the licensee's current report, verified by the affidavit of an officer of the licensee, that there has been no substantial change in the information provided in the application for the initial license, the Commission may, upon receipt of all prescribed fees and cost, continue the license for a period no longer than three (3) years. No more than two (2) continuances may be granted for each license and any continuance of a license is subject to the Commission's power to revoke, suspend, condition or limit as if it were the initial license.

(c) Distributor's License. A license which authorizes the holder to lend, lease, sell, give, or distribute in any other manner any gaming device in the State of Mississippi or outside the State of Mississippi for use or play in Mississippi. A distributor's license is granted for a period of no longer than three (3) years from the date of issue. A distributor's license may be granted for a period of less than three (3) years within the discretion of the Commission. At the expiration of a license, if the Commission is satisfied, after careful review of the licensee's current report, verified by the affidavit of an officer of the licensee, that there has been no substantial change in the information provided in the application for the initial license, the Commission may, upon receipt of all prescribed fees and cost, continue the license for a period no longer than three (3) years. No more than two (2) continuances may be granted for each license and any continuance of a license is subject to the Commission's power to revoke, suspend, condition or limit as if it were the initial license.

(d) Registration. A commission action which authorizes an entity to be a holding company with respect to another entity which holds or applies for a state gaming license.

(e) Other Licenses Or Findings Of Suitability. The Act and these regulations require or permit the Commission to require that certain persons directly and actively involved in the administration or supervision of the gaming activities of gaming licensees be found suitable to hold a gaming license so long as that involvement continues.

1. The following persons shall apply for a finding of suitability and must be found suitable by the Commission in order to be involved with a licensee:
 - i. each person who serves as Chairman of the Board of Directors of any corporation, public or private, licensed or registered by the Commission; and

- ii. each person who has a vote on any issue before the Board of Directors of any corporation, public or private, licensed or registered by the Commission and who is also an employee of the corporation or any of its subsidiaries.
- 2. The following persons shall apply for a finding of suitability and may be found suitable by the Commission after review of the application:
 - i. each person who serves as the Chairman of the audit or compliance committees of any corporation, public or private, licensed or registered by the Commission, and
 - ii. any executive, employee, or agent of a gaming licensee that the Commission determines as having the power to exercise a significant influence over decisions concerning any part of the operation of a gaming licensee.
- 3. Whenever it is the judgment of the Commission that the public interest and the policies set forth in the Act will be served by requiring any employee to be found suitable, the Commission shall serve notice of such determination upon the licensee. The Commission shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person involved in making its decision as to suitability status. Examples shall include, but are not limited to, persons acting in the capacity of a property level general manager, assistant general manager, or executive level personnel actively and directly engaged in the administration or supervision of the activities of a licensee. Grounds for requiring suitability of an executive, employee or agent which are deemed to serve the public interest and the policies of the Act include but are not limited to the following:
 - i. the individual is new to the industry, to the particular gaming establishment, or the position, and has significant influence and control and the Commission has little or outdated information concerning his or her character, background, reputation or associations; or
 - ii. information has been received by the Commission which, if true, would constitute ground for a finding of suitability to be associated with a gaming enterprise.
- 4. The licensee shall, within thirty (30) days of placing an employee into a position as described above shall present notification to the Executive Director who shall inform the licensee whether the application for a finding of suitability is necessary. Failure of the licensee to respond as required by this section shall constitute grounds for disciplinary action.
- 5. Any individual whose application for finding of suitability is required pursuant to this regulation may request the Commission in writing to review its determination of that individual's status within the gaming organization any time within ten (10) days following the filing of a completed application as required by this regulation. In the event the Commission determines that the applicant is not required to be found suitable or that the public interest and policies of the Act do not require the finding of

suitability of the individual at the time, then the applicant shall be allowed to withdraw his application and he may continue in his employment.

6. An applicant for a finding of suitability has the burden of proving his qualification to receive and maintain a finding of suitability pursuant to Mississippi Code Annotated § 75-76-67. If the nature of the job changes from that for which the applicant is found suitable, he may be required to submit himself to a new determination of his suitability.
7. A finding of suitability is granted for a period of no longer than ten (10) years from the date of issue. A finding of suitability may be granted for a period of less than ten (10) years within the discretion of the Commission.
 - i. A holder of a finding of suitability must file with the Investigations Division of the Commission the “Investigations Division Annual Report”, providing all information requested on forms provided by the Commission, and any other information requested by the Executive Director. Such “Investigations Division Annual Report” shall be due by June 30th of each year, with the exception of the calendar year the license is granted.
 - ii. A holder of a finding of suitability shall immediately inform the Commission of any arrest or conviction.

(f) Any executive, employee, or agent of a gaming licensee who is listed or should be listed in the annual employee report may be required to apply for a finding of suitability at the direction of the Commission.

(g) Approvals. The Mississippi Gaming Control Act and these regulations require commission approval for certain acts of licensees or transactions directly or indirectly involving licensees. Such approvals by themselves do not constitute the licensing or a finding of suitability of any person involved, but merely an approval for the particular transaction involved. The Executive Director shall have complete discretion in determining whether to grant prior approval for a contract or agreement which would otherwise be prohibited under Miss. Code Ann. §75-76-61(5), or an employment relationship which would otherwise be prohibited under Miss. Code Ann. §75-76-61(6). Notwithstanding the foregoing, however, no such prior approval shall be granted unless the Commission has previously given unanimous approval of the contract, agreement or employment relationship.

(h) Gaming Site Approval and Approval to Proceed with Development. The Commission may, in its discretion, grant approval of gaming sites. The Commission has divided the approval process into two separate phases:

1. Gaming site approval; and
2. Approval to proceed with development.

Source: *Miss. Code Ann. § 75-76-63*

Rule 1.4 Gaming Site Approval. ~~With respect to gaming site approval, approval constitutes only the Commission’s finding that the location complies with applicable gaming laws and regulations. Gaming site approval does not entitle the recipient to approval to proceed with~~

development, nor does it constitute a license to engage in gaming or a right to a gaming license. Gaming site approval is a revocable privilege, and no holder acquires any vested right therein. The Mississippi Gaming Commission reserves the right to revoke any site approval should the circumstances change that would make the site illegal or unsuitable. When presenting for approval the applicant's application for gaming site approval, the following information, together with evidence satisfactory to the Commission in support thereof, must be included:

(a) A survey indicating the specific location of the property.

(b) The current use of any adjacent property as well as the location of the nearest residential area, church and school.

(c) Evidence that all applicable zoning ordinances allow gaming at the proposed site.

(d) A survey establishing the mean high water line must be provided at the time gaming site approval is given which is performed by a qualified surveyor for performance of tidal surveys. This provision is only applicable for proposed gaming sites located in the three (3) most southern counties in the State of Mississippi. Gaming establishments in the three (3) most southern counties in the State of Mississippi are permitted to be permanent inland structures. No point in the gaming area may be more than eight hundred (800) feet from the nineteen (19) year mean high water line. Harrison County establishments south of Highway 90 may exceed the eight hundred (800) foot measurement up to the southern boundary of Highway 90. All public easements and rights-of-way for public streets and highways shall be excluded from the eight hundred (800) foot measurement. Any point of reference used to determine the 800 foot distance

from the mean high water line must be located on the applicant or licensee's premises. The applicant or licensee must own and /or lease the land that is contiguous both to the parcel used to conduct gaming and the point of reference used to determine the mean high water line, and this land must be shown to be an integral part of the project. The Commission has final authority in reviewing and approving each site as it pertains to meeting the requirements of this regulation. The Commission has the authority to determine the legality and suitability of gaming sites, and a finding of suitability of a gaming site constitutes the Commission's finding that the location is both suitable for gaming and complies with applicable gaming laws and regulations. Gaming site approval is a revocable privilege, and no holder acquires any vested right therein. The Commission has final authority in reviewing and approving each site as it pertains to meeting the requirements of this regulation. When requesting approval the applicant must provide the following information, together with evidence satisfactory to the Commission in support thereof:

(a) A survey and supporting conveyances indicating the specific location of the property and the location where gaming would be conducted on the property.

1. For an inland site approval located in the three (3) most southern counties in Mississippi, the survey:

a) Must be performed by a qualified surveyor of tidal surveys and establish the nineteen (19) year mean high water line;

b) Must establish that no gaming activities will be conducted more than eight hundred (800) feet from the mean high water line, or, if in Harrison County, no farther north than the southern boundary of Highway 90, whichever is greater, as provided in Miss. Code Ann. § 97-33-1(b)(ii);

c) Must establish that the applicant owns and/or leases the parcel(s) that will contain the gaming structure and the parcel(s) that contain or border the relevant mean high water line; in the case of multiple parcels, the survey must establish that all parcels are contiguous but for easements and rights-of-way for public streets and highways

(which shall not be counted in the 800 foot distance calculation) as provided in Miss. Code Ann. § 97-33-1(b)(iii);

- (b) The current use of any adjacent property as well as the location of the nearest residential area, church and school.
- (c) Certification from the appropriate governing authorities that all applicable zoning ordinances allow gaming at the proposed site.

Source: *Miss. Code Ann.* §§ 75-76-225; 75-76-209 ; 75-76-27; 75-76-79; 75-76-33; 75-76-79;

Rule 1.5 Approval to proceed with development. With respect to obtaining the Commission's approval to proceed with development, the following information, together with documentation to support this information, shall be submitted to the Commission:

(a) Architectural plans or renderings showing details of all proposed construction and renovation for the project, together with a footprint of the project. Include a description of the construction and type of parking facilities, as well as parking lot capacity. Commission approval requires that the project include a 500-car, or larger parking facility in close proximity to the casino complex, and infrastructure facilities shall include a 300-room, or larger hotel of at least a three diamond rating as defined by an acceptable travel publication to be determined by the Commission. In addition, infrastructure facilities must include a restaurant capable of seating at least 200 people and a fine dining facility capable of seating at least 75 people, and the casino floor must be at least 40,000 square feet. The project will also have or support an amenity that will be unique to the market and will encourage economic development and promote tourism. The Commission will have authority in determining the quality of the amenity and the ultimate approval of the amenity, and may in its discretion reduce the requirements above should it determine that there is a justification to do so in certain markets. The Commission will further determine, in its discretion, if the prerequisite hotel and dining facilities may be supplanted by an amenity of high value to the overall tourism market in that the amenity will likely encourage economic development and promote tourism. As used herein, infrastructure facilities are not such items as parking facilities, roads, sewage and water systems, or civic facilities normally provided by cities and/or counties. The qualifying infrastructure must be owned or leased by (i) the holder of the site approval, or (ii) an affiliated company of the holder of the site approval where both the affiliated company and the holder of the site approval have identical direct or indirect equity ownership. This regulation shall apply to any new applicant for a gaming license for a new gaming facility and to the acquisition or purchase of a licensee or gaming facility for which gaming operations have ceased prior to the time of acquisition or purchase. This regulation, however, shall not apply to any licensee which has been licensed by the Commission, or to any person which has received Approval to Proceed with Development from the Commission, prior to December 31, 2013. (or to such licensee upon any licensing renewal after such date). Any change to the plan, or placement or design of the establishment, cruise vessel or vessel, shall be submitted in advance to the Executive Director for determination of whether such a change constitutes a material change. If the Executive Director determines that a material change has occurred, Commission approval is required for the same.

(b) Statements reflecting the total estimated cost of construction or renovation of the establishment, vessel, or cruise vessel and shore and dock facilities, distinguishing between known costs and projections, and separately identifying:

1. Facility design expense;

2. Land acquisition costs;
3. Site preparation costs;
4. Construction costs or renovation costs;
5. Equipment acquisition costs;
6. Cost of interim financing;
7. Organization, administrative and legal expenses;
8. Projected permanent financing costs;
9. Qualified infrastructure costs; and
10. Non-qualifying infrastructure costs.

(c) A construction schedule for completion of the project, including an estimated date of project completion. Indicate whether a performance bond will be required by the applicant to be furnished by the contractor.

(d) Current financial statements, including, at a minimum, a balance sheet and profit and loss statement for the proposed licensee.

(e) A detailed statement of the sources of funds for all construction and renovation proposed by the site development plans. Any funding, whether equity or debt, to be obtained must be supported by firm written commitments satisfactory to the Commission. The applicant will have 120 days in which to close all financing and start construction or the approval is deemed void.

(f) Evidence that the following agencies (if applicable) were notified of the development and/or do not oppose the site development:

1. U.S. Corps of Engineers
2. U.S. Coast Guard
3. Mississippi Department of Transportation
4. Mississippi Department of Environmental Quality
5. Department of Marine Resources
6. Port and Harbor Commission
7. Levee Board
8. City and County government
9. Such other agencies as the Executive Director deems appropriate.

The application for a Gaming Operator's License shall be filed no later than ninety (90) days after the Commission grants approval to proceed with development. The gaming site approval will expire three (3) years from the date approval to proceed with development is granted unless the Commission grants an extension. Approval to proceed with development is not subject to sale, assignment or transfer.

Source: *Miss. Code Ann.* §§ 75-76-61, 75-76-77, 75-76-27, 75-76-45

Rule 1.6 Opening of a Casino. Before any gaming facility may open to the public, all infrastructure requirements must be fully operational. The development shall be completed in accordance with the approved plan and be ready for operation within the gaming site approval time period. Gaming site approval may be extended, within the discretion of the Commission.

Gaming shall not be conducted on any approved site unless the Commission has issued an operator's license to the person that owns, leases or controls the cruise vessel or structure where

gaming activities will be conducted as provided in Miss. Code Ann. § 97-33-1(b)(i). If the casino is in any of the three (3) most southern counties of the state, and public trust tidelands are not leased in order to meet the requirements of Rule 1.4, the licensee will be required to pay an annual in-lieu tidelands assessment as required in Miss. Code Ann. § 29-1-107(4)(c) at the time of issuance of the operator's license. These amendments shall apply to all existing, pending, renewal and new applicants for a gaming site approval and approval to proceed with development. (Adopted: 09/25/1991; Amended: 10/13/1994; Amended: 07/23/2003; Amended: 02/23/2006; Amended 06/21/2007.)

Source: *Miss. Code Ann. §§ 75-76-77; 75-76-61*

Rule 1.7 Compliance review and reporting system.

(a.) Whenever the Commission is acting upon any application of a licensee or registrant, or pursuant to its powers provided in Miss. Code Ann. §75-76-103, and if the Commission determines that circumstances exist which require additional management review by a licensee or registrant, the Commission may impose a condition upon any license or order of registration to require implementation of a compliance review and reporting system by the licensee or registrant.

(b.) The terms of the condition may include, but shall not be limited to:

1. That the condition shall expire on a certain date or after a designated period of time without commission action;
2. That the condition may be administratively removed by the Executive Director should a specified activity cease or a specified event occur; or That a periodic review shall be conducted by the Executive Director and upon such review the Executive Director may recommend and the Commission may remove or continue to require the condition.

(c.) Notwithstanding the provision of paragraph (b) above, upon application, a licensee or registrant may request modification or removal of the condition imposed and the Commission may, after considering the recommendation of the Executive Director, modify or remove the condition.

(d.) The compliance review and reporting system shall be created for the purpose of monitoring activities relating to the licensee's or registrant's continuing qualifications under the provisions of the Act and regulations of the Commission in accordance with a written plan to be approved by the Executive Director administratively or as otherwise ordered by the Commission.

(e.) The written plan must provide for the operation of the compliance review and reporting system and must designate who shall be responsible for said system. The plan must provide for involvement of at least one person knowledgeable of the provisions of the Act and the regulations of the Commission. The plan must require periodic reports to senior management of the licensee or registrant. Such reports shall be advisory and the licensee or registrant shall maintain responsibility for compliance with the Act and regulations of the Commission. Copies of the reports must be provided to the Commission.

(f.) The activities to be monitored must be set forth in the written plan and must be determined by the circumstances applicable to the licensee or registrant. Without limitation, the activities that may be required to be monitored pursuant to the compliance review and reporting system include the following:

1. Associations with persons denied licensing or other related approvals by the Commission

- or who may be deemed to be unsuitable to be associated with a licensee or registrant;
- 2. Business practices or procedures that may constitute grounds for denial of a gaming license or registration;
- 3. Compliance with other special conditions that may be imposed by the Commission upon the licensee or registrant;
- 4. Review of reports submitted pursuant to the Act and regulations of the Commission;
- 5. Compliance with the laws, regulations, or orders of duly constituted governmental agencies or entities having jurisdiction over the gaming affairs, or such other business activities which the
- 6. Executive Director or the Commission may deem necessary or proper, of the licensee, the registrant, or its affiliates; and

Review of such other activities determined by the Commission as being relevant to the licensee's or registrant's continuing qualifications under the provisions of the Act and the regulations of the Commission. (Adopted: 9/25/1991; Amended: 08/18/1994; Amended: 10/22/1998; Amended: 11/19/1998; Amended: 01/21/1999; Amended: 11/18/1999; Amended: 01/18/2001; Amended: 07/23/2003; Amended: 10/27/2005; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-61, 75-76-63, 75-76-77 , 75-76-103

Rule 1.8 Information Required; Failure To Provide Complete And Accurate Information Constitutes Grounds For Delay Or Denial Of Application; Amendments.

(a) In addition to the information required by Miss. Code Ann. § 75-76-73, an applicant shall provide to the Executive Director, on forms furnished by the Executive Director, complete information regarding the proposed operation, including but not limited to, a certification that any establishment, vessel or cruise vessel to be used by the proposed operation has been inspected and approved by all appropriate authorities as soon as such certification is complete, fingerprints of each individual applicant, the nature, source, and amount of any financing, the proposed uses of all available funds, the amount of funds available after opening for the actual operation of the establishment, and economic projections for the first three (3) years of operation of the establishment. In addition, the applicant shall provide complete information regarding his or her background for the ten year period preceding submission of the application.

(b) In all cases in which the premises to be used for the proposed operation are not wholly owned by the applicant, the applicant shall provide to the Executive Director complete information pertaining to the interest held by any person other than the applicant, including the name and address of the owner or owners of the premises, a copy of all agreements entitling the applicant to possession of the premises and such other information as the Executive Director may require.

(c) Pursuant to Miss. Code Ann. §75-76-73, the Commission or the Executive Director may require an applicant to provide such other information and details as they need to discharge their duties properly. Failure to supply any information promptly after receiving the Executive Director's or the Commission's request constitutes grounds for delaying consideration of the application or for denial.

(d) It is grounds for denial of an application or disciplinary action for any person to make any untrue statement of material fact in any application, or in any statement or report filed with the Executive Director or Commission, or willfully to omit to state in any such application, statement or report any material fact which is required to be stated therein, or which is necessary to make the

facts stated not misleading.

(e) All information included in an application must be true and complete as of the dates submitted and an applicant shall promptly supply by amendment, any information based on facts occurring after the original application so as to make such information not misleading as of the dates of any action taken by the Executive Director and the Commission.

(f) An application may be amended in any respect by leave of the Executive Director at any time prior to final action thereon by the Commission. Any amendment to an application shall have the effect of establishing the date of such amendment as the filing date of the application with respect to the time requirements for action on the application. Request for amendment to an application must be in writing.

(Adopted: 9/25/1991; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-63, 75-76-67, 75-76-73

Rule 1.9 Additional Application Information Required.

Every application to become a license holder shall contain the following additional information:

(a) Give actual establishment, vessel, or cruise vessel blueprints, including a layout of each floor stating the projected use of each area.

(b) State whether the establishment, vessel, or cruise vessel has been or will be certified by the United States Coast Guard, if applicable.

(c) Set forth the proposed route to be taken, identifying the body of water, and include any relevant Army Corps of Engineer data or Mississippi Departments of Environmental Quality and the Department of Wildlife, Fisheries and Parks data on that body of water.

(d) State the number of miles from the nearest population center, and describe briefly the transportation facilities serving that population's center.

(e) Describe the casino size and configuration of slot machines, video games of chance and table games.

(f) State the availability of fire protection and the adequacy of law enforcement on the establishment, vessel, or cruise vessel, both at the docking facilities and along the proposed excursion route. Provide emergency evacuation plans for hurricane and flooding disasters.

(g) Describe the arrangements for food and drink concessions, indicating the names and addresses of concessionaires and the terms of the concession contracts, if applicable.

(h) Indicate the type of slot machines and video games of chance to be used; also, indicate the proposed distributors and manufacturers of this equipment.

(i) Describe the physical location, size and floor plan of the section of the establishment, vessel, or cruise vessel reserved for patrons under 21 years of age. Provide plans for activities and staffing of this section.

(j) Indicate establishment, vessel, or cruise vessel days and periods of time that the gaming areas will be in operation.

(k) Describe the proposed management of the facility, management personnel by function, and tip distribution policies.

(l) Include any and all known feasibility studies made available to the applicant which have been done on the type of gaming in the particular locale where the applicant intends to conduct gaming.

(m) Describe procurement policies that emphasize the utilization of Mississippi employees, resources, goods and services in the operation of the gaming establishment, vessel, or cruise vessel.

(Adopted: 9/25/1991; Amended: 7/23/2003; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-63, 75-76-67, 75-76-73

Rule 1.10 Separate Applications For Each Establishment. Separate applications are required for each establishment for which a gaming license is sought, irrespective of the ownership of such establishment.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-73*

Rule 1.11 Application And Investigative Fees

(a) Simultaneously with the submission of its application for a gaming license, the applicant shall pay a non-refundable application fee of Five Thousand Dollars (\$5,000.00) along with all other fees provided for in the Gaming Control Act. These fees shall be payable to the Mississippi Department of Revenue.

(b) An applicant for any subsequent gaming license, continuance of a gaming license, finding of suitability, registration, approval, or other license pertaining to a particular establishment shall pay such investigative fees and costs as determined by the Executive Director. Any licensee which is the subject of a periodic compliance investigation shall pay such investigative fees and cost as determined by the Executive Director. The Executive Director shall estimate the investigative fees and costs and may require a deposit to be paid by the applicant or licensee in advance as a condition precedent to beginning or continuing an investigation. If, at any time, the Executive Director determines that the investigative fees and costs are likely to exceed the deposits paid by the applicant or licensee, the Executive Director may require additional deposits.

(c) The Executive Director and Commission will not take final action to approve any application unless all application and investigative fees and costs have been paid in full. The Executive Director may recommend denial and the Commission may deny the application if the applicant has failed or refused to pay all application and investigative fees and costs.

(d) Upon final action on the application, the Executive Director shall give to the applicant an itemized accounting of the investigative fees and costs incurred. The Executive Director shall refund to any applicant who made deposits pursuant to Subsection (b) of this Regulation, any balance remaining in the investigative account of the applicant after all investigative fees and costs have been paid.

(Adopted: 09/25/1991; Amended: 11/18/1999.)

Source: *Miss. Code Ann. §§ 75-76-183, 75-76-189, 75-76-183, 75-76-177*

Rule 1.12 Timetable for Financing and Construction

(a) License applicants shall submit, simultaneously with submission of their completed application, a timetable for financing arrangements (including applications for approval of public offerings or private placements), and commencement and completion of construction activities and setting forth the date upon which gaming activities will commence. This timetable will be subject to approval by the Commission, and monitored for compliance by the Executive Director.

(b) The Commission may grant extensions of time upon the recommendation of the Executive Director.

(c) License applicants shall not advertise or promote the opening of their proposed casino nor the commencement of employee training for that proposed casino until the applicant is granted a license by the Mississippi Gaming Commission. After the granting of a license, the licensee may advertise or promote the opening of their casino and/or the commencement of employee training

for that casino. Applicants may request a waiver of this regulation from the Executive Director stating compelling reasons for an exception to this regulation. The granting of any waiver by the Executive Director shall be subject to revocation.
(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* §§ 75-75-187, 75-76-175, 75-76-93

Rule 1.13 Withdrawal Of Application

(a) A request for withdrawal of an application may be made at any time prior to final action upon the application by the Commission by filing a written request to withdraw with the Executive Director.

(b) The Executive Director may, in his discretion, deny the request, or grant the request with or without prejudice. If the request is denied or granted with prejudice, the applicant may appeal to the Commission within ten (10) days of the Executive Director's decision.

(c) If a request for withdrawal is granted with prejudice, the applicant is not eligible to apply again for licensing or approval until after expiration of one (1) year from the date of such withdrawal.

(d) The Executive Director shall notify the applicant in writing whether its request for withdrawal has been granted with or without prejudice or denied.

Source: *Miss. Code Ann.* §§ 75-76-23, 75-76-67, 75-76-63

Part 2 Chapter 2: QUALIFICATIONS

Rule 2.1 Criteria for Cruise Vessels and Vessels.

(a) Cruise Vessel:

1. Complies with all U.S. Coast Guard regulations;
2. Has a minimum overall length of one hundred fifty feet (150');
3. Has a minimum draft of six feet (6'); and
4. Is certified by the U.S. Coast Guard to carry at least two hundred (200) passengers.

(b) Vessel:

1. For purposes of the Mississippi Gaming Control Act, includes every
2. description of floating watercraft or other floating artificial contrivance;
3. Has a minimum overall length of one hundred fifty feet (150');
4. Shall comply with all state and local safety and health ordinances and/or regulations.

(Adopted: 11/14/1990; Amended: 07/16/1998.)

Source: *Miss. Code Ann.* § 7576-67

Rule 2.2 Location

(a) The legislature has declared gaming operations legal if licensed by the Commission and conducted upon establishments, vessels and cruise vessels located in certain statutorily described areas where voters have not voted to prohibit gaming. The Commission, as authorized by law and in conformity with the power and responsibility vested in it by the legislature, finds that gaming licensees may operate at the following locations. Nothing in this section shall act to prevent the Commission from denying a gaming license or preliminary site approval based on the unsuitability of a particular site.

1. Cruise Vessels. Waters within the State of Mississippi which lie adjacent to the three (3) most southern counties of the State. In addition to the Mississippi Sound, this would include St. Louis Bay, Biloxi Bay and Pascagoula Bay. However, the rivers, bayous, lakes and back bays leading into these bays, including but not limited to the Jourdan River, Wolf River, Bernard Bayou, Tchoutacabouffa River, Pascagoula River and Escatawpa River, Biloxi River, Big Lake and Back Bay of Biloxi are not within the authorized area. In determining where the river ends and the bay begins, an imaginary line shall be drawn from the foremost land mass at the intersection of the river and bay, straight across the river to the foremost land mass of the intersection on the other side. In determining where Back Bay of Biloxi ends and Biloxi Bay begins, an imaginary line shall be drawn beginning at a point 1200 feet west of the center line of Interstate 110 on the northern shore to a point on the center line of Interstate 110 on the southern shore.
2. Vessels. Vessels must be on the Mississippi River or navigable waters within any county bordering on the Mississippi River when such navigable waters run into the Mississippi River. Navigable waters mean any rivers, creeks, bayous or other bodies of water that are used or susceptible of being used as an artery of commerce and which either in their natural or improved condition are used or suitable for use as an artery of commerce or are used for the docking or mooring of a vessel, notwithstanding interruptions between the navigable parts of such rivers, creeks, bayous or other bodies of water by falls, shallows, or rapids compelling land carriage. Vessels may be located (1) on the Mississippi River, including oxbow lakes immediately adjacent to the Mississippi River, that communicate with the Mississippi River and are characterized by currents which reverse seasonally, running one direction when the Mississippi River rises, and the opposite direction when it falls, and (2) on navigable waters.
 - i. “Navigable Waters” are defined as rivers, creeks, bayous or other naturally occurring bodies of water that, at the time of application and prior to improvements to accommodate a vessel empty into the Mississippi River in the county where the applicant casino is located; are located within a county where gaming is legal, in other words, do not border a county where gaming is illegal; are used or susceptible of being used as an artery of commerce for substantial commercial traffic; either in their natural or improved condition are used or suitable for use as an artery of commerce for substantial commercial traffic or are used for docking or mooring of a vessel; and are of a sufficient depth and width at least thirty (30) days of the calendar year to accommodate a vessel of at least 150’ in length and the proposed width of the applicant vessel.
 - ii. Naturally occurring interruptions between the navigable parts of such rivers, creeks, bayous or other bodies of water by falls, shallows, or rapids compelling land carriage do not deprive it of its classification of navigable. Artificial impediments to navigation for substantial commercial traffic do not deprive rivers, creeks, bayous or other bodies of water of their status as navigable.
 - iii. In accordance with the above, vessels must be west of the main line levee that runs from the border between the states of Mississippi and Tennessee to the end of the main line levee in Warren County and west of the naturally occurring levee system or bluffs from Warren County to the border between Wilkinson County, Mississippi and West Feliciana Parish, Louisiana, except vessels may be located on the Yazoo River within

Warren County and the Big Black River where it forms the border between Warren and Claiborne Counties.

3. Establishments. The part of the structure in which licensed gaming activities are conducted is located entirely in an area which is located no more than eight hundred (800) feet from the mean high-water line (as defined in Section 29-15-1) of the waters within the State of Mississippi, which lie adjacent to the State of Mississippi south of the three (3) most southern counties in the State of Mississippi, including the Mississippi Sound, St. Louis Bay, Biloxi Bay and Pascagoula Bay, or, with regard to Harrison County only, no farther north than the southern boundary of the right-of-way for U.S. Highway 90, whichever is greater; and In the case of a structure that is located in whole or part on shore, the part of the structure in which licensed gaming activities are conducted shall lie adjacent to state waters south of the three (3) most southern counties in the State of Mississippi, including the Mississippi Sound, St. Louis Bay, Biloxi Bay and Pascagoula Bay. When the site upon which the structure is located consists of a parcel of real property, easements and rights-of-way for public streets and highways shall not be construed to interrupt the contiguous nature of the parcel, nor shall the footage contained within the easements and rights-of-way be counted in the calculation of the distances specified in the above paragraph.
4. The Executive Director may make a recommendation to the Commission regarding the qualification of a location for gaming operations upon the request of an applicant for an operator's license or upon a finding by the Executive Director that such determination is necessary and in accord with public policy.
5. These amendments shall apply to all existing, pending, renewal and new applicants for a license or preliminary site approval. (Adopted: 11/14/1990; Amended: 12/12/1990; Amended: 07/16/1998; Amended: 04/26/2001; Amended: 07/23/2003; Amended: 02/23/2006.)

Source: *Miss. Code Ann.* §§ 75-76-3, 75-76-29, 75-76-33

Rule 2.3 Unsuitable Locations.

The Executive Director may recommend that an application for a license be denied if the Executive Director believes that the place or location for which the license is sought is unsuitable for the conduct of gaming operations. The Commission may deny an application for a state gaming license if it deems that the place or location for which the license is sought is unsuitable for the conduct of gaming operations. Without limiting the generality of the foregoing, the following places or locations may be deemed unsuitable:

- (a) Premises located within the immediate vicinity of residential areas, churches, schools and children's public playgrounds.
- (b) Premises where gaming is contrary to any county or city, ordinance, including, but not limited to, zoning ordinances restricting the permissible locations for gaming facilities, so long as such ordinances do not have the effect of absolutely excluding or prohibiting legal gaming;
- (c) Premises which fail to meet federal, state or local health and safety standards, and any other applicable laws or regulations including, but not limited to Coast Guard regulations.
- (d) Premises frequented by minors. The Executive Director may recommend and the Commission may determine that premises frequented by minors are nevertheless suitable if the applicant demonstrates that it has taken sufficient precautions to separate areas of the premises frequented by minors from the gaming operation.
- (e) Premises lacking adequate supervision or surveillance.
- (f) Premises difficult to police, or where adequate fire protection may be difficult.

(g) Any other premises where the conduct of gaming would be inconsistent with the public policy of the State of Mississippi.

(h.) The Legislature has declared certain public policy relating to gaming. In response to these directives, the Mississippi Gaming Commission has adopted certain rules as guidelines to adhere to this policy.

(i.) The Commission, in conformity with this policy and guidelines in its rules and regulations when determining suitability of a site in which primary access is from a foreign jurisdiction, finds that:

1. Access to any site on the west side of Mississippi River would require primary access from a foreign jurisdiction;
2. Revenues from tourism and ancillary business would by necessity adhere to jurisdictions other than Mississippi;
3. The population of the area served would be substantially non-Mississippi;
4. It would not maximize economic development of Mississippi;
5. Is not beneficial to Mississippi tourism;
6. Employment opportunities would serve other than Mississippians;
7. Shore developments would substantially be on foreign jurisdictions;
8. Fire and police protection would fall on the shoulders of the foreign jurisdiction due to the inaccessibility of the site. There would be an undue burden on the Commission to strictly regulate as dictated by the Legislature.
9. Any establishment that must be accessed by agents traveling through foreign jurisdictions, frequently, if not daily, puts an unacceptable burden on that agent as well as the State. The lost time through travel is a highly inefficient use of state assets and additionally requires the agent to abandon on a daily basis the protection afforded to him by the state and submit to the laws of the foreign jurisdiction. The Mississippi Gaming Commission therefore declares it to be the policy of the Commission that any location that requires primary access from foreign jurisdictions to be unsuitable for a gaming establishment. (Adopted: 09/25/1991; Amended: 10/13/1994.)

Source: *Miss. Code Ann.* §§ 75-76-29, 75-76-57

Rule 2.4 Safety Standards

(a) Fire Safety Standards. Any establishment to be constructed for dockside gaming that will be permanently moored or on a land based structure, will be required to meet (1) the fire safety standards of the Mississippi Fire Prevention code, Section 45-11-101, (2) additional requirements for places of amusement as listed in Sections 45-11-21 through 45-11-55 of the Mississippi Code, (3) the fire safety standards contained in the National Fire Protection Association ("NFPA") Standard 307, Standard for the Construction and Fire Protection of Marine Terminals, Piers, and Wharfs, and (4) the NFPA Life Safety Code. However, to the extent local fire safety standards exceed the foregoing standards, the local standards must be followed.

(b) ~~Certification of Passenger-Carrying Capacity.~~ Coast Guard, Department of Homeland Security Standards. Any vessel, cruise vessel or structure that is subject to the regulations of 46 CFR, Chapter 1, Subchapter S "Subdivision and Stability", shall maintain compliance with Part 170 of Subchapter S and all Subparts thereunder which apply to the vessel or cruise

vessel. Evidence of compliance with these requirements and all required testing shall be available to the Mississippi Gaming Commission upon request.

(b)(c) Building Standards. All licensees must comply with the state and/or local building codes applicable to the gaming establishment and all required infrastructure facilities and amenities that are part of the gaming development and operation.

~~1. A stability test shall be conducted by the licensee in accordance with 46 CFR, Subchapter S, Part 170, Subpart F. This test shall be witnessed by the American Bureau of Shipping, or such other regulatory and review agency designed by the Commission. In lieu of a stability test, the licensee may elect to perform a Deadweight Survey to determine the Lightweight Displacement and Longitudinal Center of Gravity. The Vertical Center of Gravity shall be determined by a conservative estimate, subject to approval by the American Bureau of Shipping or such other regulatory and review agency designated by the Commission.~~

~~2. The intact stability characteristics for each vessel must comply with the following criteria:~~

~~i. 46 CFR, Subchapter S, Part 170, Subpart E; Sections 170.160, 170.170 and 170.173.~~

~~ii. In lieu of compliance with 170.173, the licensee may elect to comply with alternate criteria for Vessels of Unusual Proportion and Form, as may be acceptable to the United States Coast Guard at that time, for certified passenger vessels.~~

~~iii. 46 CFR Subchapter S, Part 171, Subpart C, Section 171.050.~~

~~3. All permanently moored vessels shall be required to comply with a one-compartment standard of flooding, as outlined in 46 CFR 171.070, regardless of the passenger capacity of the vessel.~~

~~4. All permanently moored vessels shall be required to comply with Damage Stability Standards of 46 CFR, Subchapter S, Part 171, Subpart C, Section 171.080. Additionally, all vessels must comply with requirements for Stability After Damage (Damage Righting Energy Criteria) as may be acceptable to the United States Coast Guard at that time, for certified passenger vessels.~~

~~5. All stability calculations required in Items 1-4 above shall be furnished by the licensee to the American Bureau of Shipping (ABS) or such other regulatory and review agency designated by the Commission, for review and approval by that agency. All vessels must have a letter from the designated agency stating compliance with the above criteria.~~

~~6. Additionally, a periodic annual survey shall be conducted of casino vessels to determine if structural changes exist which may affect the stability of the vessel. The survey shall consist of the following:~~

~~i. General inspection of the superstructure and layout of outfitting to ensure there are no changes to the approved arrangement that may affect the stability of the vessel;~~

~~ii. Inspection of the underdeck spaces to ensure watertight integrity of the vessel is maintained;~~

~~iii. Inspection and report on the condition of the hull and watertight bulkheads;~~

~~iv. Inspection and report on the condition of water tight doors and water tight bulkhead penetration; and~~

~~vi. Inspection and report on the condition of ventilator, hatch covers and~~

~~manhole covers. The periodic annual survey does not apply to American Bureau of Shipping classed vessels and United States Coast Guard Certified Vessels that are subject to their regulatory inspections.~~

~~7. Building Standards – Any establishment to be constructed for gaming will be required to meet the Southern Standard Building Code. If the local county or city has a building code, then the local code will be the applicable standard.~~

~~8. Licensee shall be required to obtain a license to operate a child care facility from the Mississippi State Department of Health prior to providing child care for patrons or employees.~~

(Adopted: 09/25/1991; Amended: 06/28/93; Amended 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-3*

Rule 2.5 Home Port; Excursions

(a) Whenever any person intends to apply for a gaming license pursuant to the Act, he shall file a notice of intent to apply for a gaming license with the Commission.

(b) The notice of intent must completely and accurately describe the proposed gaming establishment, including its size, the number and types of games to be operated, the vessel's home port, whether the vessel will make excursions and, if so, the approximate routes, frequency, and duration of such excursions. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-73*

Rule 2.6 Change Of Vessel, Location, Home Port Or Excursions.

A licensee shall not change its establishment or its vessel, the location of its establishment or vessel, home port of its vessel, or the routes, frequency, or duration of any excursions without the prior approval of the Commission. Notwithstanding the foregoing, the Executive Director may allow a licensee to temporarily change the routes, frequency, or duration of excursions pending final approval by the Commission. (Adopted: 09/25/1991; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-29*

Rule 2.7 Officials Not To Hold Gaming Licenses Or Related Approvals.

(a) Prohibition. No state gaming license, finding of suitability, or approval, the granting of which requires an application to be made to the Commission, shall be held by nor granted to any person holding office in, or employed by, any agency of the State of Mississippi or any of its political subdivisions when the duties of such office or agency pertain to the enforcement of the provisions of the Act.

(b) Inclusions. This regulation applies specifically, but without limitation, to the following categories of persons in gaming enforcement:

1. Persons affiliated with the attorney general's office of the State of Mississippi;
2. Persons affiliated with any district attorney's office within the state;
3. Persons affiliated with any sheriff's office or police department within the state;
4. Members, agents, or employees of the Commission;
5. Any member of the judiciary; or
6. Any local City or County officials.

(c) Waivers. The Commission may waive the prohibition contained within subsection (a) of this regulation if it makes a written finding that such waiver is not inconsistent with the state policy set forth in the Act, and the functions, duties, or responsibilities of the person otherwise restricted from holding the license, finding of suitability, or approval do not involve matters relating to the enforcement of the provisions of the Act.

(d) Non-transferability Of Waivers. A waiver granted pursuant to this section is applicable only to the specific matter for which it is granted and shall not be transferable to any other license, finding of suitability, or approval applied for or held by the person otherwise prohibited from holding or

being issued the same. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-63, 75-76-67*

Rule 2.8 Licensing Of A Natural Person Under The Age Of Twenty-One.

The Commission will not ordinarily grant a state gaming license or finding of suitability to an individual under twenty-one years of age. This policy would not affect the licensing or finding of suitability of a trust where the settlor or beneficiary is under the age of twenty-one years. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-155*

Rule 2.9 Notice To County Or Municipality; Objection By County Or Municipality.

(a) Whenever the Commission receives a completed application for a gaming license proposing to operate a gaming establishment in a particular county or municipality, the Executive Director shall, within ten (10) days after receipt of the application, notify the board of supervisors of the county and, if applicable, the chief executive of the municipality, in which the proposed operation will be located, of the receipt of the application, and specify the name of the applicant and the proposed location for the gaming establishment.

(b) The county or municipality in which the applicant proposes to operate a gaming establishment may file a duly enacted resolution specifying any objections or endorsements with the Executive Director within thirty (30) days after receipt of the notice provided by the Executive Director pursuant to sub-part (a) above. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-61, 75-76-63*

Rule 2.10 Hurricane Preparedness Policy. It is the policy of the Mississippi Gaming Commission to require, as a condition of licensure, that cruise vessels utilized for gaming on the Mississippi Gulf Coast, in the Biloxi Bay or in the Bay of St. Louis, that are not self-propelled, to be moored to withstand a Category 4 hurricane with 155 mile per hour winds and 15 foot tidal surge. Casinos will be required through their State license or relicense application to follow emergency declarations made by local or State emergency management officials. (Adopted: 10/13/94; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-3*

Rule 2.11 Hurricane Emergency Procedure - Casino Operations.

(a) DEFINITIONS. As used in this regulation.

1. EMERGENCY MANAGEMENT DIRECTOR/COORDINATOR:

The individual in the local area responsible for coordination and leadership in developing civil preparedness and emergency management.

2. EMERGENCY OPERATIONS CENTER:

A central location used by command and control agencies or personnel. Usually located in a hardened building to increase protection for personnel.

(b) IDENTIFICATION OF AGENCIES AND ABBREVIATIONS.

As used in this regulation.

1. BVA - Bill Validator Acceptors.

2. EOC - Emergency Operations Center.
3. MEMA - Mississippi Emergency Management Agency.
4. MGC - Mississippi Gaming Commission.

(c) GENERAL. This regulation requires that establishments and cruise vessels utilized for gaming effected by Rule 2.10 ~~Section 10~~, Hurricane Preparedness Policy, shall be subject to this regulation. The purpose of this regulation is to describe the requirements casino management shall incorporate into their company emergency plan for use in closing and reopening the casino establishments, or cruise vessels in the event of a hurricane situation. In order to provide the most effective response to hurricane threats, coordination shall be through the MGC. This office will be in close and constant contact with MEMA and local Emergency Management through the Harrison County Emergency Operations Center. In the event of an emergency under this regulation, each casino shall have immediately available to MGC personnel the closure procedures as outlined and approved by this agency to be used as a check list for closure.

1. The response activities presented here are applicable to hurricane threats only and will provide adequate direction for casino management and will affect only the casino establishments and cruise vessels. All land based non-gaming facilities will receive direction from the Emergency Management Director. To expedite action, these directions may be passed through the MGC. (2) The procedures for closure and re-opening will not be identical for each casino due to the various sizes and shapes. Therefore, careful consideration must be made in preparation of each plan (3) The MGC will coordinate with MEMA on each plan to ensure procedures are adequate to ensure compliance with the Mississippi Gaming Control Act and Mississippi Gaming Commission Regulations.
2. The items identified in the following sections are not all inclusive. Each plan will be approved based on the individual casino, its design, layout, and internal controls.
3. Each casino effected by this regulation must develop a detailed time phased casino hurricane emergency operation's plan with supporting procedures and documents. The detailed plan must be designed to follow the warning and watch system normally used by the National Weather Service and promulgated locally by the County Emergency Management Agency. This tiered system should provide adequate notification for management to initiate a phased preparation for closure. Include the following items:
 - i. Emergency plan review to ensure it is adequate and current. Changes made to the facility must be incorporated.
 - ii. Identify a point of contact with current telephone and facsimile numbers and e-mail address to the MGC.
 - iii. Identify critical personnel who will be working closures.
 - iv. Identify training requirements and schedule for training personnel.
 - v. Review, identify, and update storm tracking responsibilities.
 - vi. Provide steps to procure any emergency supplies needed during closure actions such as bags, plastic wrap, wood, and tape.
 - vii. Develop a short notice closure program containing only the critical actions mandatory for closure and evacuation.
 - viii. Provide procedures and methods for communicating with emergency agencies.
4. Each casino shall be responsible for the following preparedness duties:
 - i. Instruct employees on disaster plans and their actions or roles.
 - ii. Coordinate with supporting companies and agencies to ensure all are aware of

- individual casino requirements.
- iii. Secure adequate storage facilities for critical records and equipment.
- iv. Stock adequate supplies used in the emergency plan.
- v. Maintain a constant schedule of maintenance and repair of equipment such as emergency generators.
- 5. Each casino shall be responsible for the following response during an emergency:
 - i. Activate casino emergency operations staff.
 - ii. Initiate time phased casino emergency plan.
- 6. The Emergency Operation's Plan shall include the following procedures:
 - i. When TROPICAL STORM WATCH is issued:
 - 1. Provide casino representative for any meetings necessary with the MGC.
 - 2. Inform the MGC where accounting back-up tapes will be stored. Preferred storage area is an institutional vault.
 - 3. Ensure adequate storage space is available for critical items such as accounting records, computers, BVAs, table floats, etc.
 - 4. Review manpower situation to ensure sufficient personnel are available.
 - 5. Review requirements for boarding and/or taping windows.
 - 6. Ensure security and surveillance requirements will be maintained.
 - ii. If TROPICAL STORM WARNING is issued:
 - 1. Verify actions outlined in TROPICAL STORM WATCH have been completed.
 - 2. Ensure plans cover power loss.
 - 3. Continue to monitor the storms progress.
 - iii. If HURRICANE WATCH is issued:
 - 1. Provide procedures for scaling down operations.
 - 2. Review drop schedules and predicted storm land fall to request time changes if needed.
 - 3. Provide procedures for departments to review work schedules to allow employees to leave if possible so they can evacuate.
 - 4. Maintain contact with the MGC agent assigned in preparation for possible closure order.
 - iv. If HURRICANE WARNING is issued:
 - 1. Establish procedures to receive closure order from MGC.
 - 2. Identify procedures for securing gaming cheques located in floats, for accomplishing table box drops, securing cards and dice, securing BVAs in the slot machines, securing monies in change booths, and count rooms.
 - 3. Identify which entry will be primary entrance and exit during closure.
 - 4. Identify procedures to ensure surveillance and security will be maintained.
 - 5. Identify procedures to ensure fire and other safety codes or regulations will be met for as long as possible.
 - 6. Identify critical records, documents, and accounting backup tapes and removal procedure.
 - 7. Identify procedures for closing and securing KENO areas.
 - 8. Identify any other procedures casino management feels necessary to

safely close the casino.

9. Open lines of communication with MGC.

10. Completely close and evacuate casino as required.

11. Each casino shall be responsible for the following recovery action:

i. Continue response actions as required by the County Emergency Management Agency.

ii. Assess damage to establishments, casino vessel and supporting structures.

iii. Implement repairs to facilities.

iv. Request permission to reopen when safe environment is determined. The decision to reopen will be made by the MGC in conjunction with MEMA and local emergency management agencies.

v. Identify company personnel responsible for accomplishing damage assessment to work with the specialized teams from MEMA or the County Emergency Management Agency.

vi. Identify procedures for maintaining power, fire alarms, and safety items.

vii. Identify reopening team members.

viii. Identify means to ensure surveillance and security coverage will be provided to comply with MGC regulations.

ix. Identify procedures to install drop boxes, floats, BVAs, and any other materials placed into storage.

x. Identify procedures to start the slot computer accounting system.

xvi. Identify distribution procedures for cards and dice.

1. If EOC personnel find that the risk of completing closure requirements will place casino personnel in imminent danger of loss of life, the Executive Director of the MGC or his designee may, at their discretion, override certain closure procedures or order immediate evacuation of the cruise vessel or gaming establishments. (Adopted: 03/21/1996; Amended: 02/23/2006.)

Source: *Miss. Code Ann. § 75-76-3*

Part 2 Chapter 3: INVESTIGATIONS AND HEARINGS.

Rule 3.1 Investigations.

The Executive Director shall investigate all applications for licenses or other Commission approvals and report all material facts to the Commission. The Executive Director may investigate, without limitation, the background of the applicant, the suitability of the proposed premises for gaming, the proposed establishment's compliance with all applicable standards, laws, and regulations, the suitability of the applicant's financing, and the applicant's business probity. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-103*

Rule 3.2 Waiver Of Privilege. An applicant shall waive any statutory or common law privilege afforded by the laws of the State of Mississippi or of any other jurisdiction in which the applicant or any information pertaining to the application is located. Refusal to waive such a privilege shall constitute grounds for denial of the application. An applicant may claim any privilege afforded by the Constitution of the United States, or of the State of Mississippi, in refusing to answer questions by the Executive Director and the Commission. Since the burden of proving his qualifications is upon the applicant, however, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 3.3 Summoning Of Applicants. The Executive Director or Commission may summon any person named in an application to appear and testify before them or their agents at such time and place as they may designate. All such testimony shall be under oath and may embrace any matter which the Commission, the Executive Director, or their authorized agents deem relevant to the application. Failure to appear and testify fully at the time and place designated, unless excused, constitutes grounds for denial of the application without further consideration by the Executive Director or the Commission. Any request for excuse of appearance must be in writing and filed with the Executive Director at least five (5) days prior to the scheduled appearance. The applicant may appeal a denial of excuse of appearance by the Executive Director to the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-27*

Rule 3.4 Notice Of Hearing. The Executive Director shall give written notice to all applicants of his recommendation regarding their applications and the time and place that their application for a gaming license will be considered by the Commission. If the Executive Director recommends denial of an application, he shall also provide a written statement of the reasons for the recommendation. Applicants may be represented at the meetings by their attorneys or agents. The Commission will notify the applicant in writing of the disposition of his application. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-27*

Part 2 Chapter 4: GENERAL PARTNERSHIPS AND JOINT VENTURES.

Rule 4.1 Licensing Of Partners And Joint Venturers. When a general partnership or joint venture applies for any license, registration, or finding of suitability required or permitted to be granted by the Commission, each individual partner and joint venturer must file a complete application with the Executive Director and be separately found suitable by the Commission, although only one license, in the name of the partnership or joint venture, will be issued for a particular establishment. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

Rule 4.2. Application Fees. The general partnership or joint venture which applies for a license, registration or finding of suitability is required to file only one \$5,000.00 application fee, but each

individual partner and joint venturer is required to pay investigative fees and each partner or joint venturer shall be jointly and severally liable for the payment of supplemental investigative fees of the other partners or joint venturers. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-183*

Part 2 Chapter 5: CORPORATE LICENSEES.

Rule 5.1 Definitions. As used in this regulation, the following terms have the following meanings:

- (a) "Control," "controlling," and "controlled by" mean a relationship between two entities whereby one possesses, indirectly or directly, the power to direct or cause the direction of the management and policies of the other, whether through the ownership of voting securities, by contract, or otherwise. The phrase "under common control with" means two entities which are controlled by the same entity.
- (b) A person shall be deemed to "own," "hold" or "have" a security of, or interest in, a corporation or other form of business organization if such person has either directly or indirectly, a record or beneficial interest therein.
- (c) The terms "sale" and "sell" include every contract of sale of, contract to sell, or disposition of, a security or interest in a security whether or not for value. The terms include an exchange of securities and any material change in the rights, preferences, privileges or restrictions of or on outstanding securities.
- (d) The term "security" means any interest or instrument commonly known as a "security", including without limitation, any stock, membership in any corporation or association, bond, debenture or other evidence of indebtedness, investment contract, voting trust certificate, certificate of deposit for a security, or any certificate of interest or participation in, temporary or interim certificate for, receipt for or warrant or register to subscribe to or purchase any of the foregoing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-199*

Rule 5.2 Individual Licensing Of Shareholders Of Corporate Licensee.

(a) Except as provided in subsection (b), each individual must be found suitable to hold a gaming license before he may:

1. Own an equity security issued by a corporate licensee, or
2. Hold any security issued by a corporate licensee which gives the holder voting rights in the corporation.

(b) This section does not apply to any employee who owns stock through a stock bonus plan, pension plan, or other employee benefit program established by the licensee, so long as the plan is administered by the licensee or the trustee or the administrator of the plan is found suitable by the Commission, and so long as the employee does not hold legal title to the security for any longer than is reasonably necessary to facilitate the transfer to the plan and does not exercise any voting rights or receive any dividends during such period. Notwithstanding the foregoing, the Commission may require any person holding a beneficial interest in such a plan to be found suitable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

Rule 5.3 Procedure For Complying With Miss. Code Ann. §75-76-213.

The reports required pursuant to Miss. Code Ann. §75-76-213 shall consist of applications signed by the President and the Secretary of the corporate licensee on a form provided by the Executive Director. The information required on the form shall include, but not be limited to, the following information:

- (a) The name, address and telephone number of the applicant.
- (b) If the report is being filed pursuant to Miss. Code Ann. §75-76-213, the name, address, and telephone number of any person to whom a security is being issued or transferred, the current ownership of the corporation, and the future ownership of the corporation if the issuance or transfer of the securities is approved.
- (c) If the application is made pursuant to subsection 2 Miss. Code Ann. §75-76-213, the name, address, telephone number, and capacity of the corporate officer or director. If the new officer or director is replacing a former officer or director, the name, address, telephone number and capacity of the former officer or director, and a statement regarding the reason for the change in officers or directors.
- (d) A complete and accurate application for licensing filed on behalf of the person to whom any security is being issued or transferred or any new officer or director of the corporation. The Executive Director shall investigate the person to whom the corporate licensee proposes to issue or transfer any security or the proposed new corporate officer or director and make a recommendation to the Commission with regard to the licensing of the proposed stockholder, officer or director. If the Commission licenses the proposed stockholder, officer or director, the issuance or transfer of the security or the change in corporate officers or directors is deemed approved. If the Commission denies such license or if the Executive Director permits withdrawal of the application upon the request of the applicant, then the transfer or issuance of the security or the change of officers or directors is disapproved. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-213*

Rule 5.4 Compliance With Miss. Code Ann. §75-76-211.

- (a) The Commission may request persons, affiliated entities and greater than 5% equity owners to submit an application for finding of suitability pursuant to Miss. Code Ann. Section 75-76-211 (1972).
- (b) Any person, entity and greater than 5% equity owner required or requested to submit an application for finding of suitability to the Commission must submit such within the thirty (30) days provided by Miss. Code Ann. §75-76-211. The term Entity includes, but is not limited to, corporation, general partnership, limited partnership, limited liability company, revocable trust and irrevocable trust.
- (c) Any person, entity and greater than 5% equity owner may be found unsuitable by the Commission and it shall constitute grounds for denial of any subsequent application by such person, entity and greater than 5% equity owner. The corporate licensee may be deemed to have failed to require the submission of an application for finding of suitability by such person, entity and greater than 5% equity owner in violation of Miss. Code Ann. §75-76-211.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

Rule 5.5 Approvals Required.

The following transactions involving corporate licensees are ineffective unless approved in advance by the Commission:

- (a) Any act or transaction by virtue of which any other corporation or other form of business organization becomes a controlled affiliate of a corporate licensee;
- (b) Any act or transaction by virtue of which any other corporation or other form of business organization becomes under common control with a corporate licensee, unless the corporation or other business organization is wholly owned by a licensee, by persons who are licensed or who have been found suitable with respect to ownership of the corporate licensee, or by any combination thereof;
- (c) The imposition of any restriction on the transfer of an equity security issued by a corporate licensee, whether imposed by the issuer or by the holder or by any other person, except the following:
 - 1. Any restriction on resale which is required for compliance with the Federal Securities Act, or the Federal Securities Exchange Act, or a general securities law of any state;
 - 2. Any restriction which results from a "stop transfer order" given to a transfer agent by the holder of a security on the grounds that the certificate has been lost or stolen; and
 - 3. Any restriction which arises from a binding contract to sell or hypothecate a security in a current transaction which will be consummated, if at all, in nine months or less.
- (d) Any guarantee of securities issued by a corporate licensee pursuant to a public offering or private placement and any hypothecation of assets by a corporate licensee to secure the payment or performance of obligations evidenced by securities issued pursuant to a public offering or private placement, except where continuous or delayed approval has been granted pursuant to Part 2, Rule 8.7.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

Rule 5.6 Statement of Restrictions on Equity Securities.

The statement required by Mississippi Code Annotated 75-76-207 shall be substantially as follows:

- (a) "The sale, assignment, transfer, pledge or other disposition of this security is ineffective unless approved in advance by the Mississippi Gaming Commission. If at any time such commission finds that an owner of this security is unsuitable to continue to have an involvement in gaming in such state, such owner must dispose of such security as provided by the laws of the State of Mississippi and the regulations of the Mississippi Gaming Commission thereunder. Such laws and regulations restrict the right under certain circumstances:
 - 1. To pay or receive any dividend or interest upon such security;
 - 2. to exercise, directly or through any trustee or nominee, any voting right conferred by such security; or
 - 3. to receive any remuneration in any form from the corporation, for services rendered or otherwise."

(Adopted: 08/20/1998.)

Source: *Miss. Code Ann. § 75-76-211*

Part 2 Chapter 6: LIMITED PARTNERSHIP LICENSEES.

Rule 6.1 Definitions. As used in this regulation:

- (a) "Contribution" means cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in his capacity as a partner.
- (b) "Delayed licensing" means an approval granted by the Commission to a limited partner of a limited partnership licensee, enabling the limited partner to receive a share or percentage of revenues derived in the conduct of gaming prior to the limited partner being licensed.
- (c) "Foreign limited partnership" means a partnership formed under the laws of any state of the United States other than this state or any foreign country and having as its partners one or more general partners and one or more limited partners.
- (d) "Partnership agreement" means any valid, written agreement of the partners as to the affairs of a limited partnership and the conduct of its business.
- (e) "Capital account" means a particular limited partner's contribution plus the limited partner's proportionate share of the income of the limited partnership licensee, minus the limited partner's proportionate share of any of the losses of the limited partnership licensee and any distributions to the limited partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-199*

Rule 6.2 Required Provisions And Certificate Of Limited Partnership.

Pursuant to Miss. Code Ann. §75-76-223, the following provisions must be included in the Certificate of Limited Partnership of every limited partnership that applies for or holds a state gaming license:

- (a) "Notwithstanding anything to the contrary, expressed or implied in this agreement, the sale, assignment, transfer, pledge, or other disposition of any interest in the partnership is void unless approved in advance by the Commission. If at any time the Commission finds that an individual owner of any such interest is unsuitable to hold that interest, the Commission shall immediately notify the partnership of that fact. The partnership shall, within ten (10) days from the date that it receives the notice from the Commission, return to the unsuitable owner the amount of his capital account as reflected on the books of the partnership. Beginning on the date when the Commission serves notice of a determination of unsuitability, pursuant to the preceding sentence, upon the partnership, it is unlawful for the unsuitable owner:
- (b) To receive any share of the profits or distributions of any cash or other property other than a return of capital as required above;
- (c) To exercise, directly or through any trustee or nominee, any voting right conferred by such interest; or
- (d) To receive any remuneration in any form from the partnership, for services rendered or otherwise. Any limited partner granted delayed licensing that is later found unsuitable by the Commission shall return all evidence of any ownership in the limited partnership to the limited partnership, at which time the limited partnership shall return to the unsuitable limited partner the amount of his capital account, and the unsuitable limited partner shall no longer have any direct or indirect interest in the limited partnership." (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-223*

Rule 6.3 Delayed Licensing Of Limited Partners.

Miss. Code Ann. §75-76-219 and this regulation, the Commission may waive licensing of certain limited partners and, in lieu thereof, grant approval of delayed licensing for a limited partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-219*

Rule 6.4 Eligibility For Delayed Licensing.

(a) A limited partnership that holds or has applied for a gaming license may file an application for approval of delayed licensing of its limited partners.

(b) Only limited partners whose aggregate effective ownership percentage in the limited partnership is less than ten percent (10%) will be considered for delayed licensing approval. For purposes of determining aggregate effective ownership percentage, an applicant who owns any part of a legal entity that is a limited partner shall be deemed to have the percentage ownership interest held by the legal entity, in addition to the percentage ownership that the applicant holds directly.

(c) A general partner is not eligible for delayed licensing.

(d) If the Commission rules that a limited partnership is eligible for delayed licensing of its limited partners, the Commission shall direct the Executive Director, based upon such investigation as he deems appropriate, to recommend to the Commission which of the limited partners who have applied for delayed licensing, if any, should be granted delayed licensing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

Rule 6.5 Application For Delayed Licensing By Individual Limited Partners.

Once a limited partnership has been found eligible for delayed licensing pursuant to Rule 6.4 ~~Section 4~~, each limited partner seeking delayed licensing shall file an application for delayed licensing pursuant to Rule 6.6 ~~Section 6~~ of this regulation. A limited partner may file an application for delayed licensing prior to the Commission's ruling on the eligibility of the limited partnership, but the application will not be considered by the Executive Director and Commission until the Commission rules that the limited partnership is eligible for delayed licensing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

Rule 6.6 Procedure For Consideration Of Application For Delayed Licensing.

Any application for delayed licensing, whether by the limited partnership pursuant to Rule 6.4 ~~Section 4~~, or by an individual limited partner pursuant to Rule 6.5 ~~Section 5~~ of this regulation, shall be made to the Executive Director on forms furnished by the Executive Director. The Executive Director shall investigate the applicant and make a recommendation to the Commission which shall determine whether to grant or deny the application for delayed licensing. The Executive Director has full and absolute power and authority, to the extent permitted by law, to recommend the granting,

denial, limitation, conditioning or restriction of any application for delayed licensing required or permitted by law or this regulation for any cause deemed reasonable by the Executive Director. The Commission shall have full and absolute power and authority to grant, deny, limit, condition, or restrict any application for delayed licensing required or permitted by the Act or this regulation for any cause deemed reasonable by the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227*

Rule 6.7 Information To Be Provided By Applicants For Delayed Licensing.

In addition to the information required by Miss. Code Ann. §75-76-73 and ~~Rule 6.2(a)~~~~Section II A~~ of these regulations, each limited partner applying for approval of delayed licensing shall provide the following information:

- (a) A listing of any other business interests between the applicant and any general partner or any other limited partner existing prior to, at the time of, or after the formation of the limited partnership.
- (b) Whether the applicant has a familial relationship, either by blood, marriage or adoption, with a general partner or any other limited partner.
- (c) A certification that the applicant does not have and will not have a material relationship to, or material involvement with, a general partner of the limited partnership with respect to the operations of the limited partnership. A person may be deemed to have a material relationship to, or material involvement with, a general partner if he is a shareholder, controlling person or key employee of a legal entity that is a general partner, or if, as an agent, consultant, advisor, or otherwise, he exercises a significant influence upon the management or affairs of such general partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-225*

Rule 6.8 Standards. The Executive Director shall consider all relevant facts in recommending and the Commission shall consider all relevant facts in determining whether to grant an approval of delayed licensing to a limited partnership, and thereafter to a limited partner. Without limiting the generality of the foregoing, the Executive Director and Commission shall consider the effects of the action or approval requested by the applicant, the benefits for the State of Mississippi and the following:

- (a) The effect of granting delayed licensing and the benefits, if any, to the State of Mississippi.
- (b) Whether the applicant, either individually or in conjunction with other limited partners, has any direct or indirect control or significant influence over a general partner, or the management of the limited partnership's business or gaming operation, or the ability to acquire such control.
- (c) Whether the limited partnership agreement has clear and specific provisions restricting the priority rights of the limited partnership with respect to income, losses, or other distributions, during the term of the limited partnership or upon its dissolution, of limited partners seeking delayed licensing; vesting in the general partner(s) the sole and exclusive right to manage and control the partnership's business; defining the scope of the general partner(s)' authority and any limitations thereon; restricting the right of limited partners to remove or elect general partners, except to the extent necessary to elect a general partner upon the retirement, death, or disability of a general partner who is a natural person; and whether any additional assessment or capital contribution can be required of the limited partners.

- (d) Whether the applicant has, or has had a material relationship with a general partner. Without limiting the generality of the foregoing an applicant who has a familial relationship, either by blood, marriage or adoption, to a general partner may be deemed to have such a material relationship.
- (e) The commonality of business interests between a general partner and any limited partners prior to, or existing at, formation of the limited partnership.
- (f) Whether the applicant had a key role in forming the limited partnership.
- (g) The relative level of risk for each general and limited partner.
- (h) The business probity of each general partner, in gaming or otherwise.
- (i) The presence or absence of restrictions on the limited partners.
- (j) Whether a substantial portion of the assets of the limited partnership were owned by the applicant and other limited partners prior to formation of the limited partnership.
- (k) Whether a substantial portion of the depreciable assets involved in the proposed gaming operation will be owned by the limited partnership or leased or loaned to the limited partnership by one more limited partners.
- (l) Whether a limited partner has guaranteed any obligation of the limited partnership.
- (m) The number of persons and entities involved in the limited partnership. The Commission will not ordinarily grant delayed licensing status to a limited partnership with fewer than ten (10) limited partners.
- (n) The various percentage ownership interests in the limited partnership.
- (o) The terms of any agreements which provide for a buy-out of a limited partner's interest in the event the limited partner is found unsuitable for licensing. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-211*

Rule 6.9 Post Approval Monitoring After Approval Of Delayed Licensing.

The partnership agreement of a limited partnership that seeks delayed licensing must obtain language to the effect that the licensing of any limited partner granted delayed licensing may be activated at any time pursuant to this regulation. The granting of delayed licensing to a limited partner by the Commission shall be a revocable approval. The Executive Director and Commission shall not relinquish jurisdiction. Any limited partner receiving approval for delayed licensing from the Commission has no legal vested right or privilege inherent in that approval, nor shall the limited partners that have been

granted delayed licensing accrue any privilege in the licensing of the limited partnership.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-225*

Rule 6.10 Powers Of The Executive Director And Commission After Delayed Licensing Approval.

After granting delayed licensing to any limited partner, the Executive Director and Commission may exercise, without limitation, any of the following powers:

- (a) The Executive Director may at any time recommend to the Commission that the Commission activate the licensing process for any limited partner granted delayed licensing. Without limiting the generality of the foregoing, the Executive Director may recommend that the licensing of any limited partner be activated if he believes that:

1. A limited partner has thereafter developed a material relationship with or to a general partner;
 2. A limited partner, individually or in conjunction with other limited partners, has acquired the ability to exercise significant control or influence over the management of the limited partnership's gaming operations or business affairs;
 3. A limited partner, individually or in conjunction with other limited partners, has exercised, for any reason, significant control or influence over the management of the limited partnership's gaming operations, either directly or indirectly, even if such control is contemplated or authorized by the partnership agreement;
 4. There is reason to believe that the limited partner cannot demonstrate its suitability pursuant to the provisions of Miss. Code Ann. §75-76-67;
 5. The aggregate effective ownership percentage held by a limited partner granted delayed licensing has increased to ten percent (10%) or more; or
 6. Any other cause he deems reasonable.
- (b) The Commission, after considering the recommendation of the Executive Director, may activate the licensing process for any limited partner granted delayed licensing at any time.
- (c) The Commission may, at the time it grants delayed licensing to a limited partner, delegate to the Executive Director the authority to activate, without Commission approval, the licensing process for any particular limited partner.
- (d) The Executive Director may issue an order requiring the escrow of funds, profits, or other monies due any limited partner granted delayed licensing from the licensed limited partnership for any cause deemed reasonable. Any such escrow ordered by the Executive Director automatically terminates at the conclusion of the next regular Commission meeting unless:
1. The Executive Director recommends that the Commission activate the licensing process for the limited partner that is the subject of the order;
 2. The Executive Director delays a determination of whether he should recommend that the licensing process be activated at the request of the limited partner who is the subject of the order; or
 3. The Executive Director activates the licensing process pursuant to a delegation of authority from the Commission.
- (e) Any escrow ordered by the Executive Director pursuant to Subsection (d) automatically terminates if the Commission decides not to activate the licensing process for the limited partner that is the subject of the order or if the Commission licenses the limited partner. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-219*

Rule 6.11 Delayed Licensing Approval Not Transferable.

Delayed licensing approval shall be personal to the limited partner granted delayed licensing. A limited partner's interest that is held under delayed licensing may not be transferred, assigned, encumbered or hypothecated in any manner without the prior approval of the Commission, upon recommendation of the Executive Director. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-219*

Part 2 Chapter 7: HOLDING COMPANIES.

Rule 7.1 Escrow Of Securities.

If the Executive Director files a complaint for disciplinary action against any holding company, affiliated licensee, or officer, director or shareholder of any holding company or affiliated licensee, or calls any such person forward for a finding of suitability, the Commission may order that securities issued by a holding company or affiliated licensee be placed in escrow on specified terms and conditions during the pendency of the disciplinary or licensing proceeding. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

Rule 7.2 Compliance With Miss. Code Ann. §75-76-237.

The Commission may determine that a holding company has failed to comply with Miss. Code Ann. §75-76-237 and is therefore subject to disciplinary action, if any holding company or intermediary company:

- (a) Pays the person found unsuitable pursuant to Miss. Code Ann. §75-76-237 any dividend or interest upon any securities or any payment or distribution of any kind whatsoever;
- (b) Recognizes the exercise by any such unsuitable person, directly or indirectly, or through any proxy, trustee or nominee, of any voting right conferred by any securities or interest in any securities;
- (c) Pays to any such unsuitable person any remuneration in any form, for services rendered or otherwise, or permits the affiliated gaming licensee to make any such payment; or
- (d) Makes any other payment or distribution, of any kind whatsoever, in respect to any such security or interest by way of, or pursuant to payment of principal, redemption, conversion, exchange or liquidation or any other transaction. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

Rule 7.3 Approval By Commission Required For All Issues Or Transfers By A Holding Company Or Intermediary Company Of Its Securities.

No holding company shall issue or transfer any security of which it is the issuer without the prior approval of the Commission. Every approval required by this regulation shall be sought by the filing of an application signed by the President or a Vice-President, and the Secretary or Assistant Secretary of the holding company on a form provided by the Executive Director. Information required on the form shall include, but not be limited to, the following information:

- (a) The name, address and telephone number of the holding company;
- (b) The name, address and telephone number of any person to whom the security is being issued or transferred;
- (c) Current ownership of the holding company, and future ownership of the holding company for which the issuance or transfer of securities is approved; and
- (d) The names of all licensed gaming establishments in which the holding company owns any interest. The Executive Director shall investigate the person to whom the holding company proposes to issue or transfer any security and make a recommendation to the Commission with regard to the licensing of the proposed transferee. If the Commission licenses the proposed transferee, issuance or transfer of the securities is deemed approved. If the Commission denies such license or if the Executive Director permits withdrawal of the application upon the request

of the applicant, then the transfer or issuance of the security is disapproved. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

Rule 7.4 Licensing Of General Partners Of Limited Partnership Holding Companies And Officers And Directors Of Corporate Holding Companies.

Each general partner of a limited partnership holding company and each officer and director of a corporate holding company must be licensed before the limited partnership or corporation may become a holding company. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-227 Rule*

7.5 Certain Transactions Prohibited.

(a) Except as permitted by subsection (b), no restrictions on the transfer of an equity security issued by a holding company, whether imposed by the issuer or by the holder or by any other persons, shall be effective for any purpose whatsoever unless such restrictions are approved in advance by the Commission or unless such restrictions are otherwise required by the Act or these regulations. No agreement not to encumber an equity security issued by a holding company shall be effective for any purpose whatsoever unless such agreement is approved in advance by the Commission.

(b) The following restrictions on the transfer of a security are permitted without the necessity of prior approval pursuant to subsection (a):

1. Any restriction on resale which is required for compliance with the Federal Securities Act, or the Federal Securities Exchange Act, or a general securities law that states;
2. Any restriction which results from a "stock transfer order" given to a transfer agent by the holder of a security on the grounds that a certificate has been lost or stolen; and
3. Any restriction which results from a binding contract to sell or hypothecate a security in a current transaction which will be consummated if at all in nine (9) months or less. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-201, 75-76-207, 75-76-247*

Rule 7.6 Certain Payees.

Any person who receives payments from a holding company computed on the basis of the earnings or profits of a holding company, or on the basis of the receipts from gaming of an affiliated licensee of such holding company, may be required to be found suitable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-57*

Rule 7.7 Exclusion Of Publicly Traded Corporations.

Part 2 Chapter 7 shall not apply to publicly traded corporations who have publicly traded equity securities. Part 2 Chapter 7 shall apply to publicly traded corporations whose registration is based solely on publicly traded debt securities. (Adopted: 09/25/1991.)

Part 2 Chapter 8: PUBLICLY TRADED CORPORATIONS.

Rule 8.1 Definitions.

(a) "Corporate acquisition opposed by management" means an attempt to acquire control of a publicly traded corporation that is an affiliated company by means of a tender offer that is opposed by the board of directors of the affiliated company.

(b) "Current market price" means the average of the daily closing prices for the 20 consecutive trading days immediately preceding the date of a transaction or the closing price on the day immediately preceding the date of such transaction, whichever is higher. For the purpose of this definition, the closing price for each day shall be the last reported sale price, regular way, or in case no such reported sale takes place on such date, the average of the last reported bid and asked prices, regular way, in either case on the principal national securities exchange registered under the Securities Exchange Act of 1934 on which such security is admitted to trading or listed, or if not listed or admitted to trading on any national securities exchange, the closing price of such security, or in case no reported sale takes place, the average of the closing bid and asked prices, on GNOSTIC or any comparable system, or if such security is not listed or quoted on GNOSTIC or any comparable system, the closing sale price, or in case no reported sale takes place, the average of the closing bid and asked prices, as furnished by any member of the National Association of Securities Dealers, Inc., selected from time to time by the issuer for that purpose.

(c) "Exceptional repurchase of securities" means the direct or indirect purchase by a corporation of securities representing beneficial ownership of more than one percent (1%) of its voting securities, whether in a single transaction or a series of related transactions, at a price more than ten percent above the current market price of such securities on the date of the agreement to purchase such securities from any person, other than a person who has been an executive officer or a member of the board of directors for at least the past two years, who, on the date of the agreement to purchase, is the beneficial owner of more than three percent of the voting securities of such corporation and has been the beneficial owner of more than three percent of such securities for less than one year, unless such purchase has been approved by the affirmative vote of a majority of the holders of voting securities [voting on the transaction] exclusive of the selling security holder, or is pursuant to the same offer and terms as made to all holders of voting securities of such class, other than holders, if any, who have consented in writing to be excluded from the class of offerees, executive officers, or members of the board of directors. For the purpose of this definition, when determining whether a corporation has purchased more than one percent of its voting securities, the amount of voting securities of such corporation shall be deemed to include voting securities issuable pursuant to purchase rights where the price of the purchase rights is less than the current market price of such securities on a given determination date provided, however, that in any event, the amount of such voting securities beneficially owned by a selling security holder pursuant to purchase rights shall be included to determine the amount of the corporation's voting securities for purposes of such computation if not otherwise included based on the foregoing provision.

(d) "Executive officer" with respect to a publicly traded corporation, means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any other person who performs similar policy-making functions for a publicly traded corporation.

- (e) "Federal Securities Act" means Title 15 United States Code sections 77a-77aa, as amended from time to time, and the rules and regulations of the United States Securities and Exchange Commission now or hereafter promulgated thereunder.
- (f) "Federal Securities Exchange Act" means Title 15 United States Code section 78a-78kk, as amended from time to time, and the rules and regulations of the United States Securities and Exchange Commission now or hereafter promulgated thereunder. (Adopted: 09/25/2000.)
- (g) "Full disclosure" with respect to a transaction or to a series of transactions means a descriptive statement thereof which contains all material facts, and which contains no false or misleading declarations of material fact. (Adopted: 10/27/2005.)
- (h) "Plan of recapitalization" means a plan proposed by the board of directors of a publicly traded corporation that is an affiliated company, which plan:
1. Contains recommended action in response to a corporate acquisition opposed by management, which acquisition cannot be consummated until approval has been obtained pursuant to Section 14, and which acquisition has not been consummated, withdrawn or terminated;
 2. Involves either a cash dividend to voting securities or an exchange of voting securities held by security holders in return for a payment of cash or the issuance of securities of the issuer or a combination of cash and securities of the issuer, with an aggregate value in excess of fifty percent of the aggregate current market price of the voting securities of the company on the day of the public announcement of the plan of recapitalization; and
 3. Is financed in substantial part by borrowing from financial institutions or the issuance of debt securities.
- (i) "Public offering" means a sale of securities that is subject to the registration requirements of section 5 of the Federal Securities Act, or that is exempt from such requirements solely by reason of an exemption contained in section 3(a)10, 3(a)11 or 3 (c) of said Act or Regulation A adopted pursuant to section 3(b) of said Act.
- (j) "Purchase rights" means a security or contractual right in securities issued or issuable on the exercise of options, warrants or other beneficial interest in securities obtained for value upon the issuance of securities, or on conversion of other securities.
- (k) "Speculative securities" means:
1. Securities, the value of which depends substantially upon proposed or promised future promotion or development rather than on material existing assets, conditions or operating results; or
 2. Securities, an investment in which involves an extraordinary risk of loss to the investor.
- (l) "Tender offer" means a public offer by a person other than the issuer to purchase voting securities of a publicly traded corporation that is an affiliated company, made directly to security holders for the purpose of acquiring control of the affiliated company.
- (m) "Voting security" means a security the holder of which is entitled to vote for the election of a member or members of the board of directors or board of trustees of a corporation or a comparable person or persons in the case of a partnership, trust or other form of business organization other than a corporation. (Adopted: 09/25/1991; Amended: 09/25/2002; Amended: 10/27/2005.)

Source: *Miss. Code Ann. §§ 75-76-199, 75-76-21*

Rule 8.2 Powers Of Commission And Executive Director.

- (a) Without in any way limiting the generality of the provisions of the Act, in connection with any recommendation or action, the Executive Director or Commission may provide:
1. That a time period be accelerated or extended; or
 2. That as a condition to the processing of an application or to the granting of an approval:
 - i. An application be supplemented in any particular and to any extent either before or after the Commission has acted thereon;
 - ii. An applicant or other person urging the approval or denial of an application appear personally before the Executive Director and Commission and submit to interrogation under oath or otherwise;
 - iii. Funds, securities, instruments or agreements be placed in escrow upon specified conditions;
 - iv. A transaction be in compliance with the applicable laws and regulations of any federal, state, or local governmental entity or agency;
 - v. A transaction be approved by an applicant's board of directors;
 - vi. An opinion of an applicant's legal counsel be furnished to the Commission;
 - vii. An opinion of an applicant's auditors be furnished to the Commission;
 - viii. All or any portion of an application be examined or evaluated by a consultant to the Commission at the expense of the applicant.
- (b) The Commission has the power to delegate to the Executive Director, in its order granting approval, the power to issue an interlocutory stop order. The interlocutory stop order may be issued for any cause deemed reasonable by the Executive Director. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-21, 75-76-27*

Rule 8.3 Commission Review Of Stop Orders.

If a stop order is issued by the Executive Director pursuant to the provisions of this regulation, the Commission shall, upon request of the person that is the subject of the order, conduct a hearing on the merits of the matter no later than its next regular meeting for which notice of the hearing pursuant to Mississippi Law is practicable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-21, 75-76-27*

Rule 8.4 Standards For Action By Executive Director And Commission.

The Executive Director and Commission will consider all relevant material facts in determining whether to recommend or grant an approval required or permitted by this regulation. The Executive Director and Commission may consider not only the effects of the action or approval requested by the applicant, but whatever other facts are deemed relevant, including but not limited to the following:

- (a) The business history of the applicant, including its record of financial stability, integrity, and success of its operations;
- (b) The current business activities and interests of the applicant, as well as those of its executive officers, promoters, lenders, and other sources of financing, or any other individuals associated therewith;
- (c) The current financial structure of the applicant, as well as changes which could reasonably be anticipated to occur to such financial structure as a consequence of the proposed action of the applicant;

- (d) The gaming-related goals and objectives of the applicant, including a description of the plans and strategy for achieving such goals and objectives;
 - (e) The relationship between such goals and objectives and the requested approval;
 - (f) The adequacy of the proposed financing or other action to achieve the announced goals and objectives;
 - (g) The present and proposed compensation arrangement between the applicant and its directors, executive officers, principal employees, security holders, lenders, or other sources of financing;
 - (h) The equity investment, commitment or contribution of present or prospective directors, officers, principal employees, investors, lenders, or other sources of financing;
 - (i) The dealings and arrangements, prospective or otherwise, between the applicant and any investment bankers, promoters, finders or lenders, and other sources of financing;
 - (j) The effect of the proposed action on existing and prospective security holders of the applicant, both before and after the intended action;
 - (k) Whether the applicant has made full and complete disclosure of all material facts relative to the proposed action to the Executive Director and the Commission and made provision for such disclosure to all prospective security holders;
 - (l) Whether the proposed action tends not to work a fraud upon the public;
 - (m) Whether a proposed public offering contains speculative securities;
 - (n) Whether a proposed transaction will create a significant risk that the publicly traded corporation and its affiliated companies will not:
 1. satisfy their financial obligations as they become due; or
 2. satisfy all financial and regulatory requirements imposed by the Act and these regulations.
- (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-29*

Rule 8.5 Corporate Licensees.

- (a) A publicly traded corporation is not eligible to apply for or hold a state gaming license or ~~manufacturer's~~ manufacturers, seller's, or distributor's license. A publicly traded corporation may be found suitable to acquire or hold an interest in a corporate licensee.
 - (b) A person shall not make a public offering of any security issued by a corporate licensee.
 - (c) The provisions of subsection (b) do not prevent a corporate licensee from guaranteeing a security issued by an affiliated company pursuant to a public offering, nor from hypothecating its assets to secure the payment or performance of the obligations evidenced by a security issued by an affiliated company pursuant to a public offering, provided that the prior approval of the Commission is obtained.
- (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-71*

Rule 8.6 Public Offerings Of Affiliated Companies.

Prior approval of the Commission is required for any public offering of any securities of an affiliated company:

- (a) Which is not a publicly traded corporation if the securities will be offered by such an affiliated company or by a controlling person thereof.

- (b) Which is a publicly traded corporation if the securities will be offered by such affiliated company and if such securities or the proceeds from the sale thereof are intended to be used:
1. To pay for construction of gaming facilities in Mississippi to be owned or operated by the affiliated company or a subsidiary of the affiliated company;
 2. To acquire any direct or indirect interest in gaming facilities in Mississippi;
 3. To finance the operation by the affiliated company or a subsidiary of such affiliated company of gaming facilities in Mississippi; or
 4. To retire or extend obligations incurred for one or more such purposes. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-53*

Rule 8.7 Continuous Or Delayed Public Offerings.

- (a) 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:
1. 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 other equivalent domestic or foreign stock exchanges which are regulated in a manner which is determined to protect investors and the State of Mississippi; or has stockholders' equity in an amount of \$15 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
 2. Has filed all reports required to be filed by section 13 or section 15(d) 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.
- (b) The Commission may grant approval of a continuous or delayed offering for a period of up to three years. An approval granted pursuant to this regulation does not constitute an approval of other related transactions for which separate Commission or Executive Director approval is otherwise required by the Act or these regulations.
- (c) If an application is approved, the affiliated company shall notify the Executive Director of its intent to make the public offering and identify the type and amount of securities it proposes to sell and the date on which it is anticipated the sale will occur. If such notification is not written, it must be followed, as soon as practicable, with a written confirmation which need not precede such sale. (Adopted: 09/25/1991; Amended: 07/16/1998; Amended: 10/27/05.)

Source: *Miss. Code Ann. § 75-76-53*

Rule 8.8 Certain Public Offerings And Stockholder Approvals.

The Commission may find a publicly traded corporation unsuitable to be a holding company of a corporate license if at a time when the applicant was not subject to the jurisdiction of the Commission it obtained the approval or consent of its stockholders to have a material involvement with gaming in the State of Mississippi, and in connection with such offering, approval or consent, it did not make a full disclosure of all material facts to the offerees or its stockholders relating to such material involvement including, without limitation, a description of

the nature and scope of the state and applicable local laws of Mississippi regarding gaming control. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-53*

Rule 8.9 Approval Of Securities Issuable On Exercise Of Options Or Warrants Or Conversion Of Other Securities.

If the Commission approves a public offering of securities which involves securities issuable on exercise of purchase rights, such approval is deemed continuing for the entire period of it's exercise or convertibility and further approval is not required for the actual issuance of such securities. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-5*

Rule 8.10 Application For Approval Of Public Offering.

A person applying for approval of a public offering pursuant to this section shall make a full disclosure of all material facts relating thereto to the Executive Director and Commission. To the extent applicable, the application must include the following information:

- (a) A description of the securities to be offered.
- (b) The terms upon which the securities are to be offered.
- (c) The gross and net proceeds of the offering, including a detailed list of expenses.
- (d) The use of proceeds.
- (e) The name and address of the lead underwriter and the participating underwriters, if any.
- (f) The forms of the underwriting agreement, the agreement among underwriters, if any, and the selected dealers agreements, if any.
- (g) A statement of intended compliance with all applicable federal, state, local and foreign securities laws.
- (h) The names and addresses of the applicant's general counsel, local counsel, special securities counsel, independent auditors, and any special consultants on the offering.
- (i) If any securities to be issued are not to be offered to the general public, the names and addresses of the other offerees and the form of the offering thereto.
- (j) True copies or descriptions of all papers filed with the United States Securities and Exchange Commission and all material communications between the applicant and the United States Securities and Exchange Commission or, if the offering is not subject to the registration requirements of Section 5 of the Federal Securities Act other than by reason of an exemption contained in regulation A adopted pursuant to Section 3 of said Act, copies or description of all papers filed with, and all material communications between the applicant and such other governmental entity charged with securities regulation, if any. A copy of each registration statement and each amendment thereto must be filed with the Executive Director by the end of the next business day after their filing with the United States Securities and Exchange Commission. All other papers required to be included pursuant to this subsection must be filed with the Executive Director as soon as practicable. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-53*

Rule 8.11 Coordination.

The Executive Director and Commission will ordinarily permit an application for approval of a public offering pursuant to this regulation to be completed over a period of time as documents and information become available in accordance with the normal and customary practice in the securities industry. An application may be filed without all the information required by Section 10 if all such information required by the Executive Director and Commission is supplied prior to the sale of the securities. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.12 Approval Of Acquisition Of Control.

A publicly traded corporation shall not directly or indirectly acquire control of a corporate licensee or affiliated company, and a person shall not acquire control of a publicly traded corporation which is an affiliated company, without the prior approval of the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.13 Application For Approval Of Acquisitions Of Control.

An application for approval of a transaction subject to Rule 8.11~~Section 11~~ above must contain full disclosure of all material facts relating thereto, and include to the extent applicable:

- (a) The information required by Miss. Code Ann. §75-76-255(1) (b).
- (b) The terms and provisions of the contemplated transaction.
- (c) A statement of any contemplated management and operating changes to be effected after completion of the contemplated transaction, and
- (d) Copies or descriptions of all material documents and correspondence filed with the United States Securities and Exchange Commission in connection with the contemplated transaction, if any, or, if the transaction is not subject to the Federal Securities Act, copies or descriptions of all material documents and correspondence filed with such other governmental entity charged with securities regulation, if any. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.14 Approval Of Plan Of Recapitalization. Except as provided by Rule 8.16 ~~Section 16~~ below, a publicly traded corporation that is an affiliated company shall not consummate a plan of recapitalization without the prior approval of the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.15 Approval Of Exceptional Repurchases Of Securities. Except as provided by Rule 8.16~~Section 16~~ below, a publicly traded corporation that is an affiliated company shall not make an exceptional repurchase of securities without the prior approval of the Commission. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.16 Exempt Transactions. Unless otherwise required by the provisions of the Act or these regulations, and notwithstanding the provisions of Sections 14 and 15 above, the approval of the Executive Director or Commission is not required before a publicly traded corporation that is an affiliated company may repurchase securities issued by such corporation if:

- (a) The repurchase is made pursuant to contractual rights or arrangements, including without limitation puts and price guarantees, given the issuer of such securities or his designee at the time of the original issuance of the security;
- (b) The repurchase is made for purposes of compromising a bona fide dispute with a security holder arising from the original issuance of such securities;
- (c) The repurchase is made pursuant to calls or redemptions of any securities in accordance with the terms and conditions of the governing instruments of such securities;
- (d) The repurchase involves securities evidenced by a scrip certificate, order form, or similar document that represents a fractional interest in a share of stock or similar securities;
- (e) The repurchase is made pursuant to a statutory procedure for the purchase of dissenting security holders' securities;
- (f) The repurchase is made in order to comply with any court or administrative order;
- (g) The repurchase is made in accordance with or to effectuate the provisions of any employee compensation arrangement, employee stock plan, or employee benefit program including, without limitation, an employee stock ownership plan or to eliminate or cancel outstanding employee stock options or create a "disposition" for federal income tax purposes as to securities acquired as a result of the exercise of an employee incentive stock option as defined under the Internal Revenue Code;
- (h) The repurchase involves a transaction or series of related transactions occurring within a fiscal quarter in which the aggregate price of the securities purchased is less than the greater of \$1 million or five percent (5%) of the consolidated net worth of the corporation purchasing the securities determined using the most recent audited financial statements of the corporation or the financial statements most recently filed by the corporation with the Securities and Exchange Commission; or
- (i) The repurchase is made pursuant to a publicly announced open market securities repurchase program in which the price and other terms of sale are not negotiated between the purchaser and seller. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.17 Application For Approval Of Recapitalization Plan Or Exceptional Securities Repurchases.

An application for approval of a plan of recapitalization subject to ~~Rule 8.15~~Section 14 or an exceptional repurchase of securities subject to Section 15 must contain full disclosure of all material facts relating thereto, and include to the extent applicable:

- (a) The terms and provisions of the contemplated transaction;
- (b) A statement of any contemplated management and operating changes to be effected after completion of the contemplated transaction.
- (c) An analysis showing on a pro forma basis the effect of the transaction on the financial statements of the publicly traded corporation that is an affiliated company.
- (d) A general description of the source of funds for the purchase and any financing arrangements.

(e) Copies or descriptions of all material documents and correspondence filed with the United States Securities and Exchange Commission in connection with the contemplated transaction, if any, or, if the transaction is not subject to the Federal Securities Act, copies or descriptions of all material documents and correspondence filed with any other governmental entity charged with securities regulation.

(f) Any other documents, papers, reports, or other information deemed relevant by the Executive Director. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.18 Powers Of Commission.

The Commission may determine, upon the recommendation of the Executive Director, 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 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 if he is a controlling

person or key employee of the corporation, or if he, as an agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of the corporation. The foregoing powers of the Commission are not limited to individuals having a formal and direct involvement or relationship with a publicly traded corporation nor to individuals who are beneficial owners of any stated percentage of the outstanding equity securities of a public traded corporation.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-255*

Rule 8.19 Beneficial Owners Of Voting Securities.

(a) The Commission shall consider the provisions of Miss. Code Ann. §75-76-263 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.

(b) 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 Miss. Code Ann. §75-76-263 of these regulations.

(c) Miss. Code Ann. §75-76-263 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.

(d) 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 Executive Director, upon his request, to determine the beneficial ownership of such securities. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-263*

Rule 8.20 Officers And Employees.

- (a) The Commission shall require an application for a finding of suitability and may require licensing of any officer or employee of a publicly traded corporation whom the Commission finds to be actively and directly engaged in the administration or supervision of, or any other significant involvement with, the activities of a corporate licensee.
- (b) The Commission may require an application for licensing or a finding of suitability by any officer or employee of a publicly traded corporation whose application is not otherwise required pursuant to subparagraph (a) of this regulation and Mississippi Code Annotated §75-76-257, if the Commission determines that the policies of the state regarding gaming would be served by such action.
- (c) The following officers and 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 required to be licensed or found suitable:
 - 1. Each employee who is involved in gaming and who is also a director of the publicly traded corporation; and
 - 2. The president, any person performing the function of principal executive officer or principal operating officer, the principal accounting officer, and secretary. (Adopted: 09/25/1991; Amended: 10/27/2005.)

Source: *Miss. Code Ann. §§ 75-76-263*

Rule 8.21 Directors.

- (a) The Commission shall require an application for a finding of suitability and may require licensing of any director whom the Commission finds to be actively, and directly engaged in the administration or supervision of the gaming activities at a licensed gaming establishment of a licensee.
- (b) The Commission may require an application for licensing or finding of suitability by any director of a publicly traded corporation whose application is not otherwise required by subparagraph (a) of this regulation and Mississippi Code Annotated §75-76-257, if the Commission determines that the policies of the state regarding gaming would be served by such action.
- (c) The following persons of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of the gaming activities of the licensee and therefore are required to be licensed or found suitable:
 - 1. Each person who serves as chairman of the board of directors;
 - 2. Each person who, individually or in association with others, is the beneficial owner of greater than five percent (5%) of any class of voting securities of the registered publicly traded corporation for which he serves as a director;
 - 3. 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 licensee; and
 - 4. Each person who has a vote on any issue before the Board of Directors who is also an employee of the corporation.

(d) The following persons of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of the gaming activities of the licensee and therefore are required to complete an application for suitability which will be reviewed and in the Commission's determination may be subject to a full finding of suitability investigation:

1. Each person, whether as director or otherwise, who serves as the Chairman on the audit committee; and
2. Each person, whether as director or otherwise, who serves as the Chairman on the compliance committee.

(Adopted: 09/25/1991; Amended: 10/27/2005.)

Source: *Miss. Code Ann. § 75-76-263*

Rule 8.22 Appointments And Elections.

Except in a transaction subject to Section 12 which involves a change of control of a publicly traded corporation as a whole, an individual may be appointed or elected to a position described in Section 20 or 21 without the prior approval of the Commission, and may occupy the position and exercise the authority and duties thereof until otherwise ordered by the Commission. The Commission may impose stricter requirements, including a requirement of prior approval, on any publicly traded corporation or with respect to any individual at any time. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-263*

Rule 8.23 Institutional Investors

(a) "Institutional investor" means:

1. A bank as defined in Section 3(a)(6) of the Federal Securities Exchange Act;
2. An insurance company as defined in Section 2(a)(17) of the Investment Company Act of 1940, as amended;
3. An investment company registered under Section 8 of the Investment Company Act of 1940, as amended;
4. An investment advisor registered under Section 203 of the Investment Advisors Act of 1940, as amended;
5. Collective trust funds as defined in Section 3(c)(11) of the Investment Company Act of 1940, amended;
6. An employee benefit plan or pension fund that is subject to the Employee Retirement Income Security Act of 1974, as amended, excluding an employee benefit plan or pension fund sponsored by a corporation registered with the Commission;
7. A state or federal government pension plan;
8. A group comprised entirely of persons specified in (1) through (7); or
9. Such other persons as the Commission may determine for reasons consistent with the policies expressed in the Mississippi Gaming Control Act. To qualify as an institutional investor, a person other than a state or federal government pension plan must meet the requirements of a "qualified institutional buyer" as defined in Rule 144A of the Federal Securities Act.

(b) An institutional investor that becomes or intends to become subject to Mississippi Code Annotated §75-76-263(3) as a result of its beneficial ownership of voting securities of a corporation licensed or registered with the Commission may apply to the Executive Director for

a waiver of the requirements of Mississippi Code Annotated §75-76-263(3) with respect to the beneficial ownership of the voting securities of such corporation if such institutional investor holds the securities for investment purposes only; provided, however, that an institutional investor shall not be eligible to receive or hold a waiver if the institutional investor beneficially owns, directly or indirectly, except as otherwise provided in subsection (c), more than ~~45~~ 25 percent of the voting securities and if any of the voting securities were acquired other than through a debt restructuring. Voting securities acquired before a debt restructuring and retained after a debt restructuring or as a result of an exchange, exercise or conversion, after a debt restructuring, of any securities issued to the institutional investor through a debt restructuring, shall be deemed to have been acquired through a debt restructuring. A waiver granted under this section shall be effective only as long as the institutional investor's direct or indirect beneficial ownership interest in such voting securities meets the limitations set forth above, and should the institutional investor's interest exceed such limitations at any time, it shall be subject to Miss. Code Ann. §75-76-263(3), and the institutional investor shall apply within thirty (30) days thereof and without any request by the Executive Director, as otherwise provided in Miss. Code Ann. § 75-76-263(5), for a finding of suitability.

(c) An institutional investor that has been granted a waiver pursuant to subsection (b), may beneficially own more than 25 percent, but not more than 29 percent, of the voting securities of a publicly traded corporation licensed or registered with the Commission, only if such additional ownership results from a stock repurchase program conducted by such publicly traded corporation, and upon the condition that such institutional investor does not purchase or otherwise acquire any additional voting securities of the publicly traded corporation that would result in an increase in the institutional investor's ownership percentage.

(d) An institutional investor shall not be deemed to hold voting securities for investment purposes only unless the voting securities were acquired and are held in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of the board of directors, any change in the corporate charter, bylaws, management, policies or operations of the corporation licensed or registered with the Commission or any of its gaming affiliates, or any other action which the Commission finds to be inconsistent with investment purposes only. The following activities shall not be deemed to be inconsistent with holding voting securities for investment purposes only:

1. Voting, directly or indirectly through the delivery of a proxy furnished by the board of directors, on all matters voted on by the holders of such voting securities;
2. Serving as a member of any committee of creditors or security holders formed in connection with a debt restructuring;
3. Nominating any candidate for election or appointment to the board of directors in connection with a debt restructuring;
4. Accepting appointment or election as a member of the board of directors in connection with a debt restructuring and serving in that capacity until the conclusion of the member's term;
5. Making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and
6. Such other activities as the Commission may determine to be consistent with such investment intent.

(e) A request for a waiver must include:

1. 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 subsection (a) above.
2. 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 herein 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 Mississippi Gaming Control Act and the regulations adopted thereunder, to be subject to the jurisdiction of the courts of Mississippi, and to consent to Mississippi as the choice of forum in the event any dispute, question, or controversy arises regarding the application or any waiver granted under this section.
3. A description of all actions, if any, taken or expected to be taken by the institutional investor relating to the activities described in subsection (d).
4. 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 corporation licensed or registered with the Commission.
5. 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 corporation licensed or registered with the Commission.
6. The name and address of each person that beneficially owns more than 5 percent of the institutional investor's voting securities or other equivalent, together with the percentage ownership of each such person.
7. A list of the institutional investor's affiliates.
8. A list of all securities of the corporation licensed or 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.
9. A list of all regulatory agencies with which the institutional investor or any affiliate that beneficially owns voting securities of the corporation licensed or 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.
10. 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.
11. A copy of the institutional investor's most recent Schedule 13D or 13G and any amendments thereto filed with the United States Securities and Exchange Commission concerning any voting securities of the corporation registered with the Commission.

12. 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 corporation registered with the Commission.

13. Any additional information the Executive Director or the Commission may request.

(f) The Commission shall consider all relevant information in determining whether to grant a waiver requested pursuant to subsection (b), including but not limited to:

1. Whether the waiver is consistent with the policy set forth in Mississippi Code Annotated §§ 75-76-3 and 245;
2. The factors set forth within 13 Miss. Admin. Code Pt. 2, R. 8.4; and
3. Any views expressed to the Commission by the corporation or any licensed affiliate thereof.

(g) An institutional investor that has been granted a waiver of a finding of suitability and that subsequently intends not to hold its voting securities of the corporation for investment purposes only, or that intends to take any action inconsistent with its prior intent shall, within 2 business days after its decision, deliver notice to the Executive Director in writing of the change in its investment intent. The Executive Director may then take such action under the provisions of Miss. Code Ann. § 75-76-263(3) as he deems appropriate.

(h) A waiver of the requirements of Miss. Code Ann. § 75-76-263(3) that has been granted pursuant to this section and Miss. Code Ann. § 75-76-201(2) shall not be construed as a waiver of or exemption from the prior approval requirements of 13 Miss. Admin. Code Pt. 2, R. 8.12. An institutional investor that intends to apply for a waiver of the requirements of Miss. Code Ann. § 75-76-263(3) pursuant to this section must also simultaneously apply to the Commission for an exemption from the prior approval requirements of 13 Miss. Admin. Code Pt. 2, R. 8.12 if the proposed acquisition would give the institutional investor, directly or indirectly, the power to direct or cause the direction of the management and policies of the corporation.

(i) If the Executive Director finds that an institutional investor has failed to comply with the provisions of this section, or should be subject to a finding of suitability to protect the public interest, the Executive Director may, in accordance with Miss. Code Ann. § 75-76-263(3), require the institutional investor to apply for a finding of suitability. The institutional investor affected by the action taken by the Executive Director may request a hearing on the merits of such action. The hearing shall be included on the agenda of the next regularly scheduled Commission meeting occurring more than 10 working days after the request for hearing. Upon good cause shown by the institutional investor, the Executive

Director may waive the 10-day requirement and place such hearing on an earlier Commission agenda. The Commission, for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the Executive Director, or remand the matter to the Executive Director for such further investigation and reconsideration as the Commission may order. While the application for a finding of suitability or Commission review of the Executive Director's action requiring the filing of such application is pending, the institutional investor shall not, directly or indirectly, cause or attempt to cause any management, policy, or operating changes in the corporation or any gaming affiliate and shall not purchase or otherwise acquire any additional voting securities of the corporation.

(j) Any corporation licensed or registered with the Commission or any registered or licensed subsidiary thereof shall immediately notify the Executive Director of any information about, fact concerning or actions of, an institutional investor holding any of its voting securities, that may

materially affect the institutional investor's eligibility to hold a waiver under this section. (Adopted: 11/20/2002.)

Source: *Miss. Code Ann. § 75-76-263*

Part 2 Chapter 9: TRANSFERS OF OWNERSHIP; LOANS; LEASES

Rule 9.1 Transfers Of Ownership In General.

- (a) No person shall sell, purchase, assign, lease, grant or foreclose a security interest, hypothecate or otherwise transfer, convey or acquire in any manner whatsoever any interest of any sort whatever in or to any licensed gaming operation or any portion thereof, or enter into or create a voting trust agreement or any other agreement of any sort in connection with any licensed gaming operation or any portion thereof, except in accordance with law and these regulations.
- (b) No licensee shall permit any person to make any investment whatever in, or in any manner whatever participate in the profits of, any licensed gaming operation, or any portion thereof, except in accordance with law and these regulations.
- (c) No person shall transfer or convey in any manner whatsoever any interest of any sort whatever in or to any licensed gaming operation, or any portion thereof, to, or permit any investment therein or participation in the profits thereof by, any person acting as agent, trustee or in any other representative capacity whatever for or on behalf of another person without first having fully disclosed all facts pertaining to such representation to the Executive Director. No person acting in any such representative capacity shall hold or acquire any such interest or so invest or participate without first having fully disclosed all facts pertaining to such representation to the Executive Director and obtained written permission of the Commission to so act.
- (d) This regulation shall apply to transfers of interest in corporate licensees and holding companies, but shall not apply to transfers of interest in publicly traded corporations. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.2 Approval Required.

- (a) 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 shall in any manner whatsoever transfer any interest therein to any person, firm or corporation, and no such transfer shall become effective for any purpose without the prior approval of the Commission.
- (b) Applications for a transfer of interest to a person who is not already the owner of an interest in the licensed gaming operation, except the granting of a possessory security interest in equity securities of a licensee or of a holding company, shall be made by the transferee applying for licensing or registration pursuant to the Act and these regulations.
- (c) 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.
- (d) Applications for approval of the granting of a possessory security interest shall be made in writing to the Executive Director. The application shall set forth all material facts relating to the

transaction and be accompanied by copies of the documents evidencing the transaction. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.3 Duties Of Corporations And Agents. No licensee or holding company, or officer, director or transfer agent thereof, shall cause or permit any stock certificate or other evidence of beneficial interest therein to be registered in its books or records in the name of any nominee, agent, trustee or any other person other than the true and lawful owner of the beneficial interest therein without written permission of the Executive Director to do so. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.4 Escrow Required. Except as and to the extent provided in these regulations pertaining to emergency situations, no money or other thing of value constituting any part of the consideration for the transfer or acquisition of any interest in a licensed gaming operation, in a licensee or in a holding company shall be paid over, received or used until complete compliance has been had with all prerequisites set forth in the law and these regulations for the consummation of such transaction; but such funds may be placed in escrow pending completion of the transaction. Any loan, pledge or other transaction between the parties or with other parties may be deemed an attempt to evade the requirements of this regulation and, as such, in violation of this regulation. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.5 Emergency Situations. If a transfer of an interest in a licensed gaming operation, in a licensee or in a holding company, is contemplated and, in the opinion of the Commission, the exigencies of the situation require that the proposed transferee or transferees be permitted to make available funds or credit for use in connection with such licensed gaming operation or establishment during the pendency of an application for a license or to be permitted to acquire such interest, the Commission may waive the requirements of Part 3 Chapter 4~~Section 4~~ of this regulation in accordance with the procedures hereinafter set forth. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-207*

Rule 9.6 Application For Permission To Participate.

(a) A proposed transferee of an interest who desires to make available funds or credit for use in the operation of the licensed establishment or games prior to actual completion of the transfer of interest in accordance with the foregoing regulations shall make written application to the Executive Director for permission to so participate, setting forth, under oath, facts showing the necessity of such participation, together with the following information:

1. The extent to which and the manner in which the proposed transferee desires to participate pending completion of the proposed transfer.

2. A complete financial statement and a statement showing sources of all funds to be used in connection with the proposed transfer of interest and in the participation prior to transfer.
 3. A full and complete statement of the proposed plan for effecting the proposed transfer of interest, including:
 - i. The extent of the interest to be transferred;
 - ii. The date on which it is desired to complete the transfer;
 - iii. The total consideration to be paid and the time and manner of payment hereof;
 - iv. Details of any other financial arrangements between all parties involved; and
 - v. Details of all other pertinent arrangements between the parties.
 4. Full, true and correct copies of all documents pertaining to the proposed transaction or transactions, including all agreements between the parties, leases, notes, mortgages or deeds of trust, and pertinent agreements or other documents with or involving third parties.
 5. The names and addresses of all persons with whom the proposed transferee expects to be associated in connection with the operation of the licensed games or establishment, or both.
 - i. If two or more individuals desire to participate in the operation of a licensed establishment or games as a group, whether as individuals or as stockholders, officers or directors of a corporation or other business entity, joint application may be made in accordance with subsection (a) above.
 - ii. If the emergency requiring immediate participation consists of the actual or threatened insolvency of a licensee or holding company, the application will not be granted unless the applicant demonstrates the immediate and unqualified availability of sufficient funds and credit to cure such emergency to the same extent that such funds and credit would be required in connection with an application for licensing or registration not involving actual or threatened insolvency.
 - iii. The Executive Director may require an applicant for permission to participate to furnish such additional information as it may desire before acting on the application.
- (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-209*

Rule 9.7 Permission To Participate. After receipt of a proper application for permission to participate and such additional information as the Executive Director or the Commission may require, and after such investigation as the Executive Director or the Commission deems necessary, the Commission may grant emergency permission for a proposed transferee to make available funds or credit in the operation of the licensed games or establishment, licensee or holding company. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-209*

Rule 9.8 Extent Of Participation Permitted.

(a) Pending final action on the application of a proposed transferee, the existing licensee or licensees will be held responsible for the conduct of the licensed games or establishment, for all license fees payable, and for all acts or omissions of proposed transferees participating in the operation.

(b) Except as hereinafter provided, no proposed transferee who has been granted such emergency permission to participate shall be permitted to withdraw or receive any portion of the profits of such establishment or licensee or holding company derived from gaming until final approval of the proposed transfer of interest has been granted by the Commission. If granted, such approval shall be retroactive to the date of emergency permission to participate.

(c) A proposed transferee who has been granted emergency permission to participate and who actually renders services may be paid a salary or otherwise be compensated for such actual services, but such salary or other compensation shall not exceed the usual and customary compensation in the industry for similar services.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-209*

Rule 9.9 Application For License.

Any proposed transferee to whom emergency permission to participate has been granted shall, within ten (10) days thereafter if he has not already done so, make formal application for licensing, registration, or approval as required by law and these regulations.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-209; 75-76-105*

Rule 9.10 Effect Of Permission To Participate; Withdrawal.

(a) The granting of emergency permission to participate is a revocable privilege, and is not to be construed as a finding on the part of the Commission that the proposed transferee is qualified or suitable to hold a state gaming license or to be registered or to be approved. Such permission will be without prejudice to any action that the Commission may take with respect to any application for final approval of the proposed transfer of interest.

(b) Emergency permission to participate may be withdrawn summarily at any time in the absolute discretion of the Commission, without notice or hearing or other proceedings of any kind.

(c) Upon receipt of notice that emergency permission to participate has been withdrawn the proposed transferee shall be immediately disassociated from any participation whatever in the operation of the licensed establishment, licensee or holding company. Any money or other thing of value which may have been invested or made use of in the operation of the licensed establishment, licensee or holding company shall be forthwith returned to the proposed transferee or deposited in escrow in compliance with Section 4 of this regulation. Any participation whatever on the part of a proposed transferee after notice of withdrawal of emergency permission to participate may be deemed to be in violation of law and these regulations and, as such, grounds for denial of the application of the proposed transferee and also grounds for disciplinary action against the existing license, registration or approval.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. §§ 75-76-209; 75-76-105*

Rule 9.11 Loans To Licensees and Other Reportable Transactions.

(a) Any licensee that receives, accepts, or makes use of any cash, property, credit, guaranty, benefit or any form of security loaned to, or provided for or on behalf of the licensee or an officer, director, agent employee or stockholder of the licensee, in a transaction required to be reported under subsections (b) or (c) hereof, must report the transaction to the Executive Director in the manner required herein within thirty (30) days after the transaction is consummated. A transaction is considered consummated the earlier of the contract date or the date the cash, property, credit, guaranty, benefit or security is received.

(b) Except as exempted from reporting as provided in subsection (e) hereof, each of the following transactions must be reported to the Executive Director if the dollar amount of the transaction or the fair market value of the assets involved exceeds \$300,000 or the average monthly payment exceeds \$50,000:

1. Deposits received by the licensee pursuant to an arrangement for use of space at the licensee's establishment.
2. Installment purchase contracts.
3. Property donated to the licensee.
4. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.

(c) Except as exempted from reporting as provided in subsection (e) hereof, each of the following transactions must be reported to the Executive Director if the dollar amount of the transaction exceeds \$50,000:

1. Loans, mortgages, and trust deeds.
2. Capital contributions and loans by a person who is a stockholder, partner or proprietor of the licensee.
3. Safekeeping deposits that are commingled with the licensee's funds.
4. Lines of credit.
5. Accounts payable and accrued expenses due to unaffiliated persons where the payment terms or actual length of payments exceed twelve (12) months.
6. Conversions of accounts payable, accrued expenses or other liabilities to notes payable.
7. Debts forgiven by a lender.
8. Guaranties received by the licensee.
9. Accruals of salary due to an individual directly or indirectly owning an interest in the licensee where the accrual period exceeds ninety (90) days.
10. Financing of gaming devices or associated equipment installed and used during a trial period authorized by the Executive Director.
11. Cash, property, credit, services, guaranty, benefit or any form of security loaned to or provided for or on behalf of the licensee by a licensed or unlicensed affiliate or subsidiary, registered parent of the licensee, stockholder, partner, or proprietor of the licensee.
12. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.

(d) For purposes of this regulation, those transactions in subsections (b) and (c) that occur no more than thirty (30) days apart from a single source shall be considered a single transaction and must be reported if the total amount exceeds the thresholds stated.

(e) The following transactions need not be reported to the Executive Director regardless of the dollar amount of the transaction, fair market value of the assets involved, or average monthly payment:

1. Draws against a previously reported extension of credit.
2. Except for items specifically described in subsections (b) or (c), goods or services which are exchanged for other goods or services of an affiliate of the licensee.
3. Short-term cash loans which have a payback period of less than seven (7) days and are provided to the licensee on a regularly recurring basis, provided the terms and conditions of the arrangement have not changed, and provided the initial loan or financing arrangement has been reported.
4. Loans and other financing activities that were approved by Commission action, provided the terms and conditions of the arrangements have not changed.
5. Funds received by the licensee in satisfaction of accounts or notes receivable.
6. Payments of gaming winnings over time to patrons pursuant to Section III. A. 9, provided that any required approvals have been obtained.
7. Deposits or payments received by the licensee in conjunction with a convention or similar event.
8. Financing activity that has been filed and administratively approved by the Commission or Executive Director.

(f) The report to the Executive Director required by this section must include the names and addresses of all parties to the transaction, the amount and source of the funds, property or credit received or applied, the nature and amount of the security provided by or on behalf of the licensee, the purpose of the transaction, and any additional information the Executive Director may require. The report must also identify the dates of each loan or contribution. The report must be made on the Loan to Licensees and Lease Transaction Reporting Form, or such other form as the Executive Director may hereafter require, with a fully executed copy of the financing agreement, and signed by an owner or key employee under oath.

(g) In the event a party to any transaction reportable pursuant to this regulation is a person other than the reporting licensee or its affiliate, subsidiary or registered holding company, or a financial institution or related subsidiary, or a publicly traded company, the report must be accompanied by a supplemental filing which must include that person's federal tax identification number or social security number and date of birth, banking references, and source of funds, and any additional information the Executive Director may require. The report must be made on the Loan to Licensees and Lease Supplemental Information Form, or such other form as the Executive Director may hereafter require.

(h) If, after such investigation as the Executive Director deems appropriate, the Commission finds that a reported transaction is inimical to the public health, safety, morals, good order or general welfare of the people of the State of Mississippi, or would reflect, or tend to reflect, discredit upon the State of Mississippi or the gaming industry, it may order the transaction rescinded within such time and upon such terms and conditions as it deems appropriate.

(i) A bankruptcy filing by a licensee does not relieve that licensee of the reporting requirements of this regulation.

(j) The Executive Director may waive one or more of the provisions of this section or require a report of a transaction not otherwise addressed in this section or a supplemental filing, upon a finding that the waiver, reporting requirement or supplemental filing is consistent with the public

policy of the State of Mississippi, as set forth in Section 75-76-3 of the Mississippi Code, as amended.

(Adopted: 09/25/1991; Amended: 9/21/2000.)

Source: *Miss. Code Ann. § 75-76-103*

Rule 9.12 Finding Of Suitability Of A Person Holding An Option To Acquire An Interest In A General Partnership, Limited Partnership, Or Corporate Licensee.

(a) No person shall acquire or be granted an option to purchase an interest in a general partnership, limited partnership, or corporate licensee without first notifying the Executive Director, on such forms as may be required by the Executive Director, of the terms and conditions upon which the option was granted or acquired.

(b) The Commission may, upon a recommendation by the Executive Director, require the application of any person for a determination of suitability to hold an option to purchase or otherwise obtain an interest in a general partnership, limited partnership, or corporate licensee.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-237*

Rule 9.13 Leases.

(a) Definitions. In addition to the terms defined in the Act and the regulations thereunder, the following definitions shall apply in this regulation:

1. "Lessor" means any person who leases or rents any property, real or personal, to an operating licensee or to a person who, in turn, leases or rents property to an operating licensee.

2. "Lease" means any formal or informal, written or oral, contract or understanding or arrangement whereby any operating licensee obtains the use or possession of any property, real or personal, to be used, occupied, or possessed in connection with any gaming establishment. The term "lease" includes, without limitation, payments made to an affiliated person under a real property lease or a personal property lease.

3. "Operating licensee" means the person or entity to whom a state gaming license has been issued for the conduct of gaming. The term does not include persons or entities which have been issued licenses or findings of suitability as officers, directors, stockholders, or key employees.

(b) Each of the following transactions must be reported by the operating licensee to the Executive Director if the dollar amount of the transaction exceeds \$50,000:

1. Leases, including leaseback transactions and capital leases.

2. Leases, other than vehicle leases, where an option to purchase exists.

3. Leases of any associated equipment.

4. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.

(c) For purposes of this regulation, those transactions in subsection (b) that occur no more than thirty (30) days apart from a single source shall be considered a single transaction and must be reported if the total amount exceeds the threshold stated.

(d) Reports by operating licensee. The operating licensee shall report to the Executive Director all leases to which it is a party not later than 30 days after the effective date of the lease and shall include the following information:

1. The name, address, and a brief statement of the nature of the business of the lessor.
2. A brief description of the material terms of the lease.
3. A brief description of any business relationships between the operating licensee and the lessor other than by the lease. The report must be made on the Loan to Licensees and Lease Transaction Reporting Form, or such other form as the Executive Director may hereafter require, with a fully executed copy of the lease, and signed by an owner or key employee under oath.

(e) In the event a party to any transaction reportable pursuant to this regulation is a person other than the reporting licensee or its affiliate, subsidiary or registered holding company, or a financial institution or related subsidiary, or a publicly traded company, the report must be accompanied by a supplemental filing which must include that person's federal tax identification number or a social security number and date of birth, banking references, and source of funds, and any additional information the Executive Director may require. The report must be made on the Loan to Licensees and Lease Supplemental Information Form, or such other form as the Executive Director may hereafter require.

(f) If, after such investigation as the Executive Director deems appropriate, the Commission finds that a reported transaction is inimical to the public health, safety, morals, good order or general welfare of the people of the State of Mississippi, or would reflect, or tend to reflect, discredit upon the State of Mississippi or the gaming industry, it may order the transaction rescinded within such time and upon such terms and conditions as it deems appropriate.

(g) A bankruptcy filing by a licensee does not relieve that licensee of the reporting requirements of this regulation.

(h) Leases between two Mississippi licensees are exempt from this reporting requirement.

(i) The Executive Director may waive one or more of the provisions of this section or require a report of a transaction not otherwise addressed in this section or a supplemental filing, upon a finding that the waiver, reporting requirement or supplemental filing is consistent with the public policy of the State of Mississippi, as set forth in Section 75-76-3 of the Mississippi Code, as amended.

(Adopted: 09/25/1991; Amended: 09/21/2000.)

Source: *Miss. Code Ann. §§ 75-76-3, 75-76-103*

Rule 9.14 Death Or Disability Of Licensee.

(a) In the event of the death or judicially established disability of a licensee or a stockholder of a corporate licensee, the spouse, next of kin, personal representative or guardian of such deceased or disabled person or the person in charge of the licensed establishment, or, in the case of a corporate licensee, a managing officer of such corporation, shall notify the Executive Director immediately of the fact of such death or disability.

(b) In case such deceased or disabled person is the sole licensee for an establishment, the Executive Director may, in his sole and absolute discretion, authorize the spouse, next of kin, personal representative or guardian for a license to operate such establishment.

(c) In any case in which the interest held by such deceased or disabled person in any licensed establishment would pass by operation of law or otherwise to his estate or to any person other

than a co-licensee, such person or the personal representative or guardian of the deceased or disabled person shall, within thirty (30) days after the date of death or disability, make application to the Executive Director for a temporary license as successor in interest, representative or guardian, whichever is appropriate.

(d) The Executive Director may, if satisfied of the necessity of such action, recommend to the Commission that a temporary license be issued to the applicant for such period of time as he may deem necessary. Such temporary license will entitle the person named therein to take part in the operation of such establishment and to receive profits therefrom as successor in interest, representative or guardian of the deceased or disabled person. Such temporary license may not be assigned in whole or in part.

(e) No licensee shall permit any spouse, heir, next of kin, personal representative or guardian to take part in the operation of the licensed establishment, nor pay over to such person any part of the profits of such operation which accrue after the date of death or disability, unless such person is either a co-licensee or the holder of a temporary license as successor in interest, representative or guardian.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann.* §§ 75-76-21, 75-76-23

Rule 9.15 Insolvency Of A Licensee.

(a) In the event that a licensee files any petition with the bankruptcy court for relief as a debtor or has such a petition filed against it, or a receiver is appointed for such licensed business or an assignment of such business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, shall immediately notify the Executive Director of such fact in writing. Such written notice shall have attached a copy of the petition filed with the court, and any relevant court orders such as orders appointing trustees, receivers, or assignees.

(b) No licensed establishment shall be operated by any trustee, receiver or assignee for the benefit of creditors until such operation has been authorized by the Commission.

(c) Any such trustee, receiver, or assignee desiring to continue operation of the licensed establishment shall immediately make application for permission to do so. Application shall be made in the same manner as an application for an initial license; but the operation, if approved, shall be deemed to continue under the existing license of the establishment.

(d) Permission for such trustee, receiver, or assignee to continue the operation of the licensed establishment may be summarily withdrawn at any time in the discretion of the Commission without the necessity of any hearing or proceedings for revocation or suspension. (Adopted: 09/25/1991.)

Source: *Miss. Code Ann* §§ 75-76-21, 75-76-23

Part 2 Chapter 10: GAMING EMPLOYEES

Rule 10.1 Work Permits Required.

(a) No person shall be employed as a gaming employee unless such person is the holder of a valid work permit issued by the Commission.

(b) Every licensee, shall, before employing any person in connection with the licensed gaming operation, ascertain that such person holds a valid work permit issued in accordance with this

regulation, and shall cause his employment records to reflect such fact. No work permit shall be effective for more than three (3) years from the date of issue. A permit may be issued for a period of less than three (3) years within the discretion of the Executive Director. A work permit expires unless renewed within ten (10) days after a change of place of employment as a gaming employee, or if the holder is unemployed as a gaming employee within the jurisdiction of the Mississippi Gaming Commission for more than ninety (90) days. The ninety (90) day period shall be tolled upon the opening of an investigation pursuant to Rule 11.5 herein into alleged violations of The Gaming Control Act or other applicable law, with said tolling period to conclude upon final disposition of said investigation, including revocation of the affected work permit. Complete renewal applications must be received by the Mississippi Gaming Commission at least sixty (60) days prior to the date of expiration of an employee's existing work permit.

(c) Every gaming employee shall keep his work permit on his person and available for inspection at all times when actively engaged in the conduct of gaming operations. The employee must wear a name badge while on duty identifying the employees common name, casino name and job title if in a supervisory position.

(d) Each work permit holder shall report any arrest and/or criminal charges and ~~conviction~~ final dispositions to the Mississippi Gaming Commission within ten (10) days after such conviction or arrest or other disposition.

(e) Each employee of a holding company, intermediary company or affiliated company of a licensee who is directly or indirectly engaged in the administration or supervision of the gaming operations or physical security activities of such licensee and performs such duties at any time on the premises of the licensee shall obtain a work permit.

(f) Each employee of a holding company, intermediary company or affiliated company, contract employee, agent, attorney, accountant or other representative performing services, other than maintenance, for the licensee must hold a valid work permit or finding of suitability in order to enter surveillance, ~~soft count, hard count~~ room or any cage area.

(Adopted: 09/25/1991; Amended: 10/22/1998; Amended: 02/19/2003.)

Source: *Miss. Code Ann. §§ 75-76-57, 75-76-61, 75-76-131(8)*

Rule 10.2 Application For Work Permit; Procedure.

(a) The Mississippi Gaming Commission will process all work permit applications, to include taking photographs and fingerprints from all applicants. The Commission shall conduct background investigations on all work permit applicants. The applicant shall provide any information requested by the Executive Director in order to allow for a complete investigation of the applicant's background.

(b) An applicant for a work permit shall pay the application fee established by the Executive Director, which shall be sufficient to cover the costs of processing the application.

(c) The Executive Director shall investigate the applicant and may either grant or deny the work permit. The burden is on the applicant at all times to prove suitability for a work permit.

(d) The Executive Director shall refuse to issue a work permit if the applicant has:

1. committed, attempted or conspired to commit a crime which is a felony in Mississippi or an offense in any other jurisdiction which would be a felony if committed in Mississippi; regardless of whether the charges have been non-adjudicated or expunged;

(e) The Executive Director may refuse to issue a work permit if the applicant has:

1. failed to disclose, misstated or otherwise attempted to mislead the Commission with respect to any material fact contained in the work permit application;

2. knowingly failed to comply with the provisions of the Gaming Control Act, MGC regulations, and /or internal controls of a gaming licensee as filed with and approved by the Commission;
3. committed, attempted or conspired to commit any crime of moral turpitude, embezzlement or larceny or any violation of any law pertaining to gaming or any crime which is inimical to the declared policy of Mississippi concerning gaming including, but not limited to, the following: any misdemeanor theft convictions, excluding first time conviction for false pretense/bad checks (false pretense) during the three (3) years prior to the date of application;
 - i. any misdemeanor drug convictions during the three (3) years prior to the date of application;
 - ii. any misdemeanor convictions pertaining to gaming or gambling during the three (3) years prior to the date of application;
 - iii. any misdemeanor convictions pertaining to crimes of violence during the three (3) years prior to the date of application; and
 - iv. any pattern of criminal offenses making an applicant unsuitable;
4. been identified in published reports of any federal or state legislative or executive body as being a member or associate of organized crime, or as being of notorious and unsavory reputation;
5. been placed and remains in the constructive custody of any federal, state or municipal law enforcement authority when the crime involved would be a crime constituting grounds for denial of an application;
6. had a work permit revoked or committed any act which is a ground for the revocation of a work permit or would have been a ground for revoking a work permit if the applicant had been holding a work permit at that time.
7. failed to complete the application process for a gaming work permit by:
 - i. failing to submit to additional fingerprinting where initial fingerprints are insufficient for proper analysis;
 - ii. failing to provide the Commission with court records and/or other requested documents detailing the disposition of previous arrests and/or convictions as well as facts and circumstances of the underlying offense(s); or
 - iii. failing to provide any other requested information necessary to determine the suitability of the applicant. The above enumerated reasons for denial shall not limit the Executive Director's discretion to deny an applicant if that applicant has committed, attempted or conspired to do any act which is inimical to the best interest of gaming in Mississippi. (Adopted: 09/25/1991; Amended: 03/29/1993; Amended: 10/22/1998.)

Source: *Miss. Code Ann. §§ 75-76-63, 75-76-67*

Rule 10.3 Procedure For Hearing After Denial By Executive Director.

- (a) If the Executive Director denies an application for a work permit and the applicant requests a hearing pursuant to Miss. Code Ann. 75-76-131(5), the hearing examiner shall schedule a hearing as soon as practicable after receipt of the request.
- (b) At the hearing, the Executive Director shall present any evidence supporting his reasons for denial and the applicant shall then present any evidence controverting the Executive Director's reasons.
- (c) Each party may cross-examine all witnesses and may subpoena witnesses to testify or produce

evidence at the hearing. The hearing examiner shall issue subpoenas upon the request of a party, but for good cause shown may limit or quash any subpoena issued.

(d) No discovery shall be permitted except upon a finding of good cause justifying the discovery sought.

(e) The standard of review to be used by a hearing examiner is identical to the scope of review a court would have of a final commission action. The Hearing Examiner is to focus on the Commission regulations, policies and procedures, as well as the Commission's adherence to its own regulations and fairness of enforcing the Gaming Control Act and Mississippi Gaming Commission Regulations; then determine only whether the Commission is in compliance with those regulations.

(f) Notwithstanding any other regulations concerning denial of work permits, the Hearing Examiner shall have discretion to recommend grant or denial of a permit and the Mississippi Gaming Commission shall have discretion to grant or deny a permit, except as proscribed by statute. Factors to be considered in the exercise of discretion include, but are not limited to:

1. the nature and character of the offense or other matters alleged against the applicant, including all surrounding facts and circumstances, whether or not resulting in conviction;
2. the length of time since commission of the offense or other matters alleged;
3. all criminal history of the applicant, including arrests, considering the type, frequency and number of arrests and convictions, before and after the offense or matter alleged; and
4. whether it is in the best interests of gaming for the applicant to hold a work permit.

(g) Hearing Examiners shall be chosen as follows; either from the Attorney General's office, a contracted private party or an individual whose expertise is relevant to properly interpret and enforce the Gaming Control Act and Mississippi Gaming Commission Regulations. Hearings may be conducted by telephone if the parties agree. (Adopted: 09/25/1991; Amended: 03/29/1993; Amended: 10/22/1998)

Source: *Miss. Code Ann. §§ 75-76-75*

Rule 10.4 Revocation of Work Permit; Procedure.

(a) The Executive Director shall recommend that the Commission revoke the work permit of a gaming employee if the gaming employee:

1. is convicted of any violation of the Gaming Control Act or if in investigating an alleged violation of the Gaming Control Act by any licensee the Executive Director or the Commission finds that a gaming employee employed by the licensee has been guilty of cheating.

(b) The Executive Director may recommend that the Commission revoke the work permit of a gaming employee if, subsequent to being issued a work permit, the gaming employee:

1. fails to disclose, misstates or otherwise misleads the Commission with respect to any fact contained within any application for a work permit.
2. commits, attempts or conspires to do any of the acts prohibited by the Gaming Control Act;
3. knowingly possesses or permits to remain in or upon any licensed premises any cards, dice, mechanical device or any other cheating device whatever the use of which is prohibited by statute or ordinance;
4. conceals or refuses to disclose any material fact in any investigation by the Executive Director or the Commission;
5. commits, attempts or conspires to commit larceny or embezzlement against a gaming

licensee or upon the premises of a licensed gaming establishment;

6. is convicted in any jurisdiction other than Mississippi of any offense involving or relating to gambling;

7. accepts employment without prior commission approval in a position for which he is required to be licensed under this chapter after having been denied a license for a reason involving personal unsuitability or after failing to apply for licensing when requested to do so by the Commission or the Executive Director;

8. is refused the issuance of any license, permit or approval to engage in or be involved with gaming in any jurisdiction other than Mississippi, or had any such license, permit or approval revoked or suspended;

9. is prohibited under color of governmental authority from being present upon the premises of any gaming establishment for any reason relating to improper gambling activities or any illegal act;

10. contumaciously defies any legislative investigative committee or other officially constituted bodies acting on behalf of the United States or any state, county or municipality which seeks to investigate crimes relating to gaming, corruption of public officials, or any organized criminal activities; Or,

11. is convicted of any felony or misdemeanor, other than one constituting a violation of the Gaming Control Act.

(c) A work permit shall not be issued to a person whose work permit has previously been revoked pursuant to this section or to whom the issuance or renewal of a work permit has been denied, except with the unanimous approval of the Commission members. Applicants who have been denied or revoked pursuant to Rule 10.2(d) are not eligible to request unanimous approval. (Adopted: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-137*

Rule 10.5 Procedure for Hearing After Recommendation of Revocation By Executive Director.

(a) If the Executive Director recommends the revocation of a gaming work permit, the matter will be set for hearing before a hearing examiner. The Hearing Examiner shall schedule a hearing as soon as practicable after receipt of the recommendation from the Executive Director.

(b) At the hearing, the Executive Director shall present any evidence supporting his reasons for revocation and the applicant shall then present any evidence controverting the grounds for revocation.

(c) Each party may cross-examine all witnesses to testify or produce evidence at the hearing. The hearing examiner shall issue subpoenas upon the request of a party, but for good cause shown may limit or quash any subpoena issued.

(d) No discovery shall be permitted except upon a finding of good cause justifying the discovery sought.

(e) The Hearing Examiner is to focus on the Commission regulations, policies and procedures, as well as the Commission's adherence to its own regulations and fairness of enforcing the Gaming Control Act and Mississippi Gaming Commission Regulations; then determine only whether the Commission is in compliance with those regulations.

(f) Notwithstanding any other regulations concerning revocation of work permits, the Hearing Examiner shall have discretion to recommend revocation or continuation of a work permit and the Mississippi Gaming Commission shall have discretion to revoke or continue a work permit,

except as proscribed by statute. Factors to be considered in the exercise of discretion include, but are not limited to:

1. the nature and character of the offense or other matters alleged against the applicant, including all surrounding facts and circumstances, whether or not resulting in conviction;
2. the length of time since commission of the offense or other matters alleged;
3. all criminal history of the applicant, including arrests, considering the type, frequency and number of arrests and convictions, before and after the offense or matter alleged; and
4. whether it is in the best interests of gaming for the applicant to hold a work permit.

(g) Hearing Examiners shall be chosen as follows; either from the Attorney General's Office, a contracted private party or an individual whose expertise is relevant to properly interpret and enforce the Gaming Control Act and Mississippi Gaming Commission Regulations. Hearings may be conducted by telephone if the parties agree.

(h) The Commission or its Hearing Examiner may recall and declare void work permits or other approvals that were granted contrary to the provisions of the Gaming Control Act or Mississippi Gaming Commission Regulations. (Adopted: 10/22/1998.)

Source: *Miss. Code Ann. § 75-76-137*

Rule 10.6 Work Permit Applications After Objection Or Revocation.

(a) An application filed pursuant to Miss. Code Ann. §75-76-131 for the reconsideration of an objection to the issuance of a work permit or for the reinstatement of a work permit previously revoked must not be entertained by the Commission for a period of one (1) year following either a decision by the Commission upon the same matter or the failure of the person seeking the work permit to pursue all administrative remedies provided by Section 66.

(b) Applications for reconsideration of work permit actions by the Commission will be referred to the Executive Director for investigation and review. The Executive Director shall thereafter make a recommendation to the Commission regarding the application.

(Adopted: 09/25/1991.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 10.7 Employee Report.

(a) Annually, on or before the 1st of July, each licensee shall submit an "Annual Employee Report" to the Executive Director on a form to be furnished by the Executive Director. The report shall identify every individual who is directly or indirectly engaged in the administration or supervision of the gaming operations or physical security activities of such licensee. The following classes of gaming employees are presumed to be actively and directly engaged in the administration or supervision of gaming:

1. All individuals who are compensated in any manner in excess of \$100,000 per annum;
2. All individuals who may approve or extend gaming credit in any amount, or whose recommendations in this regard are ordinarily sought or followed;
3. All individuals who have authority to hire or terminate gaming employees;
4. All individuals who have the authority to supervise or direct a shift of any gaming or security activity, including but not limited to supervision or direction of the pit area, keno games, slot machines, or any persons having authority to supervise or direct such persons;

5. All individuals who supervise the count teams and all individuals responsible for directing each shift involving a count team;
 6. All individuals who may approve or extend to casino patrons complimentary house services other than beverages only;
 7. All individuals who supervise or direct other employees engaged in the control of gaming assets and revenues and record keeping, including the recording of cash and evidences of indebtedness, and the maintenance, review or control of the records, accounts, and reports of transactions which are required to be kept pursuant to these regulations;
 8. Any individual who has been specifically represented to the Executive Director or Commission by a licensee or any officer or director thereof as being important or necessary to the operation of the gaming establishment;
 9. All persons who individually or as part of a group formulate management policy.
- (b) The “Annual Employee Report” shall also include a description of the gaming duties, casino responsibilities, and casino authority delegated to each individual identified in the report, if requested by the Investigations Division of the Commission.
- (c) Any changes, additions, or deletions to any information contained within the annual employee report which occurs subsequent to the filing of the report and prior to the filing of the report for the next calendar year shall be reported to the Executive Director in writing no less than ten (10) days after the end of the calendar quarter during which the change, addition, or deletion occurred.
- (d) The Annual Employee Report and subsequent reports of changes, additions, or deletions shall be confidential and may not be disclosed except upon order of the Commission or pursuant to the terms of Mississippi Code Annotated §75-76-153. (Adopted: 09/25/1991; Amended: 07/16/1998; Amended: 10/22/1998; Amended: 10/27/2005.)

Source: *Miss. Code Ann. §§ 75-76-139, 75-76-153*

Part 2 Chapter 11: GAMING SCHOOLS

Rule 11.1 Gaming School License Required.

- (a) No gaming school shall enroll any student or offer any course to the public of this state or do any other business whatsoever in this state whether for compensation or not, relating to the teaching of gaming or playing or dealing techniques unless such gaming school is the holder of a valid Gaming School License issued by the Commission.
- (b) An application for a Gaming School License shall describe the training to be offered in sufficient detail to allow the Commission to properly evaluate that training. This description shall include but need not be limited to:
1. The course or program title;
 2. The number of persons involved in such training and the maximum number of students that will be permitted to enroll in any one session of such training;
 3. A description of the plan of instruction to be used;
 4. The tuition and other charges of costs to the persons trained;
 5. The name, license number and employer of every instructor to be utilized for such training;
 6. The name, license number and employer of any support personnel to be used in such training;
 7. The location where such training is to be conducted; and

8. Any certificate or other documentation to be awarded to persons successfully completing such training program. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.2 Gaming School Employee License Required.

(a) No natural person shall be employed by a licensed gaming school as an instructor, administrative employee or sales representative unless he or she has first established his or her qualifications in accordance with Section 75-76-34 (K) of the Mississippi Gaming Control Act and the regulations of the Commission unless such gaming school employee is the holder of a valid gaming school employee license; provided, however, that notwithstanding the provisions of this section, the licensure of clerical personnel shall be required.

(b) Notwithstanding any other requirements of this subchapter, guest lecturers who do not possess a gaming school employee's license may be employed provided that prior notice is filed with the Commission and that an individual who possesses a valid employee's license is responsible for the conduct of the class and is in attendance during the sessions conducted by the guest lecturer. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.3 Standards for Qualification.

(a) Each operator required to be licensed in accordance with commission regulations shall, prior to the issuance of a Gaming School License, produce such information, documentation and assurances to establish by clear and convincing evidence:

1. The financial stability, integrity and responsibility of the applicant;
2. The applicant's good character, honesty and integrity;
3. That the applicant, either himself or through his employees, has sufficient business ability and experience to establish, operate and maintain his enterprise with reasonable prospects for successful operation;
4. That all owners/management and supervisory personnel, and sales representatives qualify under the standards set forth under the provisions of these regulations;
5. The integrity of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes or other evidence of indebtedness, either in effect or proposed, which bears any relationship to the enterprise;
6. The integrity of all officers, directors, and trustees of the applicant;
7. If the gaming school is a corporation, that it:
 - i. Either is incorporated in this state or is authorized to do business in this state;
 - ii. Maintains a registered office in the premises licensed or to be licensed and has designated and maintains in this state a registered agent;
 - iii. Complies with all requirements of the laws of this state pertaining to corporations.
8. If the gaming school is not a corporation, that it maintains an office in this state and has designated to the Commission and maintains in this state an agent for the acceptance of service of process; and

9. The appropriate individuals associated with or employed by the gaming school be properly qualified as required by the Gaming Control Act and these regulations. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.4 Application Requirements.

(a) The principal(s) of each operator, employee and student must set forth by application that he or she does not fall within any one (1) of the following categories:

1. Is under indictment for, or has been convicted in any court of a felony;
2. Is a fugitive from justice;
3. Is an unlawful user of any controlled substance, is addicted to any controlled substance or alcoholic beverage, or is an habitual drunkard;
4. Is a mental defective, has been committed to a mental institution, or has been voluntarily committed to a mental institution on more than one (1) occasion;
5. Has been discharged from the Armed Forces under dishonorable conditions; or
6. Has been found at any time by the Executive Director or commission to have falsified any information.
7. Has been denied a work permit or license or excluded or ejected from a casino operation in another gaming jurisdiction. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-63*

Rule 11.5 Investigations.

(a) The Commission may, within its discretion, make such inquiry or investigation concerning an operator, employee, student or any other person involved with an applicant or licensee as it may deem appropriate either at the time of the initial application and licensure or at any time thereafter. It shall be the continuing duty of each applicant to provide full cooperation to the Commission in the conduct of such inquiry or investigation and to provide any supplementary information requested by the Commission.

(b) The Commission shall require fingerprints of the operator(s), employees and students of the gaming schools or other methods of identification and shall forward all fingerprints taken pursuant to regulations to the Federal Bureau of Investigation. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-103*

Rule 11.6 Investigative Fees.

(a) Simultaneously with the submission of its application for a gaming school license, the operator(s) shall pay a non-refundable application/investigation fee of one thousand (\$1,000.00) along with all other fees provided for in the Gaming Control Act. These fees shall be payable to the Mississippi Department of Revenue ~~State Tax Commission~~.

(b) Simultaneously with the submission of its application for a gaming school employee license, the applicant shall pay a non-refundable application/investigation fee of one hundred dollars (\$100.00) along with all other fees provided for in the Gaming Control Act. These fees shall be payable to the Mississippi Department of Revenue ~~State Tax Commission~~.

(c) Each student upon enrolling at a licensed gaming school shall pay a nonrefundable fee which is the same fee imposed for work permits.

(d) The Executive Director may require an additional deposit to be paid by the applicant or employee as a condition precedent to beginning or continuing the investigation where the investigative fees and costs are likely to exceed the deposit paid.

(e) If the Executive Director denies an application for an Operator License, Instructor/Administrator License or a Student Work Permit License, the procedure for a hearing after denial will be the same as outlined in Part 2, Rule 10.3 ~~under H. J. Section 3~~ of the Mississippi Gaming Commission Regulations.

(Adopted: 11/04/1992; Amended: 03/20/97.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 11.7 Age ~~and Residence~~ Requirements.

All employees and students of the gaming school shall be at least twenty-one (21) years of age.

(Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-155*

Rule 11.8 Courses and Programs of Instruction.

(a) No person or school, whether or not a governmental agency, shall offer any course or program of instruction or enroll any student in any course or program of instruction unless an approval authorizing such course or program of instruction shall have first been obtained from the Commission.

(b) For each course or program submitted to the Commission for approval, the gaming school shall submit a course or program outline in sufficient detail for proper evaluation which outline shall include, but need not be limited to:

1. The course or program title;
2. The objective or goal the course or program is intended to meet;
3. For courses, the content in outline form showing the major elements or items of instruction, the number of teacher contact hours of instruction for each element of the course, the number of laboratory or practice hours required and the total number of hours for the course;
4. The entrance requirements, if any, such as education, physical fitness or dexterity, and the procedure for determining compliance with such;
5. The proposed tuition and other charges or cost to the student;
6. The maximum number of students that will be permitted to enroll in any one session of the course or program taking into account the facilities available;
7. A copy of all textual material to be used in the course of program of instruction.

(c) The administrator of the gaming school shall file a plan outlining the curriculum and the minimum requirements for each area of instruction.

(d) Subsequent changes in curriculum shall be submitted for approval of the Executive Director.

(e) Upon satisfactory completion of any course or program of instruction, the gaming school shall, in writing, certify directly to the Commission that the student has completed the said course or program of instruction. (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.9 Facilities, Supplies and Equipment.

(a) The physical facilities and equipment of each gaming school shall be sufficient for attainment of the school's purposes and shall be safe and adequate in quality, size and number to effectively accommodate students, faculty and staff. The school shall have sufficient space, equipment and supplies on hand to provide a shop, laboratory or classroom space for each of the students in attendance at every session of instruction or training.

1. No gaming school shall alter its physical facility unless prior notice, which shall include a diagram detailing the proposed change, has been submitted to and approved by the Commission.

(b) Physical facilities of all gaming schools shall meet all applicable State, county and local laws, regulations and ordinances with regard to space, safety, health, fire, construction, sanitation, heating, lighting, ventilation, zoning and environmental protection and such other standards as may from time to time be adopted by the Commission.

1. The gaming school shall be at least four hundred (400) feet from any church, school, kindergarten or funeral home. However, within an area zoned commercial or business, the minimum distance shall not be less than one hundred (100) feet.

(c) Facilities leased or rented which house the instructional program of the school shall be bound by contract or lease agreement between the owner of the school and the owner of the facilities. Said contract or lease agreement shall stipulate length of lease, conditions of lease and shall be signed by both parties. A copy of the agreement must be filed with the Commission prior to the issuance of a certificate of operation.

(d) Unless the Commission shall otherwise determine, all gaming equipment utilized by a gaming school shall conform to all requirements set forth in the regulations of the Commission governing gaming equipment utilized by casino licensee. Each gaming school shall keep an itemized list of its dealing shoes, gaming tables, slot machines, and roulette and big six wheels.

1. Unless the Commission shall otherwise determine, each table for blackjack, roulette, craps, baccarat and big six shall have the name of the gaming school, or some other identifying attribute as approved by the Commission, permanently imprinted thereon in letters at least one inch in height and shall, as shall each slot machine, also have permanently affixed on it a serial number which, together with the location of the table or machine, shall be filed with the Commission.

(e) Unless the Commission shall otherwise determine, all gaming chips and plaques utilized by a gaming school shall be distinctly dissimilar to any gaming chips and plaques utilized by a casino licensee.

1. No gaming school shall issue or cause to be utilized in its gaming school any gaming chips or plaques until such gaming chips and plaques are submitted to and approved by the Commission.

(f) Each gaming school shall provide adequate security of its premises for the protection of its equipment. No such equipment shall be removed from the premises of the school or sold or transferred to any person without the prior approval of the Commission; provided, however, the gaming chips and plaques may be removed by students for practice purposes without the necessity of any approval of the Commission.

1. Each gaming school shall require all employees and students to possess a work permit and have it on their person while on school premises ~~wear identification cards issued by the Commission while on the premises of the gaming school.~~

2. Upon graduation a student may, upon written request to the Commission, enter the gaming school for the purpose of practice after obtaining prior approval. The gaming school shall properly document each practice session attended by the graduate.
- (g) Gaming chips and plaques and equipment of a gaming school shall be used for training, instructional and practice purposes only. Utilization of same for actual gaming by any person shall be prohibited and may constitute cause for the suspension or revocation of the gaming school license.
- (h) Each gaming school shall have a telephone listed in the local telephone directory.
(Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.10 Causes for Suspension.

- (a) Any of the following shall be cause for suspension, refusal to renew or revocation of a gaming school license of gaming school employee license, although suspension, refusal to renew or revocation may be made for sufficient cause other than those listed:
1. Violation of any provision of the Gaming Control Act or the Mississippi Gaming Commission rules and regulations;
 2. Conduct which would disqualify the applicant, or any other person required to be qualified, if such person were applying for original licensure;
 3. Failure to comply with all applicable Federal, State and local statutes, ordinances and regulations;
 4. A material departure from any representation made in the application for licensure.
- (Adopted: 11/04/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 11.11 Duration of License.

- (a) Licensure pursuant to Mississippi Gaming Commission Regulations is granted for a term of two years, and for a term of two years for all subsequent renewals within the discretion of the Commission.
1. A change in any item that was a condition of the original license or a license renewal must be approved by the Commission. A change in ownership shall invalidate any approval previously given by the Commission. The proposed new owner shall be required to submit an application for licensure and evidence that he is qualified for licensure.
- (Adopted: 11/04/1992; Amended: 10/27/05.)

Source: *Miss. Code Ann. § 75-76-85*

Part 2 Chapter 12: FOREIGN GAMING

Rule 12.1 Application For Preliminary Approval For Involvement In Foreign Gaming.

- (a) Unless a licensee has been granted continuous approval for involvement in foreign gaming, the licensee may apply for preliminary approval for a proposed involvement in foreign gaming. The application shall be made on such forms as may be prescribed by the Executive Director.

The licensee shall pay an application/ investigation fee of two thousand dollars (\$2,000). The applicant shall pay the cost of any additional investigation as required by the Executive Director.

(b) A preliminary approval for a proposed involvement in foreign gaming constitutes a finding by the Commission that, based upon consideration of the information submitted by the licensee, it finds no present reason to object to the proposed involvement. The preliminary approval may be limited or conditioned in any manner deemed reasonable by the Commission.

(c) A preliminary approval does not:

1. Constitute final approval for the proposed involvement in foreign gaming; or
2. Obligate the Commission to grant final approval for the proposed involvement in foreign gaming.

(d) The Commission shall consider all relevant information in considering the application for preliminary foreign gaming approval including, but not limited to, the following:

1. The business history of the licensee, including its record of financial stability, and the integrity, duration, scope and success of its operations in Mississippi and elsewhere;
2. The current business activities and investments of the licensee and its gaming affiliates;
3. The regulatory history of the licensee and its affiliates in Mississippi and in foreign jurisdictions;
4. The availability and accessibility in Mississippi of information to the Commission regarding the Mississippi operation and the operation in the foreign jurisdictions for which application has been made;
5. The extent of personnel capable of managing both the licensee's Mississippi gaming businesses and the foreign operation;
6. Whether a foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy their financial obligations as they become due;
7. Whether a foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy all financial and regulatory requirements imposed by the laws of Mississippi and the regulations of the commission; and
8. The current financial status and structure of the applicant, both within and without Mississippi, including historical and perspective balance sheets and statements of operation for business activities in Mississippi and other jurisdictions, key financial statistics such as debt to equity ratios and other financial data.

(e) A preliminary approval for a proposed involvement in foreign gaming granted by the Commission pursuant to this regulation shall terminate automatically if:

1. The licensee or its affiliate has not commenced involvement in foreign gaming within two (2) years after grant of the preliminary approval;
2. The licensee or its affiliate has commenced the involvement in foreign gaming but the licensee has failed to file with the Executive Director the supplemental application for final foreign gaming approval required by paragraph 7 hereof; or
3. The preliminary approval has not been extended by the Commission.

(f) A licensee who has received preliminary approval of a proposed involvement in foreign gaming must continuously and promptly inform the Executive Director of each and every material action or step taken concerning the proposed involvement, leading up to the execution of a definitive agreement for the proposed involvement.

(g) Unless a licensee has been granted continuous approval for involvement in foreign gaming and said continuous approval is in effect at the time of commencement of involvement in foreign gaming, a licensee granted preliminary approval for involvement in foreign gaming must file

with the Executive Director an application for final approval for involvement in foreign gaming as soon as practicable, but in no event later than thirty (30) days after the execution of a definitive agreement pertaining to the proposed involvement or at such time as any application for licensing or related approval is made to the foreign jurisdiction for the proposed involvement, whichever occurs first.

(h) If the Commission does not grant or deny the application for final approval for involvement in foreign gaming for which preliminary approval was granted within ninety (90) days after the filing of such application, unless waived by the applicant, the licensee may commence the involvement in foreign gaming for which final approval was sought. (Adopted: 12/30/1992.)

Source: *Miss. Code Ann. § 75-76-34*

Rule 12.2 Application For Final Approval For Involvement In Foreign Gaming

(a) Unless a licensee has been granted continuous approval for involvement in foreign gaming, an application for final approval for involvement in foreign gaming must be filed with the Executive Director as soon as practicable and in no event later than thirty (30) days after the execution of a definitive agreement pertaining to the proposed involvement or at such time as any application for licensing or related approval is made to the foreign jurisdiction, whichever occurs first. The application shall be made on such forms as may be prescribed by the Executive Director. Failure to timely file an application may constitute grounds for denial.

(b) The application must:

1. Provide information about the proposed involvement in foreign gaming, to the extent it is practicable, as would be required in an application for a similar involvement in Mississippi gaming;
2. Provide a description of the regulatory system that will govern the proposed involvement in foreign gaming; and
3. An application/investigation fee of two thousand dollars (\$2,000.00). The application shall pay the cost of any additional investigation as required by the Executive Director.

(c) The applicant shall file with the application a descriptive index of all application forms and related documents filed with the foreign jurisdiction by the applicant or by any entity affiliated with the applicant.

(d) The applicant shall maintain within the State of Mississippi, and make available for examination by the Executive Director, executed copies of all application forms and related documents filed with the foreign jurisdiction by the applicant or by any applicant affiliated with the applicant.

(e) The Commission shall consider all relevant information in considering the application, including, but not limited to, the following:

1. Whether the applicant has provided sufficient reason for belief that the foreign gaming operation for which involvement is proposed will be conducted in accordance with the standards of honesty and integrity required of gaming activities in Mississippi and will pose no threat to gaming control in this state;
2. Whether an effective accounting system will be implemented in the foreign gaming operation for which involvement is proposed that will prevent the employment of any techniques that could result in the avoidance of any Mississippi gaming license fees or taxes;
3. The business history of the licensee, including its record of financial stability, and the integrity, duration, scope and success of its operations in Mississippi and elsewhere;

4. The current business activities and investments of the licensee and its gaming affiliates;
 5. The regulatory history of the licensee and its affiliates in Mississippi and in foreign jurisdictions;
 6. The availability and accessibility in Mississippi of information to the Commission regarding the Mississippi operation and the involvement in the foreign jurisdiction for which application has been made;
 7. The extent of personnel capable of managing both the licensee's Mississippi gaming businesses and the foreign gaming operation;
 8. Whether the foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy their financial obligations as they become due;
 9. Whether the foreign gaming operation will create a significant risk that the licensee or its gaming affiliates will not satisfy all financial and regulatory requirements imposed by the laws of Mississippi and the regulations of the Commission; and
 10. The current financial status and structure of the applicant, both within and without Mississippi, including historical and perspective balance sheets and statements of operation for business activities in Mississippi and other jurisdictions, key financial statistics such as debt to equity ratios and other financial data.
- (f) The final approval may be limited or conditioned in any manner deemed reasonable by the Commission. (Adopted: 12/30/1992.)

Source: *Miss. Code Ann. § 75-76-205, 75-76-251, 75-76-273*

Rule 12.3 Application For Continuous Approval For Involvement In Foreign Gaming

- (a) A licensee who has been granted continuous approval for involvement in foreign gaming is exempt from compliance with preliminary approval and final approval, unless otherwise required by the Commission.
- (b) An application for continuous approval for involvement in foreign gaming shall be:
1. Made on such forms as may be prescribed by the Executive Director;
 2. Accompanied by an application fee of four thousand dollars (\$4,000.00), the applicant shall pay the cost of any additional investigation as required by the Executive Director; and
 3. Be supplemented by such information as the Executive Director may request.
- (c) By filing the application, the licensee agrees:
1. To conduct any foreign gaming operations in accordance with the standards of honesty and integrity required for gaming activities in this state;
 2. That foreign gaming operations will be lawfully conducted in the foreign jurisdiction, and that the licensee's involvement will pose no threat to gaming control in Mississippi; and
 3. To utilize an effective accounting system in the foreign jurisdiction which is designed to prevent the employment of techniques to avoid payment of Mississippi license fees and taxes.
- (d) The Commission shall consider all relevant information in determining whether to grant continuous approval including, but not limited to, the following:
1. The business history of the applicant, including its record of financial stability, and the integrity, duration, scope and success of its operations in Mississippi and elsewhere;
 2. The current business activities and investments of the applicants and its gaming affiliates;
 3. The current financial status and structure of the applicant, both within and without Mississippi, including historical and perspective balance sheets and statements of operation for business

activities in Mississippi and other jurisdictions, key financial statistics such as debt to equity ratios and other financial data;

4. The regulatory history of the applicant and its affiliates in Mississippi and in foreign jurisdictions;

5. The availability and accessibility in Mississippi of information regarding the Mississippi operation and any foreign operation;

6. The extent of personnel capable of managing both the Mississippi operation and the foreign operation;

7. Whether a foreign gaming operation will create a significant risk that the applicant or its gaming affiliates will not satisfy their financial obligations as they become due; and

8. Whether a foreign gaming operation will create a significant risk that the applicant or its affiliates will not satisfy all financial and regulatory requirements imposed by the laws of Mississippi and the regulations of the Commission.

(e) The Commission may grant continuous approval to participate in foreign gaming for a period of up to two (2) years and may impose whatever conditions upon a continuous approval to participate in foreign gaming operations it deems reasonable.

(f) A licensee who has received continuous approval to participate in foreign gaming must continuously and promptly inform the Executive Director of each and every material action or step taken concerning a specific transaction, leading up to the execution of a definitive agreement for the conduct of foreign gaming.

(g) After receiving continuous approval, a licensee intending to commence foreign gaming operations shall notify the Executive Director of his intent as soon as practicable, but in no event later than forty-five (45) days before actual commencement of the operations and shall provide documentation related to such proposed operation that must include in addition to any other information required by the Executive Director:

1. The information required by Mississippi Gaming Commission Regulation Part 2, Rule 12.2 (c) and (d) ~~H, L, Section 2 (c) and (d)~~;

2. A complete description of the dealings or arrangements between the applicant, affiliates and unaffiliated parties or foreign governments; and

3. A complete description of sources of financing for the proposed venture.

(h) Upon commencement of foreign gaming operation in each jurisdiction, the licensee shall:

1. Engage the services of an independent public accounting firm of good standing and reputation to perform a certified audit, or reasonable equivalent, of the foreign gaming operation for the purpose of rendering an opinion;

2. Submit an annual operational and regulatory status report specifically addressing regulatory compliance, audit procedures and surveillance procedures relating to the foreign gaming operation;

3. Report to the Executive Director within thirty (30) days after the end of each quarter regarding the occurrence or absence of the following:

i. Any changes in ownership or control of any interest in the subject foreign gaming operation;

ii. Any changes in officers, directors or key personnel earning at least one hundred thousand dollars (\$100,000) or more, or its equivalent;

iii. All gaming-related complaints, disputes, orders to show cause and disciplinary actions instituted by the foreign jurisdiction. This must include, but not be limited to, all matters, contested or not, in which a gaming regulatory agency presides or is a party thereto;

iv. All arrests made of employees of the foreign affiliate of the licensee involving

gaming cheating or theft in the foreign jurisdiction. The report must include the name, position, charge, arresting agency and a brief description of the event; and

v. All arrests or convictions of officers, directors, key employees and equity owners of the licensee's affiliate in the foreign jurisdiction, regarding offenses which would constitute a gross misdemeanor or felony in the State of Mississippi. The report must include the name, position, charge, arresting agency and a brief description of the event.

4. Comply with any additional reporting or other requirements as may be imposed by the Commission;

5. File with the Executive Director copies of annual audited financial statements of the foreign gaming operation;

6. Provide to the Executive Director access to all files, books, records, photographs and memoranda related to the foreign operations and provide copies of said documents when requested, and provide immediate access to all gaming-related areas to the Executive Director or his representative upon request; and

7. The Executive Director may, in his sole discretion and at the applicant's expense, employ an independent public accounting firm to make observations of the foreign gaming operation and to render a report to the Executive Director; and may conduct, at the expense of the licensee, other on-site inspections of the foreign gaming operation.

(i) Unless otherwise ordered by the Commission, the Executive Director may issue an interlocutory stop order. The stop order may be issued for any cause deemed reasonable by the Executive Director. If a stop order is issued by the Executive Director pursuant to the provisions of this regulation, the Commission shall, upon request of the person that is the subject of the order, conduct a hearing on the merits of the matter no later than its next regular meeting for which notice of the hearing is practicable.

(j) The Commission may revoke, suspend, condition, limit or restrict any approval granted pursuant to this section. A continuous approval shall not apply to any jurisdiction which by law would prohibit the Executive Director and commission access to the books, records, documents, files, photographs, exhibits, memoranda or other records of the foreign affiliate; or to any gaming operation which is unlawful or which in any manner violates any federal, state, county or local law, statute or regulation. (Adopted: 12/30/1992.)

Source: *Miss. Code Ann.* §§ 75-76-251, 75-76-253, 75-76-273

Rule 12.4 Waiver of Certain Foreign Gaming Activities

(a) Pursuant to Miss. Code Ann. §75-76-271(5), the Mississippi Gaming Commission finds that consistent with the public policy of this state concerning gaming, the requirements of Miss. Code Ann. §75-76-269 through 75-76-277, inclusive, are waived for the following activities:

1. Any activity conducted within the fifty (50) states or any territory of the United States or, on board any cruise ship embarking from a port located therein; and

2. Any activity conducted outside the area described in subsection (a) (1) for which casino operator's licensure or its equivalent is not required in order to legally conduct said activity.

(b) Notwithstanding the foregoing subsection, a licensee must report any activity described in subsection (a) (1) by notifying the Executive Director in writing no later than thirty (30) days after the commencement of said activity. (Adopted: 06/21/2007.)

Source: *Miss. Code Ann.* § 75-76-271

Part 2 Chapter 13: LABOR ORGANIZATIONS

Rule 13.1 Labor Organization Registration Required.

(a) Each labor organization, union or affiliate thereof representing or seeking to represent employees requiring work permits by the Commission and employed by a licensee, shall register with the Commission annually.

(b) The Commission may exempt any labor organization, union or affiliate thereof from registration requirements where it is found that such labor organization, union or affiliate:

1. Is not the certified bargaining representative of any employee holding a work permit or employed by a licensee; and
2. Is neither involved nor seeking to be involved actively, directly, or substantially in the control or director of the representative of any such employee. Such exemption shall be subject to revocation upon disclosure of information which indicates that the affiliate does not or no longer meets the standards for exemption. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.2 Registration Statement

(a) In order to register, a labor organization, union or affiliate thereof shall file with the Commission a "labor organization registration statement." The registration statement shall be completed and approved by the Executive Director prior to the labor organization becoming the certified bargaining representative for employees holding work permits and employed by a licensee.

(b) Said statement shall be in the form prescribed by the Commission and shall include, without limitation, the following:

1. The names of all labor organizations affiliated with the registrant;
2. Information as to whether the registrant is involved or seeking to be involved actively, directly or substantially in the control or direction of the representation of any employee holding a work permit and employed by a licensee;
3. Information as to whether the registrant holds, directly or indirectly, any financial interest whatsoever in any licensee whose employees it represents;
4. The names of any pension retirement and welfare systems maintained by the registrant and all officers and agents of such systems;
5. The names of all officers, agents and principal employees of the registrant; and
6. All written assurances, consents, waivers and other documentation required of a registrant by the Commission. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.3 Registration Renewal.

A labor organization registration shall be effective for one year. Any such registration may be renewed upon filing of an updated "labor organization registration statement" no later than one hundred twenty (120) days prior to the expiration of the current registration. The Commission shall act upon such application for renewal no later than thirty (30) days prior to the date of expiration of the current registration. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.4 Continuing Duty to Disclose.

Every registered labor organization shall be under a continuing duty to promptly disclose to the Commission any change in the information contained in the "labor organization registration statement" or otherwise requested by the Commission.

(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-133*

Rule 13.5 Federal Reports Exception.

Notwithstanding the reporting requirements imposed by the regulations of the Commission, no labor organization, union, affiliate thereof or person shall be required to furnish any information which is included in a report filed by any labor organization, union, affiliated or person with the Secretary of Labor, pursuant to 29 U.S.C., section 431, et seq. (Labor-Management Reporting and Disclosure Act) or 29 U.S.C., section 1001 et seq. (Employee Retirement Income Security Act) if a copy of such report, or if the portion thereof containing such information, is also furnished to the Commission.

(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-133*

Rule 13.6 Qualification of Officers, Agent and Principal Employees.

Every officer, agent and principal employee of a labor organization, union or affiliate thereof required to register with the Commission pursuant to this chapter and the regulations of the Commission shall be qualified in accordance with criteria contained in Mississippi Gaming Commission regulations.

(Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.7 Qualification Procedure.

(a) In order to be qualified, every officer, agent and principal employee of a labor organization, union or affiliate thereof required to register with the Commission pursuant to the regulations of the Commission shall file with the Commission a "labor organization individual disclosure form," which shall be completed, signed and filed in accordance with the requirements of this chapter, provided, however, that such a form need not be filed by an officer of a national or international labor organization where that officer exercises no authority, discretion or influence over the operation of such labor organization with regard to any employment matter relating to employees holding work permits and employed by a licensee; and provided, further, that any

such officer of a national or international labor organization may be directed by the Commission to file a "labor organization individual disclosure form" or to provide any other information in the same manner and to the same extent as may be required of any other officer of a labor organization which is required to register under this chapter.

(b) Each officer, agent or principal employee required to file a "labor organization individual disclosure form" shall do so initially at the time the pertinent labor organization, union or affiliate thereof applies or should apply for registration within thirty (30) days of the date the individual is elected, appointed or hired, whichever is later.

(c) Following an initial finding of qualification, each qualified individual who has filed an initial "labor organization individual disclosure form" shall annually file with the Commission a properly completed, updated "labor organization individual disclosure form." Such form shall be filed with the Commission at the same time as the related labor organization renewal application. (Adopted: 01/20/1993.)

Source; *Miss. Code Ann. § 75-76-139*

Rule 13.8 Waiver of Disqualification Criteria.

Notwithstanding the qualification requirements as to any such officer, agent or principal employee, the Commission may waive any disqualification criteria upon a finding that the interests of justice so require. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.9 Interest in Licensee Prohibited.

Neither a labor organization, union, or affiliate thereof nor its officers, agents and principal employees not otherwise individually holding work permits in accordance with the Gaming Control Act and employed by a licensee may hold any financial interest whatsoever in the licensee whose employees they represent. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann. § 75-76-131*

Rule 13.10 Failure to Comply; Consequences.

(a) No labor organization, union or affiliate thereof required to register with the Commission shall receive any dues from or on behalf of or administer any pension, retirement or welfare funds from or on behalf of any employee holding a work permit and employed by a licensee or its agent:

1. If the said labor organization, union, or affiliate thereof shall fail to properly register with the Commission or provide all information requested by the Commission in accordance with the provisions of this chapter or the regulations of the Commission;
2. If any officer, agent or principal employee of such labor organization, union, or affiliate thereof shall fail to qualify in accordance with the provisions of this chapter or the regulations of the Commission; or
3. If the said labor organization, union, affiliate thereof or any officer or agent thereof shall hold a prohibited interest in a licensee.

(b) Nothing herein shall be construed to limit the right of the Commission to impose any sanctions or take any action authorized by these regulations of the Gaming Control Act. (Adopted: 01/20/1993.)

Source: *Miss. Code Ann.* § 75-76-137