

LAW AND PUBLIC SAFETY

DIVISION OF GAMING ENFORCEMENT

Application; Casino Licensees; Junket Enterprises Not Employed by a Casino Licensee or Applicant; Persons Doing Business with Casino Licensees

Proposed New Rules: N.J.A.C. 13:69A-5.2B, 5.15A, and 9.8A

Proposed Amendments: N.J.A.C. 13:69A-5.11, 5.11A, and 9.8; 13:69C-10.1; 13:69H-1.5; and 13:69J-1.1, 1.2, 1.2B, 1.2C, 1.3, 1.7, 1.8, 1.9, 1.14, 1.14A, 1.14B, and 1.15

Authorized By: David A. Rebuck, Director, Division of Gaming Enforcement.

Authority: N.J.S.A. 5:12-69, 70, 92, 94, and 104(b).

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2013-105.

Submit written comments by August 30, 2013 to:

Lon E. Mamolen, Deputy Attorney General

Division of Gaming Enforcement

1300 Atlantic Avenue

Atlantic City, NJ 08401

The agency proposal follows:

Summary

Effective August 7, 2012, the Casino Control Act (Act) was amended. See P.L. 2012, c. 34 (N.J.S.A. 5:12-1 et seq.). The amendments include changes to the rules governing vendors that offer goods or services that directly relate to casino or gaming activity. In addition to manufacturers, suppliers, repairers, and independent testing laboratories for gaming equipment and simulcast wagering equipment, as well as any form of enterprise engaged in the manufacture,

sale, distribution, testing, or repair of slot machines with the State, the definition of “casino service industry enterprise” at N.J.S.A. 5:12-12 was amended to include “any vendor providing to casino licensees or applicants goods and services ancillary to gaming activity, including, without limitation, junket enterprises and junket representatives, holders of casino hotel alcoholic beverage licenses, lessors of casino property not required to hold a casino license ... and licensors of authorized games.”

The Division of Gaming Enforcement (Division) proposes amendments to certain rules applicable to “ancillary” casino service industry enterprises consistent with the statutory amendments to section 92 of the Act. Further, the Division proposes other amendments to: (1) codify its practices in registering vendors that are publicly traded corporations; (2) establish a procedure to administratively revoke the registration of a vendor that has a common ownership interest with a prohibited vendor; (3) recodify the treatment of junket enterprises and junket representatives, casino service industry enterprise applicants, or licensees required to hold a casino hotel alcoholic beverage license consistent with the statutory recodification; (4) incorporate “independent software contractor,” as defined by statutory amendment to N.J.S.A. 5:12-27.a, within the regulatory framework of a casino service industry enterprise; and (5) potentially require any vendor registrant, including those providing goods or services to Internet gaming permit holders or applicants, to supply information in addition to that typically required of vendor registrants.

Proposed new N.J.A.C. 13:69A-5.2B sets forth the required information and documentation in a Personal History Disclosure Form for an ancillary casino service industry enterprise license application.

Proposed new N.J.A.C. 13:69A-5.15A sets forth the required information and documentation in a Business Entity Disclosure Form for an ancillary casino service industry enterprise license application.

Proposed new N.J.A.C. 13:69A-9.8A sets forth the standards of qualification for an ancillary casino service industry enterprise license in accordance with N.J.S.A. 5:12-92.a(3) and c(4), including junket enterprises, junket representatives, and any person employed by a junket enterprise or junket representative in a managerial or supervisory position; all non-casino applicants or licensees required to hold a casino hotel beverage license; lessors of casino property not required to hold a casino license, and licensors of authorized games. The new rule also delineates the fee structure for such a license.

The proposed amendments to N.J.A.C. 13:69A-5.11 provide for a separate vendor registration form for publicly traded corporations at new subsection (f), as well as procedures for filing required securities statements and possible administrative prohibition from conducting business with a casino licensee or applicant for failure to file such statements at new subsections (g) and (h), respectively. An additional proposed amendment to this section provides for the administrative revocation of any vendor registration of a vendor that is owned by a prohibited vendor or with which the prohibited vendor shares a common owner possessing more than a five percent interest, without further hearing or proceeding at proposed new subsection (e). Finally, proposed new subsection (i) would enable the Division to require any vendor registrant, including those that conduct business with an Internet gaming permit holder, an Internet gaming provider licensed as a casino service industry enterprise pursuant to paragraph 92.a(1) of the Act, or an applicant for either an Internet gaming permit or such casino service industry enterprise license, to supply additional information in addition to that required of any vendor registrant

under N.J.A.C. 13:69A-5.11(b), (c), or (f). Such information may include, but not be limited to, any and all information set forth pursuant to N.J.A.C. 13:69A-7. This provision extends to any individual employed by or affiliated with the vendor registrant as determined in the discretion of the Division.

The proposed amendment to N.J.A.C. 13:69A-5.11A supplements the heading of that section with “Ancillary Casino Service Industry Enterprise” as those enterprises share the same obligations with respect to a qualifier resubmission disclosure form with casino service industry enterprises. No change to the text of the section is proposed for amendment.

The proposed amendments to N.J.A.C. 13:69A-9.8 delete references to those entities and individuals encompassed within “ancillary casino service industry enterprises” from the licensing standards and fee structure for other casino service industry enterprises, as they are addressed through other amendments proposed in this rulemaking.

Proposed new N.J.A.C. 13:69C-10.1(f) adds the administrative prohibition of casino licensees or applicants from conducting business with a vendor having a common ownership interest with a prohibited vendor, as discussed above, within the subchapter pertaining to casino licensees and applicants for a casino license.

The proposed amendments to N.J.A.C. 13:69H-1.5 codify the statutory amendments with respect to “ancillary casino service industry enterprises” for junket enterprises and junket representatives not employed by a casino licensee or applicant or any person employed by a junket representative or junket enterprise in a managerial or supervisory capacity. The requirement that the junket enterprises and representatives apply for and be issued transactional waivers prior to business has been deleted and replaced with a requirement that they file the appropriate vendor registration form(s) and application for licensure. The previous temporal

limitation on such junket representatives under which they could not arrive at a casino and commence junket operations until they were licensed has been deleted. Junket representatives are now licensed pursuant to N.J.S.A. 5:12-92.a(3), which permits them to commence junket operations upon filing a license application. Accordingly, junket representatives no longer need to wait to arrive at a casino until after they are licensed.

The proposed amendment to N.J.A.C. 13:69J-1.1(b) adds the term “independent software contractor” among defined terms with reference to its statutory definition at N.J.S.A. 5:12-27.a.

The proposed amendments to N.J.A.C. 13:69J-1.2, Gaming-related casino service industry enterprise licensing requirements, delete “gaming-related” from the heading, and in subsections (a) and (c), change references to subsections of section 92 of the Act consistent with the statutory restructuring of that section. Paragraph (c)3, pertaining to junket enterprises and junket representatives, and any person employed by a junket enterprise or junket representative in a managerial or supervisory position, is proposed for deletion, as the treatment of those entities and individuals is addressed through other proposed amendments in this rulemaking.

The proposed amendment to N.J.A.C. 13:69J-1.2B, Permission to conduct business prior to issuance of a casino service industry enterprise license, clarifies that the transactional waiver procedures set forth therein apply only to applicants for a casino service industry enterprise license filed pursuant to N.J.S.A. 5:12-92.a(1) or (2).

The proposed amendments to N.J.A.C. 13:69J-1.2C integrate ancillary casino service industry enterprise licensees into the licensing procedures common to other vendors doing non-gaming business. Specifically, at subsection (a), an amendment adds that the Division may require any vendor to apply for either a casino service industry enterprise license or an ancillary casino service industry enterprise license. Further, the Division may also require any ancillary

casino service industry enterprise licensee to be licensed as a casino service industry enterprise. Pursuant to the amendment to subsection (c), any ancillary casino service industry enterprise license applicant shall be credited for licensing fees already paid.

Proposed new N.J.A.C. 13:69J-1.3(b) adds separate standards for qualification for licensure for ancillary casino service industry enterprises within the section on standards for qualification for licensure for casino service industry enterprises. Existing subsections (a), (b), and (c) are merged as one subsection.

The proposed amendments to N.J.A.C. 13:69J-1.7 include adding “independent software contractor” to subsection (a) among those entities and persons the Division may make inquiry or investigation concerning any applicant, licensee, vendor registrant, or any person involved with an applicant, licensee, or vendor registrant. An independent software contractor is added to subsection (b) as an entity that is also under a continuing duty to provide full cooperation to the Division in the conduct of an inquiry or investigation and to provide supplementary information requested by the Division including the filing of any vendor registration or application as required by the Director. New subsection (c) codifies the current practice of imposing on all vendor registrants, independent software contractors, and licensees that conduct business with casino licensees and applicants to provide the Division, upon request, information showing continued financial stability. The proposed amendment to N.J.A.C. 13:69J-1.8(a) adds a citation to the authority under which an original license is granted (N.J.S.A. 5:12-92.a).

The proposed amendment to N.J.A.C. 13:69J-1.9(a) clarifies that casino service industry enterprise licensees are licensed pursuant to N.J.S.A. 5:12-92.a.

The proposed amendments to N.J.A.C. 13:69J-1.14(a) integrate those persons required to be qualified for an ancillary casino service enterprise license within the section on persons

required to be qualified as part of the licensure process for a casino service industry enterprise license. Specifically, paragraph (a)2 is added, describing persons to be qualified for licenses issued pursuant to N.J.S.A. 5:12-92.a(3). In addition, new paragraph (c)9 is amended to include the role in compliance and association or affiliation with the applicant company as a consideration of when the Division may require an applicant or licensee to establish qualifications of a person the Division determines should be qualified to further the policies of the Act.

The proposed amendments to N.J.A.C. 13:69J-1.14A change the heading and subsection (a) to integrate ancillary casino service industry enterprise licensees. Paragraph (a)4 was added to require notification of changes in qualifiers for ancillary casino service industry enterprises. The required notification would apply to the identity of any person whose obligation to qualify was waived as an institutional investor if that person subsequently attains an ownership interest of at least 25 percent or more of the applicant, licensee, or holding or intermediary company. Currently, the threshold for such notification is at least 10 percent or more of the applicant, licensee, or holding or intermediary company thereof. Additionally, the required notification would apply to the identity of any person whose obligation to qualify was waived if that person subsequently attains an ownership interest that is at least five percent greater than the interest held at the time the most recent waiver was granted and at least 10 percent of the applicant, licensee, or holding or intermediary company thereof.

The proposed amendments to N.J.A.C. 13:69J-1.14B integrate an ancillary casino service industry enterprise license within subsection (a) on temporary qualification at license issuance, subsections (c) and (d) on pendent qualifiers during the license term.

The proposed amendments to N.J.A.C. 13:69J-1.15(a) and (b) delete references to subsection (b) of section 92 of the Act consistent with the statutory recodification and revision of that section of the Act.

This notice of proposal is not required to be referenced in a rulemaking calendar since a public comment period of 60 days is being provided. See N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendments and new rules are not anticipated to have any social impact beyond clarifying the rules governing the regulation of persons and entities that conduct business with casino licensees and applicants for such licenses consistent with recent amendments to the Casino Control Act.

Economic Impact

It is anticipated that the proposed amendments and new rules will provide for certain vendors not previously licensed to be subject to licensure as ancillary casino service industry enterprises. This will entail additional regulatory costs to those entities and individuals.

Junkets enterprises and other entities newly designated as ancillary casino service industry enterprises would benefit as they are subject to a lesser initial application fee than that imposed on other casino service industry enterprises under paragraphs 92.a(1) and (2) of the Act.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments and new rules are authorized by the provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., and are not subject to any Federal requirements or standards.

Jobs Impact

The proposed amendments and new rules are not anticipated to create new jobs nor result in loss of jobs in the gaming industry.

Agriculture Industry Impact

The proposed amendments and new rules will have no impact on agriculture in New Jersey.

Regulatory Flexibility Analysis

The proposed amendments and new rules will affect the operations of New Jersey casino licensees, none of which qualifies as a "small business" as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., because they all employ more than 100 persons full-time in the State of New Jersey. The proposed amendments and new rules will affect ancillary casino service industry enterprise applicants and licensees, some of which qualify as a "small business." It is not expected, however, that these small businesses will be burdened with additional reporting, recordkeeping, or other compliance requirements, as discussed in the Summary above because it eases the regulatory burden to those persons that qualify for ancillary licensure relative to that required prior to the recent revisions to the Act. The reporting requirements are necessary to insure the integrity of the applicants and involve examining relevant financial records to establish said integrity for those persons impacted by the statutory amendments. Costs of compliance with the requirements would be expected to be commensurate with the size of the small business. Further, small businesses are not expected to incur additional professional services in order to comply with the requirements.

Housing Affordability Impact Analysis

The proposed amendments and new rules will have no impact on the affordability of housing in the State of New Jersey and would not evoke a change in the average costs

associated with housing because the amendments and new rules regulate vendors that offer goods or services that directly relate to casino or gaming activity in casinos in Atlantic City.

Smart Growth Development Impact Analysis

The proposed amendments and new rules will have no impact on the achievement of smart growth development in the State of New Jersey and would not evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan because they regulate vendors that offer goods or services that directly relate to casino or gaming activity in casinos in Atlantic City.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

CHAPTER 69A

APPLICATIONS

13:69A-5.2B Ancillary Casino Service Industry Enterprise License - Personal History Disclosure Form

(a) An Ancillary Casino Service Industry Enterprise License Personal History Disclosure Form (ACSI-PHD) shall be in a format prescribed by the Division and require the applicant to provide the following information:

- 1. Name, including maiden name, and any aliases or nicknames and applicable dates of use;**
- 2. Date of birth;**

3. Physical description, including a color photograph taken within the past six months;

4. Current address and residence history;

5. Social Security number, which is voluntarily provided in accordance with section 7 of the Privacy Act, 5 U.S.C. § 552a;

6. Citizenship and, if applicable, resident alien status, including any employment authorization with expiration date, country of which the applicant is a citizen, place of birth, port of entry to the United States, and name and addresses of sponsor(s) upon the applicant's arrival;

7. Marital history, dependents, and other family data;

8. The ancillary casino service industry enterprise licensee or applicant or holding company, as applicable, with which the applicant is affiliated, and the nature of the applicant's position with, or interest in, such entity;

9. Current home and work telephone numbers;

10. Employment history of the applicant and the applicant's immediate family;

11. Education and training;

12. Record of military service;

13. Government positions and offices presently or previously held, and the offices, trusteeships, directorships, or fiduciary positions presently or previously held with any business entity;

14. Trusteeships or other fiduciary positions held by the applicant and the applicant's spouse, and any denial or suspension of, or removal from, such positions;

15. Licenses and other approvals held by or applied for by the applicant or, where specified, the applicant's spouse, in this State or any other jurisdiction, as follows:

i. Any professional or occupational license held by or applied for by the applicant or the applicant's spouse;

ii. Possession or ownership of any pistol or firearm, or any application for any firearm permit, firearm dealer's license, or permit to carry a pistol or firearm;

iii. Any license, permit, approval, or registration required to participate in any lawful gambling operation in this State or any jurisdiction held by or applied for by the applicant; and

iv. Any denial, suspension, or revocation by a governmental agency of a license, permit, or certification held by or applied for by the applicant or the applicant's spouse, or any entity in which the applicant or the applicant's spouse was a director, officer, partner, or an owner of a five percent or greater interest;

16. Any interest in or employment presently or previously held by the applicant with an entity that has applied for a permit, license, certificate, or qualification in connection with any lawful gambling or alcoholic beverage operation in this State or any other jurisdiction and any current employment or other association by the applicant's family with the gambling or alcoholic beverage industries in this State or any other jurisdiction;

17. Civil, criminal, and investigatory proceedings in any jurisdiction, as follows:

i. Arrests, charges, or offenses committed by the applicant or any member of the applicant's immediate family;

ii. Any instance where the applicant has been named as an unindicted party or co-conspirator in a criminal proceeding or held as a material witness;

iii. Any appearance before, investigation by, or request to take a polygraph examination by any governmental agency, court, committee, grand jury, or investigatory body, and any refusal to comply with a request to do so;

iv. Any pardons, dismissals, suspensions, or deferrals of any criminal investigation, prosecution, or conviction;

v. Lawsuits to which the applicant was or is a party;

vi. Any citation or charge for a violation of a statute, regulation, or code of any jurisdiction, other than a criminal, disorderly persons, petty disorderly persons, or motor vehicle violation; and

vii. Any use, distribution, or possession of any narcotic, hallucinogenic, drug, barbiturate, amphetamine, or other substance listed in Schedule I through V of N.J.S.A. 2C:35-5 et seq. other than pursuant to a valid prescription issued by a licensed physician;

18. Whether during the last 10-year period any entity in which the applicant has been a director, officer, principal employee, or a holder of five percent or more interest has:

i. Made or been charged with (either itself or through third parties acting for it) bribes or kickbacks to any government official, domestic or foreign, to obtain favorable treatment or to any company, employee, or organization to obtain a competitive advantage;

ii. Held a foreign bank account or has had authority to control disbursements from a foreign bank account;

iii. Maintained a bank account or other account, whether domestic or foreign, which is not reflected on the books or records of the business or which is in a name other than the name of the business;

iv. Donated, loaned, or used funds or property for the use or benefit of or in opposing any government, political party, candidate, or committee either domestic or foreign;

v. Compensated any of its directors, officers, or employees for time and expenses incurred in performing services for the benefit of or in opposing any government or political party domestic or foreign; or

vi. Made any loans, donations, or other disbursements to its directors, officers, or employees for the purpose of making political contributions or reimbursing such individuals for political contributions whether domestic or foreign;

19. Any exclusion or barring from any casino or gambling/gaming related entity in any jurisdiction; and

20. Financial data, as follows:

i. All assets and liabilities of the applicant, the applicant's spouse, and dependent children as indicated on the net worth statement and supporting schedules in a format prescribed by the Division, including cash, bank accounts, notes payable and receivable, real estate and income taxes payable, loans, accounts payable, and any other indebtedness, contingent liabilities, securities, real estate interests, real estate mortgages and liens, life insurance, pension funds, and other assets;

ii. Bank accounts, including any right of ownership in, control over, or interest in any foreign bank accounts, and safe deposit boxes;

iii. Real estate interests held by the applicant, the applicant's spouse, or dependent children;

iv. Businesses owned;

v. Copies of Federal and foreign tax returns and related information for the last five years;

vi. Judgments or petitions for bankruptcy, insolvency, or liquidation concerning the applicant or any business entity in which the applicant held a five percent or greater interest, other than a publicly traded corporation, or in which the applicant served as an officer or director;

vii. Any business entity in which the applicant was an owner, director, or officer that has been placed under some form of governmental administration or monitoring;

viii. Any garnishment or attachment of wages, charging order, or voluntary wage execution, including the amount, court, nature of the obligation, and the holder of the obligation;

ix. Any repossessions of real or personal property;

x. Any guarantees, co-signatures, or insuring of payments of financial obligations of any persons or business entities;

xi. Status as executor, administrator, or fiduciary of an estate;

xii. Life insurance policies on the applicant's life that name someone other than the applicant's family as a beneficiary;

xiii. Positions held, assets held, or interest received in any estate or trust;

xiv. Whether the applicant has ever been bonded for any purpose or been denied any type of bond, including the nature of the bond, and if applicable, the reason for denial;

xv. Referral or finder's fees in excess of \$10,000;

xvi. Loans in excess of \$10,000 made or received by the applicant, the applicant's spouse, or dependent children;

xvii. Gifts in excess of \$10,000 given or received by the applicant or the applicant's immediate family;

xviii. Brokerage or margin accounts with any securities or commodities dealer;

xix. Currency exchanges in an amount greater than \$10,000; and

xx. Information regarding any ownership interest or financial investment by the applicant in any entity that holds or is an applicant for a license issued by the Division or the Commission, or in any gambling venture that does not require licensure by the Division or the Commission, including persons providing or reasonably anticipated to provide the applicant with support in the financing of such investment or interest; the extent and nature of the applicant's involvement in the management and operation of the entity; whether the applicant has or has agreed to assign, pledge, or hypothecate such interest or investment, the nature and terms of any such transaction, and a copy of any such agreement.

(b) In addition to the information in (a) above, a completed Multi-Jurisdictional Personal History Disclosure Form (PHD-MJ) shall include the following:

1. The name, address, occupation, and phone number of persons who can attest to the applicant's good character and reputation;

2. A signed, dated, and notarized certification of truth; and

3. A signed, dated, and notarized release authorization, which shall direct all courts, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions, and all governmental agencies, Federal, state and local, both foreign and domestic, to release any and all information pertaining to the applicant as requested by the Division.

13:69A-5.11 Vendor Registration Form; [and] Vendor Registration Supplemental Disclosure Form; and Vendor Registration Publicly Traded Corporation Form

(a) No vendor registration, **other than a vendor registration for a publicly traded corporation in (f) below**, shall be deemed complete unless a vendor has filed both a completed Vendor Registration Form and a completed Vendor Registration Supplemental Disclosure Form.

(b) – (d) (No change.)

(e) **If a vendor is prohibited pursuant to (d) above, any other vendor that is owned by the same entity or individual, or with which the prohibited vendor shares a common owner possessing more than five percent of each entity, may have its vendor registration administratively revoked by the Division in its discretion without the need for any further hearing or proceeding. If the Division determines that a vendor affiliated with such common owner is not subject to his or her control, registration of such vendor will be revoked, if warranted, following the contested case process pursuant to N.J.A.C. 13:69B-2.1. If the Division determines to administratively revoke the vendor registration of an entity with common ownership to a vendor prohibited pursuant to (d) above, the Director shall enter an order prohibiting such entity from conducting business with a casino licensee or applicant without the need for a hearing before taking such action.**

(f) **Any publicly traded corporation directed to file a Vendor Registration Form or Vendor Registration Supplemental Disclosure Form may instead file with the Division a Vendor Registration Publicly Traded Corporation Form, which shall include the following information attested to and certified by a person who is authorized to act on behalf of the registering vendor:**

- 1. Any official or trade name used by the vendor;**
- 2. The current address and telephone number of the vendor;**

3. The nature of the vendor's business and the type of goods and services being provided to the casino industry;

4. The Federal Employer Identification Number;

5. The name, residence address, and date of birth of each sales representative(s) or other person(s) who solicit(s) business from a casino licensee or applicant and such person's immediate supervisors; and

6. That the securities issued by the publicly traded corporation are listed, or are approved for listing upon notice of issuance, on one of the exchanges listed below:

i. The New York Stock Exchange;

ii. The American Stock Exchange;

iii. The National Association of Securities Dealers' Automated Quotation System (NASDAQ) National Market System; or

iv. Any such other exchange as the Division may determine for reasons consistent with the policies of the Act.

(g) Within 30 days of a casino filing a completed Vendor Registration Publicly Traded Corporation Form to the Division, the vendor that is a publicly traded corporation shall submit directly to the Division, the most recently filed 10K or 10Q, whichever was filed last.

(h) If a publicly traded vendor fails to submit directly to the Division its most recently filed 10K or 10Q within 30 days of the casino filing a completed Vendor Registration Publicly Traded Corporation Form, the Division may administratively prohibit such publicly traded vendor from conducting business with a casino licensee or applicant without the need for a hearing before taking such action.

(i) Pursuant to N.J.S.A. 5:12-80, the Division may require any vendor registrant under this section or any vendor registrant conducting business with an Internet gaming permit holder, an Internet gaming provider licensed as a casino service industry enterprise licensed pursuant to paragraph 92.a(1) of the Act, or an applicant for either an Internet gaming permit or such casino service industry enterprise license, to supply additional information, in addition to that required in (b), (c), or (f) above. Such information may include, but not be limited to, any and all information set forth pursuant to N.J.A.C. 13:69A-7. This subsection shall apply to any entity required to file any vendor registration form required by this section. This subsection shall also apply, in the discretion of the Division, to any individual employed by or affiliated with a vendor registrant.

13:69A-5.11A Casino Service Industry **Enterprise and Ancillary Casino Service Industry Enterprise-Qualifier Resubmission Disclosure Form**

(a) – (b) (No change.)

13:69A-5.15A Business Entity Disclosure Form–Ancillary Casino Service Industry Enterprise License

(a) A **Business Entity Disclosure Form–Ancillary Casino Service Industry Enterprise (BED-ACSI)** shall be in a format prescribed by the Division and require the enterprise to provide the following information:

1. The current or former official and trade names used and the dates of use;

- 2. The current and former business addresses within the last 10-year period and dates of use;**
- 3. The business telephone number;**
- 4. The name, title, and telephone number of the contact person;**
- 5. Whether the application is for initial licensure or retention of that license and, if retention, the license number and date of last submission;**
- 6. If the license applicant is other than the enterprise filing the form, the reason for filing and the nature of the filing enterprise's relationship to the license applicant;**
- 7. The business form and, as appropriate, a copy of the certificate of incorporation, charter, bylaws, partnership agreement and all amendments, trust agreement, or other documentation relating to the legal organization of the enterprise;**
- 8. If a publicly traded corporation, the stock exchange its stock is traded on and its symbol;**
- 9. The Federal Employer Identification Number;**
- 10. A description of the present and any former business engaged in or intended to be engaged in by the enterprise and any parent, holding, intermediary, or subsidiary company within the past five years and similar information for former businesses for the past 10 years;**
- 11. A description of the nature, type, number of shares, terms, conditions, rights, and privileges of all classes of stock issued by the enterprise, if any, and the amount outstanding of each, or which the enterprise plans to issue;**

12. The name, address, date of birth (if appropriate), class of non-voting stock, number, and percentage of shares held by each person or entity having a beneficial interest in any non-voting stock;

13. The name, home address, date of birth, current title or position, and if applicable, number of shares and class of stock and percentage of ownership for the following persons:

- i. Each officer, director, or trustee;**
- ii. Each partner whether general, limited, or otherwise;**
- iii. The sole proprietor;**
- iv. Each natural person or entity that directly or indirectly holds any beneficial or ownership interest of five percent or more of the entity completing the form;**
- v. Each sales representative or other person who will regularly solicit business from a casino licensee;**
- vi. Each management person who supervises a regional or local office that employs sales or junket representatives or other persons who regularly solicit business from a casino hotel;**
- vii. Any other person not otherwise specified in (a)13i through vi above who has signed or will sign any agreement with a casino licensee;**
- viii. If a junket enterprise, in addition to (a)13iv above, each junket representative who will deal directly with casino licensees and their employees;**

14. A flow chart that illustrates the ownership of any other enterprise that holds an interest in the filing enterprise;

15. The name, last known address, date of birth, position, dates the position was held, and reason for leaving for any former officers or directors who held such office during the preceding 10 years;

16. The annual compensation of each partner, officer, director, and trustee;

17. The name, home address, date of birth, position, length of time employed, and the amount of compensation of each person, other than the persons identified in (a)¹³ above, who is currently expected to receive annual compensation of more than \$300,000;

18. A description of all bonus, profit sharing, pension, retirement, deferred compensation, or similar plans in existence or to be created by the enterprise;

19. If the enterprise is a partnership, a description of the interest held by each partner, whether limited or general, amount of initial investment, amount of additional contribution, amount and nature of any anticipated future investments, degree of control of each partner, percentage of ownership of each partner, and method of distributing profits to each partner;

20. A description of the nature, type, terms, covenants, and priorities of all outstanding debt and the name, address, and date of birth of each debt holder or security holder, type and class of debt instrument held, original debt amount, and current debt balance;

21. A description of the nature, type, terms, and conditions of all securities options;

22. The following information, for the last 10 years, for each account held by a bank, savings and loan association, or other financial institution, whether foreign or domestic, in the name of the enterprise or its nominee, or which is otherwise under the direct or indirect control of the enterprise:

i. The name and address of the financial institution;

ii. The type of account;

iii. The account numbers; and

iv. The dates held;

23. The name and address of each company in which the enterprise holds stock, type of stock held, purchase price per share, number of shares held, and percentage of ownership indicating any holding of five percent or more of ownership held;

24. Information regarding any transaction during the past five years involving a change in the beneficial ownership of the enterprise's securities on the part of an officer or director who owned more than 10 percent of any class of equity security either directly or indirectly;

25. A description of any civil, criminal, administrative, and investigatory proceedings in any jurisdiction in which the enterprise or its subsidiaries have been involved as follows:

i. Any arrest, indictment, charge, or conviction for any criminal or disorderly persons offense;

ii. Any criminal proceeding in which the enterprise or its subsidiaries has been a party or has been named as an unindicted co-conspirator;

iii. Existing civil litigation if damages are reasonably expected to exceed \$100,000, except for claims covered by insurance;

iv. Any judgment, order, consent decree, or consent order entered against the enterprise pertaining to a violation or alleged violation of the Federal antitrust, trade regulation, or securities laws or similar laws of any state, province, or country; and

v. Any judgment, order, consent decree, or consent order entered against the enterprise pertaining to a violation or alleged violation of any other State or Federal statute, regulation, or code that resulted in the imposition of a fine or penalty of \$50,000 or more;

26. Within the last 10 years, for the enterprise and any holding or intermediary company, information regarding any judgments or petitions by or against it for bankruptcy or insolvency and any relief sought under any provision of the Federal Bankruptcy Act or any state insolvency law, and any receiver, fiscal agent, trustee, reorganization trustee, or similar officer appointed for the property or business of the enterprise or its parent, including any holding, intermediary, or subsidiary company;

27. Within the last 10 years, whether the enterprise has had any license or certificate denied, suspended, or revoked by any government agency in this State or any other jurisdiction, the nature of such license or certificate, the agency and its location, the date of such action, the disposition, the reasons therefor, and the facts related thereto;

28. Whether the enterprise has ever applied for a license, permit, or authorization to participate in any lawful gaming operation in this State or any other jurisdiction, the agency and its location, date of application, the activity, identifying number, and expiration date of each license, permit, or authorization;

29. Within the last 10 years, whether the enterprise or any director, officer, partner, employee, or person acting for or on behalf of the enterprise has made bribes or kickbacks to any employee, company, organization, or government official, foreign or domestic, to obtain favorable treatment or to obtain a competitive advantage;

30. Within the last 10 years, whether the enterprise has:

i. Donated or loaned its funds or property for the use or benefit of, or in opposing or supporting any government, political party, candidate, or committee, either foreign or domestic;

ii. Made any loans, donations, or disbursements to its directors, officers, partners, or employees for the purpose of making political contributions or reimbursing such individuals for political contributions, either foreign or domestic; or

iii. Maintained a bank account or other account, either foreign or domestic, not reflected on its books or records, or maintained any account in the name of a nominee for the enterprise;

31. The names and addresses of any current or former directors, officers, partners, employees, or third parties who would have knowledge or information concerning (a)29 and 30 above;

32. A copy of each of the following:

- i. Annual reports for the past five years;**
- ii. If the enterprise is a corporation registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, any annual reports prepared within the last five years on Form 10K pursuant to the Securities Exchange Act of 1934;**
- iii. An audited financial statement for the last fiscal year, including, without limitation, an income statement, balance sheet, statement of sources, and application of funds, and all notes to such statements and related financial schedules;**
- iv. Copies of all annual financial statements, whether audited or unaudited, prepared in the last five fiscal years, any exceptions taken to such statements by an independent auditor, and the management response thereto;**
- v. Any current report prepared due to a change in control of the enterprise, an acquisition or disposition of assets, a bankruptcy or receivership proceeding, a change in the enterprise's certifying accountant, or any other material event, or, if the enterprise is registered with the SEC, a copy of the most recently filed Form 8K;**
- vi. The most recent Proxy or Information Statement filed pursuant to Section 14 of the Securities Exchange Act of 1934; and**
- vii. Registration Statements filed in the last five years pursuant to the Securities Act of 1933;**

33. An organizational chart of the enterprise, including position descriptions and the name of the person holding each position;

34. Copies of all Internal Revenue Forms 1120 (corporate income tax return), all Internal Revenue Forms 1065 (partnership return), or all Internal Revenue Forms 1040 (personal return) filed for the last five years; and

35. A copy of a business registration certificate or other proof of valid business registration with the Division of Revenue in the New Jersey Department of the Treasury.

(b) In addition to the information in (a) above, a completed BED-ACSI shall include the following documents, which shall be dated and signed by either the president, chief executive officer, partners, general partner, sole proprietor, or other authorized person and notarized:

1. An affidavit of truth;

2. A release authorization directing all courts, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions, and all governmental agencies, Federal, state, and local, both foreign and domestic, to release any and all information pertaining to the enterprise as requested by the Division; and

3. An acknowledgment of receipt of notice regarding confidentiality, consent to search, and non-refundability of filing fees.

13:69A-9.8 Casino service industry enterprise license fee

(a) In accordance with [Subsections 92a] **paragraphs 92.a(1) and (2) and subsection b** of the Act, all casino service industry enterprises offering goods and services which directly relate to casino, simulcast wagering, or gaming activity, including gaming equipment manufacturers,

suppliers and repairers, **and** independent testing laboratories[, junket enterprises and junket representatives and any person employed by a junket enterprise or junket representative in a managerial or supervisory position,] shall meet the standards established for casino key employees in order to be licensed. Such a license shall be issued with subsequent resubmissions not later than every five years thereafter. [In addition, in accordance with Subsection 92c(2) of the Act, and at the direction of the Director, all casino service industry enterprise applicants or licensees required to hold a casino hotel alcoholic beverage license shall meet the standards established for casino key employees.]

(b) In order to recover the cost of the investigation and consideration of license applications by enterprises engaged in these industries, the initial license application and issuance fee for a casino service industry enterprise license[, with the exception of an applicant or licensee of a casino hotel alcoholic beverage license,] shall be assessed as follows:

1. - 5. (No change.)

(c) – (d) (No change.)

13:69A-9.8A Ancillary casino service industry enterprise license fee

(a) In accordance with paragraphs 92.a(3) and c(4) of the Act, all ancillary casino service industry enterprises offering goods and services ancillary to gaming shall establish their good character, honesty, and integrity by clear and convincing evidence, and shall provide such financial information as may be required by the Division. Such a license shall be issued with subsequent resubmissions not later than every five years thereafter. In accordance with paragraph 92.a(3) of the Act, junket enterprises, junket representatives, and any person employed by a junket enterprise or junket representative in a managerial

or supervisory position, all non-casino applicants or licensees required to hold a casino hotel alcoholic beverage license, lessors of casino property not required to hold a casino license, and licensors of authorized games shall meet this standard.

(b) In order to recover the cost of the investigation and consideration of license applications by enterprises engaged in these industries, the initial license application and issuance fee for an ancillary casino service industry enterprise license, with the exception of a non-casino applicant or licensee required to hold a casino hotel alcoholic beverage license, shall be assessed as follows:

1. A minimum application charge of \$2,000 shall be due at the time of application;
2. An additional application charge of \$2,000 shall be due when the total number of hours of Division professional staff time expended on matters directly related to the applicant exceeds 333 hours;
3. An additional application charge of \$2,000 shall be due when the total number of hours of Division professional staff time expended on matters directly related to the applicant exceeds 667 hours;
4. An additional application charge, at an hourly rate to be set by the Division in accordance with N.J.A.C. 13:69A-9.4(d), shall be due and payable upon demand by the Division for each hour of Division professional staff time that is expended on matters directly related to the applicant that is in excess of 1,000 total hours; and
5. Payment for all unusual or out-of-pocket expenses incurred by the Division for matters directly related to the processing and investigation of the application.

(c) In order to recover costs for monitoring compliance with the Act and the rules of the Division and for assuring the continued fitness of enterprises engaged in ancillary casino

service industries, the fee for the retention of an ancillary casino service industry enterprise license shall be assessed in accordance with (b) above.

(d) Any enterprise required to apply for or retain an ancillary casino service industry enterprise license may request an installment plan for payment of the application fee. The Division shall propose a payment plan for the applicant which shall include, if the applicant chooses to accept the payment plan, an additional fee of \$100.00 for the cost of processing the payment plan.

CHAPTER 69C

CASINO LICENSEES

13:69C-10.1 Requirements for doing business; Active Vendors Record; Prohibited Vendors Record

(a) – (e) (No change.)

(f) If a vendor is found disqualified pursuant to section 86 of the Act, the Division may administratively prohibit all vendor registrants that have a common owner who owns more than five percent of each entity, including the disqualified vendor, from conducting business with a casino licensee or applicant without the need for a hearing before taking such action.

CHAPTER 69H

JUNKET ENTERPRISES NOT EMPLOYED BY A CASINO LICENSEE OR APPLICANT

SUBCHAPTER 1. JUNKET ENTERPRISES NOT EMPLOYED BY A CASINO LICENSEE
OR APPLICANT

13:69H-1.5 Junket enterprises and representatives[; transactional waivers prior to business]

(a) Pursuant to N.J.S.A. 5:12-[102c]**102.c**, all junket enterprises **and junket representatives not employed by a casino licensee or applicant or any person employed by a junket enterprise or junket representative in a managerial or supervisory position**, shall be licensed in accordance with N.J.S.A. [5:12-92a(1) prior to any casino licensee or applicant permitting any junket involving that junket enterprise to arrive at its casino] **5:12-92.a(3)**.

[(b) Pursuant to N.J.S.A. 5:12-102c, any junket representative not employed by a casino licensee or applicant or by a junket enterprise shall be licensed in accordance with N.J.S.A. 5:12-92a(1) prior to a casino licensee or applicant permitting any junket involving that junket representative to arrive at its casino.]

[(c)] **(b)** [No] **A** casino licensee or applicant may do [any] business with [any] **a** junket enterprise or junket representative prior to the licensure of that junket enterprise, junket representative, or any person employed by a junket enterprise or junket representative in a managerial or supervisory position, [unless] **provided that** the enterprise has [applied for and been issued a transactional waiver] **filed the appropriate vendor registration form(s) and application for licensure** pursuant to N.J.S.A. 5:12-[92a(1)]**92.a(3)** [and N.J.A.C. 13:69J-1.2B].

CHAPTER 69J

PERSONS DOING BUSINESS WITH CASINO LICENSEES

SUBCHAPTER 1. GENERAL PROVISIONS

13:69J-1.1 Definitions

(a) (No change.)

(b) The following words and terms, when used in this chapter, shall have the meanings set forth in the relevant provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., except that any reference contained therein to an applicant for or holder of a casino license shall instead be read to refer to an applicant for or holder of a casino service industry enterprise license:

...

“Independent software contractor” (as defined at N.J.S.A. 5:12-27.a).

...

13:69J-1.2 [Gaming-related casino] **Casino** service industry enterprise license requirements

(a) No enterprise shall provide goods or services directly related to casino, simulcast wagering, or gaming activity to, or otherwise transact business directly related to casino, simulcast wagering, or gaming activity with, a casino applicant or licensee, its employees, or agents unless licensed in accordance with N.J.S.A. 5:12-[92a and b]**92.a(1) or (2).**

(b) (No change.)

(c) Enterprises required to be licensed in accordance with N.J.S.A. 5:12-[92a and b]**92.a(1) and (2),** and (a) above shall include, without limitation, the following:

1. Manufacturers, suppliers, distributors, servicers and repairers of roulette wheels, big six wheels, slot machines, multi-player slot machine systems, cards, dice, gaming chips, gaming plaques, slot tokens, prize tokens, dealing shoes, drop boxes, computerized gaming monitoring systems, totalisators, pari-mutuel machines, self-service pari-mutuel machines, and credit voucher machines; **and**

2. Casino credit reporting services, casino simulcasting hub facilities, and suppliers of casino security services[; and].

[3. Junket enterprises and junket representatives, and any person employed by a junket enterprise or junket representative in a managerial or supervisory position.]

13:69J-1.2B Permission to conduct business prior to issuance of a casino service industry enterprise license

(a) Notwithstanding any other provision contained in this chapter:

1. The Division may, upon the joint petition of a casino licensee or applicant and an applicant for a casino service industry enterprise license filed pursuant to N.J.S.A. 5:12-[92a]**92.a(1) or (2)**, permit an applicant for a casino service industry enterprise license to transact business with a casino licensee or applicant prior to the licensure of the casino service industry enterprise license applicant if:

i. - iv. (No change.)

2. (No change.)

(b) (No change.)

13:69J-1.2C Licensing of vendors doing non-gaming business

(a) Pursuant to N.J.S.A. 5:12-[92c(2)]**92.c(2)**, the Division may require any vendor to apply for **either** a casino service industry enterprise license **or an ancillary casino service industry enterprise license** if such application is deemed to be consistent with the public interest and policies of the Act. **The Division, in its discretion, may also require any ancillary casino service industry enterprise licensee to be licensed as a casino service industry enterprise.**

(b) The Division shall give written notice [to such vendor] of the requirement to file for a casino service industry enterprise license **or ancillary casino service industry enterprise license**.

Receipt of this written notice [by a vendor] shall immediately trigger the requirements of N.J.S.A. 5:12-[92a]**92.a** and b, including the need for the issuance of transactional waivers to continue to conduct any further business.

(c) An application filed pursuant to (a) above, and any subsequent licensure that may result after investigation by the Division, shall conform to the standards of N.J.S.A. 5:12-[92a and]**92.a**, b **and c(4), as appropriate**, including [the need for the] issuance of transactional waivers, **if necessary**, and shall include the **applicable** filing fee for the filing of such application. **Any ancillary casino service industry enterprise license applicant shall receive a credit for any licensing fees already paid in the event it is ordered to file for a casino service industry enterprise license.**

(d) Any vendor required to apply for a casino service industry enterprise license **or ancillary casino service industry enterprise license** pursuant to (a) above shall have the affirmative burden to establish its qualification by clear and convincing evidence.

(e) (No change.)

(f) Any vendor **or licensee** required by the Division to file an application shall do so no later than 60 days after receipt of the Division's notice; provided, however, that the Division may, upon written request from the vendor and for good cause shown, grant an additional 30 days within which to file the required application. Failure to file a completed application within this time period shall be grounds for prohibiting a vendor **or licensee** from conducting any business with a casino licensee and will result in the issuance of a prohibitory order which will be served on the vendor **or licensee** and the casino licensee.

(g) (No change.)

(h) Any vendor prohibited from providing goods or services or conducting business on the basis of its failure to properly file an application may resume providing goods or services or conducting business [thirty] **30** days following the proper filing of a casino service industry license application **or ancillary casino service industry enterprise license**, provided that the vendor has:

1. Been issued a transactional waiver by the Division, **if required to file a casino service industry enterprise license by the Director**;
2. Paid the appropriate **license** filing fee; and
3. (No change.)

13:69J-1.3 Standards for qualifications

(a) Each applicant required to be licensed as a casino service industry enterprise, including all qualifiers as determined in N.J.A.C. 13:69J-1.14, shall meet the standards for qualification set forth in N.J.S.A. 5:12-[92b]**92.b**.

[(b)] **1.** Any applicant or individual, as set forth in [(a) above] **this subsection**, shall have the affirmative burden to establish its qualification(s) by clear and convincing evidence.

[(c)] **2.** (No change in text.)

(b) Each applicant required to be licensed as an ancillary casino service industry enterprise, including all qualifiers as determined by the Division, shall meet the standards for qualification set forth in N.J.S.A. 5:12-92.c(4).

1. Any applicant or individual identified in this subsection, shall have the affirmative burden to establish its qualification(s) by clear and convincing evidence.

2. An ancillary casino service industry enterprise license shall be denied to any applicant who is disqualified on the basis of the criteria contained in N.J.S.A. 5:12-86, unless such applicant can affirmatively demonstrate rehabilitation pursuant to N.J.S.A. 5:12-92.d.

3. The provisions of (b)2 above regarding rehabilitation shall not apply when the applicant for an ancillary casino service industry enterprise license is a junket enterprise or junket representative, not employed by a casino licensee or an applicant for a casino license pursuant to N.J.S.A. 5:12-102.c.

13:69J-1.7 Investigations; supplementary information

(a) The Division may, within its discretion, make such inquiry or investigation concerning any applicant, licensee, vendor registrant, or any person involved with an applicant, licensee, or vendor registrant, **including any independent software contractor**, as it may deem appropriate, either at the time of the initial application and licensure or registration or at any time thereafter.

(b) It shall be the continuing duty of all applicants, licensees, [and] vendor registrants, **and independent software contractors** to provide full cooperation to the Division in the conduct of such inquiry or investigation and to provide any supplementary information requested by the Division, **including the filing of any vendor registration or application as required by the Director pursuant to N.J.S.A. 5:12-92.c(2) and N.J.A.C. 13:69J-1.2C.**

(c) It shall be the continuing duty of all applicants, licensees, vendor registrants, **and independent software contractors** to provide to the Division, upon request, such information showing its continued financial stability. Such information may include, but

not be limited to, financial statements and projections, tax return filings, securities filings, annual reports, and any compliance review and reporting system.

13:69J-1.8 Voiding of license

(a) A change in any item that was a condition of the original license **granted pursuant to N.J.S.A. 5:12-92.a** or of a license resubmission must be approved by the Division. A change in ownership shall invalidate any approval previously given by the Division, unless, in the Division's discretion, such change is deemed to be consistent with the public interest and policies of the Act.

(b) (No change.)

13:69J-1.9 Recordkeeping

(a) All casino service industry enterprise licensees, **licensed pursuant to N.J.S.A. 5:12-92.a**, shall maintain in a place secure from theft, loss, or destruction, adequate records of business operations, which shall be made available to the Division upon request. The records shall include:

1 – 5. (No change.)

(b) (No change.)

13:69J-1.14 Persons required to be qualified

(a) Except as otherwise provided in (b) below and N.J.A.C. 13:69J-1.14B, no casino service industry enterprise license **or ancillary casino service industry enterprise license** shall be issued or considered for resubmission, unless the individual qualifications of each of the

following persons shall have first been established in accordance with all provisions, including those cited, of the Act and the rules of the Division. The Division shall apply the following provisions to both corporate and non-corporate applicants or licensees or, if that is not possible, the Division will in its discretion apply comparable standards to non-corporate applicants and licensees.

1. In the case of casino service industry enterprise licenses issued in accordance with N.J.S.A. 5:12-[92a(1)]**92.a(1)** and (2):

i - vi. (No change.)

vii. The management employee supervising the regional or local office [which] **that** employs the sales representative [and/or the junket representative soliciting business or dealing directly with a casino licensee or applicant]; and

viii. Each employee who will act as a sales representative or otherwise regularly engage in the solicitation of business from casino licensees [and each junket representative who will deal directly with casino licensees or their employees].

2. In the case of an ancillary casino service industry license issued pursuant to N.J.S.A. 5:12-92.a(3):

i. The applicant or licensee;

ii. Each holding company that directly holds any beneficial or ownership interest of five percent or more of the applicant or licensee;

iii. Each natural person who directly or indirectly holds any beneficial or ownership interest of five percent or more of the applicant or licensee;

iv. Each inside director of the applicant or licensee;

v. Each officer of the applicant or licensee;

vi. The management employee supervising the regional or local office that employs the sales representative or junket representative soliciting business or dealing directly with a casino licensee; and

vii. Each employee who will act as a sales representative or otherwise regularly engage in the solicitation of business from casino licensees and each junket representative who will deal directly with casino licensees or their employees.

(b) (No change.)

(c) Notwithstanding (a) and (b) above, the Division may require a casino service industry enterprise applicant or licensee to establish the qualifications of any person if the Division determines that the qualification of such person would further the policies of the Act. In making such determination, the Division shall consider, without limitation, the following:

1. - 6. (No change.)

7. Business relationship with the applicant or licensee; [and]

8. Criminal conduct or associations[.]; **and**

9. Role in compliance and association or affiliation with the applicant company.

(d) In addition to the persons required to qualify pursuant to (a)**2** above, each applicant for a junket enterprise license may be required, upon directive from the Division, to establish the qualifications of any junket representative affiliated with that junket enterprise, regardless of whether such junket representative deals directly with a casino licensee.

1. The Division may require a junket representative affiliated with a junket enterprise [licensee] **licensed as an ancillary casino service industry enterprise** or applicant to establish his or her qualifications at any time.

2. - 3. (No change.)

13:69J-1.14A Notification of changes in qualifiers of [gaming-related] casino service industry licensees, **ancillary casino service industry licensees** or applicants, and holding companies

(a) Each casino service industry enterprise licensee, **ancillary casino service industry enterprise licensee**, or applicant required to be licensed in accordance with N.J.S.A. 5:12-[92a(1) and (2)]**92.a** and N.J.A.C. 13:69J-1.2 shall notify the Division, in writing, within five business days, of the following:

1. (No change.)

2. The identity of any person required to be qualified pursuant to N.J.A.C. 13:69J-1.14(a)iii or iv on the basis of a newly acquired ownership interest; [or]

3. The identity of any person whose obligation to qualify was waived pursuant to N.J.A.C. 13:69J-1.14(b)2 [or 3] if that person subsequently attains an ownership interest that is:

i. (No change.)

ii. At least [10] **25** percent or more of the applicant, licensee, or holding or intermediary company thereof; **or**

4. The identity of any person whose obligation to qualify was waived pursuant to N.J.A.C. 13:69J-1.14(b)3, if that person subsequently attains an ownership interest that is:

i. At least five percent greater than the interest held at the time the most recent waiver was granted; and

ii. At least 10 percent of the applicant, licensee, or holding or intermediary company thereof.

(b) – (d) (No change.)

13:69J-1.14B Temporary qualification at license issuance; pendent qualifiers during term of license; permission to exercise powers and perform duties prior to Division finding of plenary qualification

(a) Notwithstanding the provisions of N.J.A.C. 13:69J -1.14(a), a casino service industry enterprise license **or ancillary casino service industry enterprise license** may be issued by the Division without the applicant having first established the plenary qualification of each natural person otherwise required to qualify pursuant to N.J.A.C. 13:69J-1.14(a) or (c) provided that:

1. - 3. (No change.)

(b) (No change.)

(c) Notwithstanding the provisions of N.J.A.C. 13:69J-1.14(a), a casino service industry enterprise licensee **or ancillary casino service industry enterprise license** may retain its license pursuant to N.J.S.A. 5:12-[94h(1)]**94.h(1)** without having first established the individual qualifications of each natural person otherwise required to qualify pursuant to N.J.A.C. 13:69J-1.14(a) or (c) provided that each person who is required to qualify pursuant to N.J.A.C. 13:69J-1.14(a) or (c) but has not been the subject of a qualification determination by the Division is a pendent qualifier in accordance with the provisions of (d) below.

(d) For the purposes of this section, a pendent qualifier is any natural person who:

1. Is required to qualify pursuant to N.J.A.C. 13:69J-1.14(a) or (c) as part of a [gaming-related] casino service industry enterprise license **or ancillary casino service industry enterprise license** but has not been the subject of a qualification determination by the Division due to his or her obligation to qualify having arisen after the date of the initial license issuance or the previous resubmission;

2. - 3. (No change.)

(e) – (g) (No change.)

13:69J-1.15 Advertising

(a) Any advertisement by an applicant for or holder of a casino service industry enterprise license issued pursuant to N.J.S.A. 5:12-[92a and b]**92.a** or by any agent thereof shall be subject to the provisions of N.J.A.C. 13:69C-14 to the same extent as if such advertisement were by a casino licensee or applicant.

(b) Notwithstanding the provisions of (a) above, an applicant for or holder of a casino service industry enterprise license issued pursuant to N.J.S.A. 5:12-[92a and b]**92.a** and any agent thereof shall not be subject to the provisions of N.J.A.C. 13:69C-14.3(b).