

**CHAPTER 69C
CASINO LICENSEES**

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SUBCHAPTER 1. GENERAL PROVISIONS

§ 13:69C-1.1 Applicability of rules to noncorporate entities

The rules and regulations set forth in this chapter shall apply to the extent appropriate with the same force and effect with regard to casino license applicants and casino licensees that have a legal existence other than corporate, and all noncorporate entities shall comply with all relevant requirements applicable to corporate entities.

§ 13:69C-1.2 Casino operation

(a) It is the policy of the Division to require that all establishments wherein gaming is conducted in this State be operated in a manner suitable to protect the public health, safety, morals, good order and general welfare of the State of New Jersey.

(b) Responsibility for the implementation and maintenance of a suitable manner of operation rests with the licensee, and willful or persistent use or toleration of manners of operation deemed unsuitable will constitute grounds for license revocation or other disciplinary action.

§ 13:69C-1.3 Grounds for disciplinary action

The Division deems any activity on the part of any licensee, its agents or employees, that is inimical to the public health, safety, morals, good order and general welfare of the State of New Jersey, or that would reflect or tend to reflect discredit upon the State of New Jersey or the gaming industry to be an unsuitable manner of operation and shall be grounds for disciplinary action by the Division in accordance with the Casino Control Act and the regulations of the Division and the Commission. Without

limiting the generality of the foregoing, the following acts or omissions may be determined to be unsuitable manners of operation:

(a) Failure to exercise discretion and sound judgment to prevent incidents which might reflect on the reputation of the State of New Jersey and act as a detriment to the industry.

(b) Failure to comply with or make provision for compliance with all federal, state and local laws and regulations pertaining to the operations of a licensed establishment.

(c) Failure to abide by a provision or policy of the Act or any of the regulations and rules promulgated thereunder.

SUBCHAPTER 2. PERSONS REQUIRED TO BE LICENSED OR QUALIFIED

§ 13:69C-2.1 Persons required to be licensed

No person shall own or operate a casino unless a casino license shall have first been issued to every person eligible and required to apply for a casino license pursuant to the provisions of *N.J.S.A. 5:12-82*.

§ 13:69C-2.2 Persons required to be qualified

(a) Except as otherwise provided in *N.J.A.C. 13:69C-2.7*, no casino license shall be issued or remain in full force and effect unless the individual qualifications of every person required by the Act and the Director to qualify as part of the application for the issuance or retention of the casino license shall have been established in accordance with all relevant standards set forth in the Act and the rules and regulations of the Division and, in the instance of the issuance of a casino license, the rules and regulations of the Commission.

(b) The following persons shall be required to qualify as part of the application for the issuance or retention of a casino license:

1. All persons eligible and required to apply for a casino license pursuant to the provisions of *N.J.S.A. 5:12-82*;

2. All financial backers, investors, mortgagees, bondholders, or holders of indentures, notes or other evidences of indebtedness, in effect or proposed, which bear relation to the applicant or casino licensee, required to qualify pursuant to the provisions of *N.J.S.A. 5:12-85.1e*; and

3. All persons required to qualify pursuant to the provisions of *N.J.S.A. 5:12-85.1b, c and g*.

(c) The Director may at any time require an applicant or casino licensee to establish the qualification of any person that the Director may deem appropriate for qualification pursuant to *N.J.S.A. 5:12-84, -85, -85.1 and -105*. Any person deemed appropriate for qualification shall promptly file the required application form.

(d) It shall be the affirmative responsibility of each applicant or casino licensee to ensure that all persons required by the Act and the rules and regulations of the Division to establish their qualifications in connection with an initial application for a casino license or the retention thereof have filed any required application forms in accordance with this subchapter and, in the instance of the issuance of a casino license, such persons shall abide by the rules and regulations of the Commission.

§ 13:69C-2.3 Notification of anticipated or actual changes in directors, officers or equivalent qualifiers of casino licensees and holding companies

Each casino licensee or applicant or holding company shall immediately notify the Division, in writing, as soon as is practicable, of the proposed appointment, appointment, proposed nomination, nomination, election, intended resignation, resignation, incapacitation or death of any member of, or partner in, its board of directors or partnership, as applicable, or of any officer or other person required to qualify pursuant to *N.J.S.A. 5:12-85* and *-85.1*. Such notice shall be addressed to the Intake Unit, attention casino licensing bureau, of the Division at its address set forth in *N.J.A.C. 13:69-3.5(a)* with a copy, either printed or electronic, to the Commission at its address set forth in *N.J.A.C. 13:69-3.5(a)*.

§ 13:69C-2.4 Notification of new financial sources

Each casino licensee or applicant shall immediately notify the Division, in writing, as soon as it becomes aware that it intends to enter into a transaction bearing any relation to its casino project which may result in any new financial backers, investors, mortgagees, bondholders, or holders of indentures, notes, or other evidences of indebtedness who may be subject to the provisions of *N.J.S.A. 5:12-85.1e* and Article 6B of the Act. Such notice shall be addressed to the Intake Unit, attention casino licensing bureau, of the Division at the address set forth in *N.J.A.C. 13:69-3.5(a)* and, in the instance of a casino license applicant, in compliance with the rules and regulations of the Commission, with a copy, either printed or electronic, to the Commission at its address set forth in *N.J.A.C. 13:69-3.5(a)*.

§ 13:69C-2.5 Notification concerning certain new qualifiers of holding companies

(a) A casino licensee or applicant shall immediately notify the Division if the casino licensee or applicant becomes aware that, with regard to any holding company of the casino licensee or applicant, any person has acquired:

1. Five percent or more of any class of equity securities;
2. The ability to control the holding company; or
3. The ability to elect one or more directors of the holding company.

(b) If any holding company of a casino licensee or applicant either files or is served with any Schedule 13D, Schedule 13G or Section 13F filing under the Securities Exchange Act of 1934, copies of any such filing shall be immediately submitted to the Division by the casino licensee or applicant or the holding company.

(c) Notice pursuant to (a) and (b) above shall be addressed to the Intake Unit, attention casino licensing bureau, of the Division at its address set forth in *N.J.A.C. 13:69-3.5(a)* and, in the instance of an applicant, with a copy, either printed or electronic, to the Commission at its address set forth in *N.J.A.C. 13:69-3.5(a)*.

§ 13:69C-2.6 Qualification of new directors, officers or other qualifiers of a casino licensee

(a) The Director of the Division shall designate persons that must qualify in connection with a casino license in accordance with *N.J.S.A. 5:12-85.1*, and any natural person so required to qualify pursuant to *N.J.S.A. 5:12-85.1* by virtue of his or her position with a casino licensee shall not perform any duties or exercise any powers relating to such position until qualified by the Commission or, where appropriate, until he

or she is temporarily licensed by the Commission as a casino key employee pursuant to *N.J.S.A. 5:12-89e* in accordance with the rules and regulations of the Commission.

(b) Each person subject to (a) above shall file a multi-jurisdictional personal history disclosure form (PHD-MJ) as set forth in *N.J.A.C. 13:69A-5.2* and a New Jersey supplemental form as set forth in *N.J.A.C. 13:69A-5.2A* or a personal history disclosure form #1 (PHD-1) as set forth in *N.J.A.C. 13:69A-5.3* upon application for qualification or for a casino key employee license.

§ 13:69C-2.7 Qualification of new directors, officers or other qualifiers of a holding company

(a) The Director of the Division shall designate persons that must qualify in connection with a holding company in accordance with *N.J.S.A. 5:12-85.1*, and any proposed new director, partner, officer or other natural person so required to qualify pursuant to *N.J.S.A. 5:12-85.1* by virtue of his or her position with a holding company of a casino licensee, shall not perform any duties or exercise any powers related to such position until he or she has been found qualified by the Commission to the standards, except for residency, of a casino key employee in accordance with the rules and regulations of the Commission.

(b) Each person subject to (a) above shall file a PHD-MJ as set forth in *N.J.A.C. 13:69A-5.2* and a New Jersey supplemental form as set forth in *N.J.A.C. 13:69A-5.2A* with the Division prior to or immediately upon being elected or appointed to such position, except that persons required to qualify by virtue of the following positions may alternatively file a PHD-1 as set forth in *N.J.A.C. 13:69A-5.3*:

1. An outside director of a holding company;

2. A trustee pursuant to *N.J.S.A. 5:12-95.12*;
3. A trustee required to be qualified; and
4. A beneficiary of a trust required to be qualified.

(c) The Commission may, upon the written petition of a casino licensee filed with the Division, permit a person otherwise subject to (a) above to perform any duties or exercise any powers relating to his or her position pending qualification, provided that:

1. Such person files a personal history disclosure form 3 (PHD-3), as set forth in *N.J.A.C. 13:69A-5.5*;
2. At least 30 days have elapsed from the date on which the PHD-3 was filed; and
3. Such person files a PHD-MJ or PHD-1 in accordance with (b) above, within 15 days of the date on which the Commission's permission is granted.

(d) Notwithstanding the provisions of (a) above, any person permitted to perform duties or exercise powers pursuant to (c) above shall:

1. Be immediately removed from his or her position if at any time the Division provides information which the Commission determines to indicate reasonable cause to believe that such person may not be qualified;
2. Only be permitted to perform duties or exercise powers without having been qualified for a maximum period of nine months from the date on which permission to assume duties was first granted unless the Commission determines, upon a showing of good cause by the casino licensee, to extend the nine-month period. Such request shall be by written petition filed with the Division at its address set forth in

N.J.A.C. 13:69-3.5(a), with a copy to the Commission at its address set forth in *N.J.A.C.* 13:69-3.5(a).

§ 13:69C-2.7A Continuing Qualification

(a) All persons who have been found qualified by the Commission shall:

1. If a person whose position requires both qualification and a key employee license, not later than five years after obtaining a casino key employee license pursuant to *N.J.S.A.* 5:12-89 and every five years thereafter, submit the documentation and information as by regulation required to demonstrate that the requirements of *N.J.S.A.* 5:12-89 continue to be met in accordance with the rules and regulations of the Commission.

2. If a person whose position does not require a key employee license but qualification, that person may elect to file consistent with *N.J.S.A.* 5:12-87.1 and *N.J.A.C.* 13:69C-11 either a completed Multi-Jurisdictional Personal History Disclosure Form as set forth in *N.J.A.C.* 13:69A-5.2 with a New Jersey Supplemental Form as set forth in *N.J.A.C.* 13:69A-5.2A, or a Casino Key Employee License Resubmission Form as set forth in *N.J.A.C.* 13:69A-5.5A.

§ 13:69C-2.8 Issuance or transfer of interests

The issuance or transfer of any security or ownership interest in a casino licensee or any nonpublicly traded subsidiary or holding company thereof shall not be effective unless five business days prior written notice of the issuance or transfer has been provided to the Commission at its address set forth in *N.J.A.C. 13:69-3.5(a)* and such issuance or transfer has not been disapproved by the Commission within such five days. A copy of such notice also shall be provided to the Division at its address set forth in *N.J.A.C. 13:69-3.5(a)*.

§ 13:69C-2.9 Subsidiaries

(a) Each casino licensee or applicant or holding company thereof shall report immediately, in writing, to the Division the formation or dissolution of, or any transfer of a nonpublicly traded interest in, any subsidiary of the casino licensee or applicant or any subsidiary of any holding company of the casino licensee or applicant which bears any relationship to the casino project and, in the instance of a casino license applicant, a copy to the Commission at its address set forth in *N.J.A.C. 13:69-3.5(a)*.

(b) Each casino licensee or applicant shall file with the Division adopted charter provisions that comply with the requirements of *N.J.S.A. 5:12-82d(7)* through (10) for each subsidiary of the casino licensee or applicant and, in the instance of a casino license applicant, a copy to the Commission at its address set forth in *N.J.A.C. 13:69-3.5(a)*.

SUBCHAPTER 3. STANDARDS FOR LICENSURE OR QUALIFICATION

§ 13:69C-3.1 (Reserved)

§ 13:69C-3.2 Applicable standards

Each person seeking casino licensure or qualification in connection with such licensure shall establish by clear and convincing evidence the criteria set forth in *N.J.S.A. 5:12-80* through 87.1.

SUBCHAPTER 4. FINANCIAL STABILITY OF CASINO LICENSEES AND APPLICANTS

§ 13:69C-4.1 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings:

"Affiliate" is defined at *N.J.A.C. 13:69-1.2*.

"Capital and maintenance expenditures" means expense items related to the approved casino hotel which are incurred in connection with furniture, fixtures, equipment and facilities, and capitalized costs. Such term shall include acquisition; replacement; repairs; refurbishment; renovation; improvements; maintenance, including public area housekeeping, and labor.

"Casino bankroll" means cash maintained in the casino, excluding any funds necessary for the normal operation of the casino, such as change banks, slot hopper fills, slot booths, cashier impressed funds and redemption area funds.

"Equivalent provisions" means lines of credit, parent company guarantees, or other arrangements approved by the Division through which funds can be accessed on a timely and as needed basis.

"Gross operating profit" means net revenues less operating expenses, as reflected on the casino licensee's or applicant's Division Statement of Income.

"Material debt" means debt of \$50,000,000 or more, whether in a single transaction or cumulative transactions during any 12 month period, or such other amount as the Division may determine is appropriate to ensure the continued financial stability of a casino licensee or applicant. Material debt includes a guarantee of the debt of an affiliate, whether by cosignature or otherwise; an assumption of the debt of an affiliate, or an agreement to place any encumbrance on its approved casino hotel facility to secure the debts of an affiliate.

"Operating expenses" means the total of cost of goods and services; selling, general and administrative expenses, and the provision for doubtful accounts as indicated on the casino licensee's or applicant's Division Statement of Income.

§ 13:69C-4.2 Financial stability

(a) Each casino licensee or applicant shall establish its financial stability by clear and convincing evidence in accordance with section 84(a) of the Act and this subchapter.

(b) The Division and, where applicable, the Commission may consider any relevant evidence of financial stability; provided, however, it is presumed that a casino licensee or applicant shall be considered to be financially stable if it establishes by clear and convincing evidence that it meets each of the standards set forth in *N.J.S.A. 5:12-84a(1) through (5)*.

§ 13:69C-4.3 Material debt transactions and continuing assessment of financial condition

(a) No casino licensee shall consummate a material debt transaction without the prior approval of the Division. Any transaction not specified in this subsection shall

require prior Division review and approval with regard to the financial stability standards set forth in this subchapter. The following types of transactions shall not require prior Division review and approval with regard to the financial stability standards set forth in this subchapter:

1. An agreement which provides for any borrowing for capital and maintenance expenditures; or
2. An agreement which is for a refinancing of existing debt that includes a borrowing for capital and maintenance expenditures of at least \$50 million; or
3. An agreement which provides for any borrowing that does not result in an increase in annual debt service requirements; or
4. An agreement that reflects a licensee's pro rata share of debt maintained at an affiliate, intermediary, or holding company.

In the event that a casino licensee contemplates consummation of a material debt transaction which does not require prior Division review and approval under this subsection, the casino licensee nevertheless shall notify the Division, not less than 10 days prior to entering an arrangement, of a transaction subject to one of the above exceptions, which notice shall include any relevant calculations relating to the debt.

(b) In reviewing any transaction pursuant to (a) above, the Division shall consider whether the transaction would deprive the casino licensee of financial stability, as defined by *N.J.S.A. 5:12-84a*, taking into account the financial condition of the affiliate and the potential impact of any default on the licensee.

(c) Any subsequent use of the proceeds of a transaction previously approved by the Division pursuant to (a) above, including subsequent drawings under previously

approved borrowings, shall not require further Division approval.

(d) The Division may restrict or prohibit the transfer of cash to, or the assumption of liabilities on behalf of, an affiliate if, in the judgment of the Division, such transfer or assumption would deprive the casino licensee of financial stability as defined by *N.J.S.A. 5:12-84a*.

(e) Any amendments or changes to a material debt transaction previously approved pursuant to (a) above must be filed with the Division at least five business days prior to executing such amendment or change. If the changes are deemed material, the licensee may not consummate the change or amendment without further Division approval.

§ 13:69C-4.4 Continuing financial stability reporting requirements

Each casino licensee shall file with the Division the following:

1. A statement of compliance with the criteria in *N.J.S.A. 5:12-84a(1)* through (5), which shall be included in the quarterly reports filed by the casino licensee pursuant to *N.J.A.C. 13:69D-1.6*;

2. At the end of each calendar year:

i. An annual forecast by calendar quarters of the operating and financial performances of the casino licensee for the upcoming calendar year, including statement of income and balance sheet, which shall be submitted in the standard format prescribed by the Division or such other format approved by the Division; and

ii. A detailed analysis of compliance with *N.J.S.A. 5:12-84a(4)*; and

3. Such other information as the Division shall deem material to a showing of financial stability for a particular casino licensee.

§ 13:69C-4.5 Failure to demonstrate financial stability

In the event that a casino licensee fails to demonstrate financial stability, the Division may take such action as is necessary to fulfill the purposes of the Act and to protect the public interest, including but not limited to: establishing an appropriate cure period; imposing reporting requirements in excess of those otherwise mandated by these regulations; placing such restrictions on the transfer of cash or the assumption of liabilities as is necessary to insure future compliance with the standards set forth in *N.J.S.A. 5:12-84a(1) through (5)*; requiring the maintenance of reasonable reserves or the establishment of dedicated or trust accounts to insure future compliance with the standards set forth in *N.J.S.A. 5:12-84a*. The Division also may move before the Commission in such instances, to seek action, including but not limited to: the imposition of licensure conditions, denial of licensure, and appointment of a conservator pursuant to section 130.1 *et seq.* of the Act.

SUBCHAPTER 5. (RESERVED)

SUBCHAPTER 5A: DESIGNATION OF QUALIFIERS AND WAIVER FROM QUALIFICATION

§ 13:69C-5A.1 Exceptions to Qualification

(a) Qualification of persons as required in *N.J.S.A. 5:12-85.1b and c* shall apply unless the Director, by ruling upon written request, grants an exception as provided in this subchapter. No other exceptions to qualification are valid.

(b) All such requests shall contain, at a minimum:

1. A marking at the top of the writing clearly and prominently displaying the requested ruling;

2. Citations to the specific statute and regulation under which the request is made and under which the Director has the authority to rule on the request;

3. The full name of the person for whom the ruling is requested, the person's full address, a full description of the person's business(es), the identity of the applicant or casino licensee with which the person has a relationship, and a full description of that relationship;

4. Pertinent facts and circumstances involved in the matter;

5. Reason(s) in support of the requested ruling;

6. The person submits to the jurisdiction of the State of New Jersey, the Division, the Commission, the Casino Control Act and the regulations promulgated thereunder;

7. The person agrees to promptly comply with all requests for information by the Division; and,

8. Any other information that the Director may direct.

(c) As to a request for waiver under *N.J.S.A. 5:12-85.1d*, the Director may waive the requirement for a person to qualify if:

1. With respect to a holding, intermediary and subsidiary company of an applicant or casino licensee, the person is a corporate officer, director, or a direct or indirect holder of a beneficial interest or ownership interest of 5% or more in such holding, intermediary or subsidiary company; and,

2. The information as set forth in subsection (b) of this subchapter is submitted.

(d) As to a request for exemption under *N.J.S.A. 5:12-85.1f*, the Director may exempt a person from the requirement to qualify if:

1. It is established that the person is a bank or licensed lending institution acting in the ordinary course of business with respect to its relationship with the applicant or casino licensee; and,

2. The information as set forth in subsection (b) of this subchapter is submitted.

(e) As to a request for waiver under *N.J.S.A. 5:12-85.1g*, the Director may waive the requirement for a person to qualify if:

1. It is established that the person is an institutional investor as defined in *N.J.S.A. 5:12-27.1* and:

(i) as to equity securities of a casino licensee's holding or intermediary companies, it is established that the person holds under 25% thereof; or

(ii) as to debt securities of a casino licensee's holding or intermediary companies, or another subsidiary company of the casino licensee's holding or intermediary companies, which is related in any way to the financing of the casino licensee, it is established that the person holds under 25% of the outstanding debt of the company and under 50% of any issue thereof unless the full issue is in the amount of \$150 million or less;

2. The information as set forth in subsection (b) of this subchapter is submitted;

3. It is established that the person's holdings of such securities were acquired for investment purposes only;

4. The person files a certified statement by an individual authorized to fully act on behalf of the person:

(i) that the person has no intention of influencing or affecting the affairs of the issuer, the casino licensee or its holding or intermediary companies; and

(ii) that the person specifically acknowledges all statutory conditions set forth in *N.J.S.A. 5:12-85.1g* and *h* and agrees to promptly comply with all such provisions, specifically including but not limited to, the provision to provide not less than 30 days notice to the Division before taking any action that may influence or affect the affairs of the issuer, the casino license or its holding or intermediary companies and files a completed Institutional Investor Form as set forth in *N.J.A.C. 13:69A-5.6A*; and,

5. As to a request for the Director to waive the requirement for a person to qualify holding a percentage of 25% or more of equity securities of a casino licensee's holding or intermediary companies or 25% or more of the outstanding debt securities of the company or 50% or more of any issue thereof, the Director may waive if:

(i) the person complies with paragraphs 1, 2, 3 and 4 of this subsection and;

(ii) the person establishes good cause to the satisfaction of the Director.

(f) As to a request for a ruling on the exercise of the Director's discretion under *N.J.S.A. 5:12-85.1e*, the Director may decide not to require a person to qualify if:

1. It is established that the person holds less than 25% of financial instruments or evidences of indebtedness which bear relation to the casino operation or casino hotel premises;

2. The information as set forth in subsection (b) of this subchapter is submitted; and,

3. The person acknowledges in writing that, consistent with the provisions of *N.J.S.A. 5:12-85.1e*, the person will be required to qualify pursuant to *N.J.S.A. 5:12-85.1c* if, in circumstances of default, foreclosure or other similar event, the person holds 10% or more of such instruments or evidences of indebtedness.

SUBCHAPTER 5B: QUALIFICATION OF FINANCIAL BACKERS

§ 13:69C-5B.1 Qualification of Financial Backers and Others Delineated in *N.J.S.A. 5:12-85.1e*

Notwithstanding any other regulation to the contrary, financial backers and others delineated in *N.J.S.A. 5:12-85.1e* that are required to be qualified shall submit the following documentation and information to the Division:

1. The full name, address and complete description of all businesses of the person for whom qualification is required;

2. The identity of all entities and individuals who own or control the person for whom qualification is required;

3. A complete description of the relationship the person has with the casino licensee, its holding, intermediary and subsidiary companies, the casino operation, and the casino hotel premises, and documentation in support thereof;

4. Together with supporting documentation, a description of the complete financing which bears relation to the casino operation or casino hotel premises and the particular and quantitative part therein by the person;
5. If not an individual, the documents creating and governing the person;
6. Evidence of authority to conduct business in the State of New Jersey;
7. Written authorization in the form and manner prescribed by the Division authorizing the Division to access and obtain information and documentation concerning the person from any and all sources including, but not limited to, local, state and federal law enforcement and regulatory agencies;
8. Written and irrevocable acknowledgment that the person submits to the jurisdiction of the State of New Jersey, the Division, the Commission, the Casino Control Act and the regulations promulgated thereunder;
9. The person agrees in writing to promptly comply with all requests for information by the Division;
10. The name, title/position, address, phone number and email address of an individual designated by the person as the person's contact with the Division and who is authorized to speak and act for the person;
11. The identity of all governmental agencies that oversee or regulate the person; and,

12. Any other information that the Division may direct, including, but not limited to, the submission of a Business Entity Disclosure Form, if the circumstances should so warrant.

SUBCHAPTER 6. CASINO HOTEL FACILITY REQUIREMENTS

§ 13:69C-6.1 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings:

"Qualifying sleeping unit" ("QSU") means a hotel room which satisfies the standards set forth in section 27 of the Act.

§ 13:69C-6.2. The casino hotel

(a) No casino license shall be issued unless the casino and, if applicable, the casino simulcasting facility, are located within an approved hotel as defined in sections 27 and 83 of the Act, and unless the facilities conform to the facilities requirements in sections 1, 6, 27, 83, 84e, 98, 100, 103 and 136 of the Act and the rules and regulations of the Division, including, without limitation, the following:

1. The casino hotel shall contain a CCTV system approved by the Division;
2. Restricted areas shall be designated for the inspection, repair and storage of gaming equipment which, in the case of each slot machine repair room, shall include, at a minimum, CCTV coverage of the room;
3. Each emergency exit from the casino floor or, if applicable, from the casino simulcasting facility, shall be equipped with an audible alarm system, approved

by the Division, that produces a loud warning sound, discernible in the vicinity of the exit, whenever the emergency door is opened and that can only be deactivated and reset by a key maintained and controlled by the casino security department;

4. The casino licensee shall maintain adequate facilities for the detention of individuals taken into custody by its security department, the Division or any authorized law enforcement agency, which facilities shall include, at a minimum, a bench or other apparatus which is permanently affixed to the facility and to which the person in custody can be handcuffed with as little discomfort to that person as is reasonably possible under the circumstances;

5. The casino licensee shall adequately maintain suitable space, including an onsite office, equipment, partitions and supplies to meet the Division's continuing needs at the approved hotel in order for the Division to perform its duties and responsibilities effectively, including, at a minimum, the following:

i. Within the onsite Division office, a direct telephone line between the Division's office in the approved hotel and the monitoring rooms required by *N.J.A.C. 13:69D-1.10* and the casino licensee's security podium;

ii. Adequate parking spaces in the approved hotel, or in lots or a parking garage ancillary thereto, which are clearly marked for Division use only;

iii. Adequate computer equipment in the office of the Division, to meet the Division's continuing data-processing and related needs; and

iv. Such other facilities and office space elsewhere in the approved hotel as the Division shall require during the course of performing audit, compliance or other reviews at the approved hotel.

(b) Notwithstanding anything in (a) above to the contrary, each approved hotel containing a casino and, if applicable, a casino simulcasting facility for which a casino license is issued shall satisfy the facilities requirements enumerated in (a) above throughout the duration of the license and during the period of any applicable conservatorship.

§ 13:69C-6.3 Declaratory rulings as to proposed casino hotel facilities

Upon the petition of any person who owns, has a contract to purchase or construct, leases or has an agreement to lease any building or site located within the limits of Atlantic City and who intends to and is able to complete a proposed casino hotel facility therein or thereon, the Division may in its discretion issue a declaratory ruling as to whether that person has established by clear and convincing evidence that the proposed casino hotel facility conforms to any or all of the facilities requirements of the Act and the rules and regulations of the Division.

§ 13:69C-6.4 Casino facilities

(a) Each approved hotel shall contain a casino of not more than the amount of casino space permitted by section 83 of the Act.

(b) A casino licensee shall file a written petition with the Division at the Division's principal office located in Atlantic City, requesting permission for any increase in the amount of casino space in its approved hotel. Such petition shall include, without limitation, the following:

1. The current total square footage of its casino space;

2. The proposed increase in total square footage of its casino space;
3. The current total number of QSU's in the approved hotel;
4. A description of any proposed hotel addition, including, without

limitation, the following:

- i. The number of additional QSU's proposed;
- ii. Identification of the site, including block and lot number as depicted on the Tax Map of the City of Atlantic City; and
- iii. Evidence which establishes that the proposed hotel addition meets the standards for QSU's and for an approved hotel set forth in section 27 of the Act;

5. The construction schedule for the proposed casino expansion and proposed hotel addition, including:

- i. The anticipated date for commencement of construction;
- ii. The anticipated date for completion of construction; and
- iii. The anticipated date on which the additional QSU's will be available for the regular lodging of guests;

6. The requested date for the commencement of gaming operations in the additional casino space;

7. Any approvals required from governmental and regulatory authorities which have been obtained to date; and

8. The estimated budget for the proposed hotel addition and the proposed casino expansion, including construction, furniture, fixtures and equipment, and the anticipated means of funding such costs.

9. A copy of the written agreement by the casino licensee approved by the Commission, as required by section 83 of the Act.

(c) A casino expansion pursuant to (b) above must meet the following:

1. The proposed hotel addition meets the standards for QSU's and for an approved hotel in section 27 of the Act;

2. The total number of QSU's and proposed QSU's permit the requested increase in casino space;

3. The proposed QSU's can be constructed on the schedule represented by the casino licensee in its petition, including a construction completion date no later than two years from the date of commencement of gaming operations in the additional casino space pursuant to (d) below;

4. Construction of the proposed hotel addition and the proposed casino expansion, for the cost and on the schedule represented by the casino licensee in its petition, will not deprive the casino licensee of its financial stability in accordance with *N.J.S.A. 5:12-84a* and *N.J.A.C. 13:69C-4*; and

5. The casino licensee has demonstrated that it has site control over the location of the proposed hotel addition, either by an executed and binding contract for any necessary purchase or lease of real property required for construction, or such other agreement.

(d) The Division may permit a casino licensee to commence gaming in the additional casino space approved pursuant to (c) above, provided that:

1. The specific layout, design and contents of the additional casino space:

i . Comply with the requirements set forth in *N.J.A.C. 13:69E-1.27*;

and

ii. Are approved by the Division for gaming operations; and

2. All other governmental approvals regarding the casino space, including a certificate of occupancy, are obtained.

(e) Notwithstanding the provisions of (d) above, the Division may at any time require a casino licensee to immediately cease gaming operations in the additional casino space if any of the following conditions have not been satisfied:

1. The casino licensee shall obtain all necessary building permits and construction code plan releases;

2. The casino licensee shall submit the following to the Division, on a monthly basis:

i. A report of its compliance with the construction schedule and budget submitted pursuant to (b)5 and (b)8 above; and

ii. A report of the status of each application for governmental or regulatory approval, until such time as all required approvals are obtained;

3. On or before two years from the date of commencement of gaming operations:

i. Construction of the hotel addition shall be completed;

ii. All necessary furniture, fixtures and equipment shall be installed;

and

iii. The proposed additional QSU's are offered as available for the regular lodging of guests; and

4. Any other condition which the Division deems necessary and appropriate has been satisfied.

(f) The standards of (c) and (d) above shall not be construed to limit the authority of the Division to determine the suitability of facilities as provided in the Act.

SUBCHAPTER 7. OPERATION CERTIFICATE

§ 13:69C-7.1 Operation certificate; standards for issuance

(a) Except for the test period pursuant to *N.J.A.C. 13:69C-7.2*, each casino licensee responsible for the operation of a casino and a related casino simulcasting facility, if any, shall obtain an operation certificate prior to opening such casino or casino simulcasting facility to the public, and prior to conducting:

1. Gaming in such casino; or
2. Simulcast wagering or any gaming permitted in such casino

simulcasting facility.

(b) To obtain an operation certificate, each casino licensee shall establish to the satisfaction of the Division that:

1. The casino and, if applicable, the casino simulcasting facility comply in all respects with the applicable requirements of the Act and the rules and regulations of the Division;

2. The casino licensee has implemented necessary management controls and security precautions for the efficient operation of the casino and any applicable casino simulcasting facility;

3. The casino and simulcasting personnel are licensed and/or registered for the performance of their respective responsibilities; and

4. The casino and casino simulcasting facility are prepared in all respects to receive and entertain the public.

(c) Each operation certificate granted by the Division to a casino licensee shall include, at a minimum, the following information:

1. A list itemizing the authorized games, by category and number, that are permitted in the casino and, if applicable, the casino simulcasting facility; and

2. A list of those areas, not otherwise enumerated explicitly in *N.J.S.A.* 5:12-43.1 or elsewhere in the regulations of the Division, which the Division has specifically designated as a restricted area.

§ 13:69C-7.2 Operation certificate; test period

(a) Prior to the issuance of an operation certificate for its casino and casino simulcasting facility, if any, each casino licensee shall successfully complete an evaluation or test period in accordance with such terms and conditions as are reasonably calculated to allow the Division to assess the licensee's entitlement to the issuance of such certificate.

(b) The evaluation or test period shall commence on such date and at such time as the Division shall establish, and shall continue thereafter until further order of the Division.

(c) The Division shall:

1. Establish the original length of time and the hours during which such test shall be conducted;

2. Terminate, restrict, limit, extend or otherwise modify such test period or the hours thereof;

3. Upon determining that the casino licensee has successfully completed the test period, establish the effective date of the operation certificate and the scope of the casino licensee's authority to conduct gaming and, if applicable, simulcast wagering thereunder; and

4. Order the casino licensee to take whatever actions are necessary to preserve the policies of the Act and to assure an effective evaluation of the casino licensee during such test period including, among other things, permitting, limiting, restricting or prohibiting the casino licensee from:

i. Accepting approved instruments used for wagering at the slot machines or the table games during all or any part of such period; and

ii. Allowing the count rooms to process approved instruments used for wagering.

§ 13:69C-7.3 Operation certificate; floor plans of the casino floor, casino simulcasting facility and any restricted areas

(a) Prior to the issuance or amendment of an operation certificate and the commencement of gaming or simulcast wagering, each casino licensee shall obtain Division approval for the floor plans of its casino floor, casino simulcasting facility, if any, public keno areas which include keno booths or satellite keno booths, and any restricted areas.

(b) Each floor plan required by (a) above shall be filed with the Division, shall be drawn to one-eighth inch scale (1/8 inch = one foot) or such other scale approved by the Division, shall be prepared by an architect licensed to practice in New Jersey and shall depict, at a minimum, the location of the following:

1. The casino floor, any casino simulcasting facility, any public keno area which includes a keno booth or satellite keno booth, including, at a minimum, the proposed total square footage thereof and a clear delineation of the respective perimeter of each:

2. Each gaming pit and its pit location number, and at the casino licensee's option, a maximum of four alternate configurations or locations for that pit, and the alternate pit location number for each (for example, Pit 2A);

3. Each table game, noting its pit and table game location number;

4. Each CCTV camera, noting its type and camera number;

5. Each slot booth, noting its booth number;

6. Each cashier's cage and its component offices and areas;

7. Each separate master coin bank;

8. Each window at the cashiers' cage, noting its window number;

9. Each count room;

10. Each slot zone, its slot zone location letter or number and the total number of authorized slot machine locations within that slot zone, and at the casino licensee's option, a maximum of four alternate configurations or locations for that slot zone and the alternate slot zone location number for each (for example, Slot Zone 2A);

11. Each authorized slot machine location, which location shall contain no more than one slot machine and bill changer at a time, noting its slot machine location number and any slot zone location letter or number;

12. Each slot stool authorized for use, noting its stool number, if any;

13. Each automated coupon redemption machine, noting its location

number;

14. Each automated jackpot payout machine, noting its location number;
15. Each gaming voucher redemption machine, noting its location number;
16. Each satellite cage and its component offices and areas;
17. Each coin vault;
18. Each area approved for the storage of gaming chips or plaques

pursuant to *N.J.A.C. 13:69E-1.6*;

19. Each room or area approved for the storage of dice or playing cards;
20. Each other room or area that is accessible directly from the casino

floor;

21. Each keno booth and satellite keno booth;
22. Each television screen that is intended for public viewing and is visible

on or from the casino floor or simulcasting facility;

23. For those establishments with a casino simulcasting facility:

- i. Each simulcast counter and any ancillary simulcast counter, along with their component offices, areas and equipment required by *N.J.A.C. 13:69D-1.14A(b)* or (d);

- ii. Each credit voucher machine, noting its location number; and
- iii. Each self-service pari-mutuel machine, noting its location

number; and

24. Each other area or room designated by the Division.

(c) Each casino licensee, after obtaining Division approval of its floor plan, shall not commence gaming or simulcast wagering in the areas depicted on the floor plan

until a copy thereof that has been certified and sealed by the architect has been delivered to the Division's Regulatory Enforcement Bureau office in the establishment, an electronic copy has been sent to the Division's Regulatory Enforcement Bureau and a printed copy thereof has been delivered to each of the following:

1. The casino licensee's security podium; and
2. The casino licensee's monitoring rooms required by *N.J.A.C. 13:69D-*

1.10.

§ 13:69C-7.4 Operation certificates; master lists of approved slot machines and table games; movement of gaming equipment; amendments of operation certificates upon filing of updated master lists

(a) Prior to the issuance of an operation certificate and the commencement of gaming or simulcast wagering, each casino licensee shall file with the Division's Regulatory Enforcement Bureau office in the establishment comprehensive lists of:

1. The table games in its casino and casino simulcasting facility, if any (the Table Games Master List);
2. The slot machines and bill changers on its casino floor (the Slot Machine Master List);
3. The slot machines possessed by the casino licensee in restricted casino areas off the casino floor but on the premises of its casino hotel facility; and
4. The slot machines possessed by the casino licensee at locations in New Jersey off the premises of its casino hotel facility.

(b) At a minimum, each list of slot machines required by (a)2 through 4 above shall contain the following information, as applicable, which information shall be

presented, for each slot machine and any accompanying bill changer on the Slot Machine Master List, in consecutive order by location number:

1. The date on which the list was prepared;
2. A description of each slot machine by:
 - i. Asset, model and serial number;
 - ii. Computer program number;
 - iii. Denomination;
 - iv. Manufacturer and machine type, noting with particularity whether the machine is a high-boy, has a bill changer attached, is a progressive slot machine, or is equipped with tokenization;
 - v. Whether the slot machine has an activated electronic transfer credit feature; and
 - vi. Whether the slot machine has an activated gaming voucher feature, and if so, whether such feature is in lieu of a hopper and either a slot drop bucket or slot drop box;
3. A cross reference for each slot machine by zone and serial number;
4. The restricted casino area within the casino hotel facility where the slot machine is located for each slot machine included on the list required by (a)3 above;
5. The address of the slot machine storage facility where the slot machine is located for each slot machine included on the list required by (a)4 above; and
6. Such other information as the Division may require.

(c) At a minimum, each Table Game Master List shall contain the following information:

1. The date on which the list was prepared;
2. A description of each table by:
 - i. Type of authorized game;
 - ii. Location number; and
 - iii. Serial and table number; and
3. Such other information as the Division may require.

(d) Whenever a casino licensee proposes that gaming tables, slot machines or bill changers be brought into, removed from or moved within a casino or casino simulcasting facility, as applicable, the casino licensee shall first:

1. Obtain any amendment to its operation certificate required by *N.J.A.C.* 13:69C-7.6 or 7.7; and
2. Provide an authorized agent of the Division with written notice at least - 72 hours prior to the actual movement of each gaming table, slot machine and bill changer.

(e) Immediately after each gaming table, slot machine and bill changer is brought into, removed from or moved within a casino or casino simulcasting facility, as applicable, the casino licensee completing the move shall file and serve, in accordance with (a) above, updated master lists of its table games and slot machines to the extent that the move causes a change in the information contained on the most recent version of the applicable list on file with the Division. In addition, each casino licensee shall, on a monthly basis, file updated lists of slot machines required pursuant to (a)2 through 4 above with the Division.

(f) The number of each type of authorized game included in the casino licensee's operation certificate or any approved amendments thereto shall be amended, upon the filing of an updated Table Games Master List or Slot Machine Master List, to conform to the correct number of each type of authorized game that is specified in the applicable list.

§ 13:69C-7.5 Operation certificate; effective date; duration

(a) Upon the successful completion of the test period, the Division shall establish the effective date of each operation certificate and the scope of the casino licensee's authority to conduct gaming and, if applicable, simulcast wagering thereunder.

(b) Subject to the Division's authority to revoke, suspend, limit or otherwise alter an operation certificate in accordance with the terms of the Act and the rules and regulations of the Division, each such certificate, once issued, shall remain in full force and effect indefinitely under such terms and conditions as the Division may impose, and shall not be altered, modified or amended except in accordance with the Act and the rules and regulations of the Division.

(c) The continued effectiveness of each operation certificate shall be a prerequisite for the casino or casino simulcasting facility to which it applies to remain open to the public for the conduct of gaming or simulcast wagering.

(d) Each casino licensee to which an operation certificate is issued shall operate its casino or casino simulcasting facility strictly in accordance with the terms of its original operation certificate and the approved floor plans submitted in support thereof, and shall not change any of the items to which the operation certificate applies except in

accordance with the Act and the rules and regulations of the Division and after obtaining any required amendments to its operation certificate.

§ 13:69C-7.6 Operation certificate; amendment to conform to approved changes

(a) Each casino licensee shall file with the Division, in a manner and in a format prescribed by the Division, an application to amend its operation certificate whenever the casino licensee proposes to make an application to conduct keno in a public keno area in accordance with *N.J.A.C. 13:69D-1.47B* or a physical change to the casino, casino simulcasting facility or a restricted area that requires Division approval in order for its original operation certificate or any approved amendments thereto to continue in force and effect. Any amendment to the application shall be processed in accordance with this section. The application shall include, without limitation, the following:

1. A description of any proposed changes in any public keno area or in the number of authorized games, by category, to be played in the casino or casino simulcasting facility; provided, however, that the filing of an application pursuant to this section shall not preclude that casino licensee from obtaining amendments to its operation certificate pursuant to *N.J.A.C. 13:69C-7.4(f)*;

2. A revised floor plan of the casino, casino simulcasting facility, any public keno area which includes a keno booth or satellite keno booth or restricted area reflecting the proposed change, which revised floor plan shall be:

i. Filed with the Division's Regulatory Enforcement Bureau office located in Atlantic City; and

ii. Submitted in the format required by *N.J.A.C. 13:69C-7.3*;

3. If applicable, a comparison showing the authorized square footage of

the casino room or casino simulcasting facility:

i. Immediately prior to initiating the proposed change; and

ii. That will result if the proposed change is made;

4. A clear delineation of any proposed change to the perimeter of the casino room or, if applicable, the casino simulcasting facility;

5. A narrative from the architect who is certifying the floor plan that clearly describes the change to be made by the proposal, noting with particularity any such change to the perimeter of the casino floor or of the casino simulcasting facility; and

6. A description of any alternate gaming pit or slot zone configurations of locations, submitted in the format required by *N.J.A.C. 13:69C-7.3*. Prior to any change to and offering to the public of an approved alternate configuration or location:

i. The casino licensee shall provide the Division with at least 72 hours prior written notice of the change; and

ii. A physical and CCTV inspection of the alternate configuration or location shall be performed and approved by the Division.

(b) Within three business days of a casino licensee filing an application governed by (a) above, or any amendments thereto, the Division shall review the proposed change set forth in the application or any amendments thereto for compliance with the Act and the rules and regulations of the Division. Unless the Division notifies the casino licensee in writing that the proposed change is to be scheduled for a full hearing by the Director or his designee or is disapproved, the casino licensee, after obtaining all approvals required by Federal, State or local government officials and providing a copy or other acceptable written evidence of such approvals to the Division, may begin

implementing such change upon the earlier of the following:

1. The expiration of the three-day period; or
2. Receipt of written Division approval for the change.

(c) The casino licensee that submitted an application governed by (a) above shall notify the Division in writing upon final completion of any proposed change set forth in the application or any amendment thereto and for which the casino licensee is prepared to seek approval pursuant to (d) below; provided, however, that a notice shall be filed upon final completion of all proposed changes. A floor plan that depicts the actual changes made shall accompany the notice and be filed in the manner prescribed by *N.J.A.C. 13:69C-7.3(c)*. Each such floor plan shall be in a format consistent with *N.J.A.C. 13:69C-7.3* and, in addition to depicting the change that is made to the applicable items enumerated in *N.J.A.C. 13:69C-7.3(b)*, shall include updates, based on the actual changes made, for each item required to be included in the application pursuant to (a) above and described in the notice; provided, however, that a floor plan of the entire casino or casino simulcasting facility that depicts all changes proposed in the application and any amendment thereto shall accompany the notice of final completion.

(d) Promptly after the filing of a notice pursuant to (c) above, the Division shall inspect the physical changes actually made to the casino, casino simulcasting facility and any restricted area to ensure that those changes conform to the floor plan accompanying the notice and the description previously submitted to the Division, as modified by any properly filed amendments thereto. Following such inspection, the Division shall notify the casino licensee in writing as to which physical change is

approved and which is rejected, whereupon:

1. The casino licensee, in the event any change is rejected, shall either:

i. Correct any rejected change to conform with the floor plan accompanying the notice and the description previously submitted to the Division, as modified by any properly filed amendments thereto, which correction shall be completed and inspected pursuant to this section;

ii. Submit for approval, pursuant to (a) above, a new application for the proposed change; or

iii. Take such other action as the Division may direct to ensure that the currently approved floor plan accurately depicts the physical layout of the casino, the casino simulcasting facility, if any, and any restricted area; and

2. The operation certificate shall be amended to conform to each inspected and approved physical change.

(e) For purposes of this subchapter, a "business day" shall be a calendar day other than:

1. A Saturday or Sunday; or

2. Any day on which the Division's main offices are closed because of Federal, State or local holiday, inclement weather, or like circumstance.

§ 13:69C-7.7 Operation certificate; temporary amendments for pit and slot zone reconfigurations or reconstitutions

(a) Except as otherwise provided in this section or in *N.J.A.C. 13:69C-7.4(f)*, each casino licensee shall configure the pits and slot zones in its casino or casino simulcasting facility, as to types, number and location of games, strictly in accordance

with the floor plans approved by the Division at the time the operation certificate originally was issued or as amended pursuant to *N.J.A.C. 13:69C-7.6*.

(b) Each casino licensee may temporarily reconfigure one or more pits or slot zones by filing a notice with the Division at the Division's Regulatory Enforcement Bureau office in the establishment, to temporarily reconfigure for each pit or slot zone specified in the notice, which shall be filed at least three business days prior to implementing such alternate configuration. In addition, pursuant to the above notice procedure, each casino licensee may also temporarily reconstitute one or more pits as a slot zone(s) or one or more slot zones or a portion thereof as a pit. Within that three-day period, the Division shall notify the casino licensees whether the reconfiguration or reconstitution is rejected.

(c) In accordance with the specific terms of the notice, the casino licensee shall implement the reconfiguration or reconstitution for a period of no more than 120 consecutive days. Notwithstanding the foregoing, the Division may approve the implementation of a reconfiguration of a pit in conjunction with the test of a new table game or table game wager pursuant to *N.J.A.C. 13:69F-8.4* for a period up to 270 days from the day such test commences. Each such reconfigured pit shall not:

1. Exceed the dimensions approved for the pit that existed immediately prior to the reconfiguration; nor
2. Include any change requiring the approval of any Federal, State or local government building code official without having first obtained that approval and the approval of the Division in accordance with *N.J.A.C. 13:69C-7.6*.

(d) Each casino licensee shall obtain approval for any changes, other than those permitted by this section, to the configuration of the pits or slot zones in its casino and casino simulcasting facility, if any, in accordance with *N.J.A.C. 13:69C-7.6*.

(e) Each pit operating under an approved configuration shall have an electrical system, approved by the Division, which enables a pit clerk or a pit supervisor to transmit a signal that is audibly and visually reproduced in each of the following locations whenever there is an emergency in the pit:

1. The monitoring rooms required by *N.J.A.C. 13:69D-1.10*; and
2. The casino security department.

§ 13:69C-7.8 Access to public and restricted areas

(a) No casino licensee shall permit any person to have access to any restricted area in its establishment unless such access is permitted in accordance with the casino licensee's internal controls.

(b) Each casino licensee may deny or limit access to any public areas in order to preserve the policies of the Act, including, but not limited to, the following:

1. Persons excluded or excludable under *N.J.S.A. 5:12-71, 71.1 and 71.2* and *N.J.A.C. 13:69G*;
2. Employees of casino licensees prohibited from wagering at any game or on casino simulcasting under *N.J.S.A. 5:12-100n* and *N.J.A.C. 13:69M-2.8*;
3. Underage persons prohibited from gaming and simulcast wagering under *N.J.S.A. 5:12-119a* and *N.J.A.C. 13:69B-5.9*;
4. Persons seeking to play the game of blackjack to whom the provisions of *N.J.A.C. 13:69F-2.3(j)* apply; and

5. Players required by a casino licensee to leave the game of poker under *N.J.A.C.* 13:69F-14.16.

(c) Nothing in this section shall limit the authority of Division employees or agents and Commission members or employees from obtaining access to restricted areas during the performance of their respective duties and responsibilities in accordance with the Act and the rules and regulations of the Division.

SUBCHAPTER 8. CONTINUING OBLIGATIONS OF CASINO LICENSEES AND QUALIFIERS

§ 13:69C-8.1 Minutes of meetings of boards and committees

Each applicant or casino licensee or holding company thereof shall file, with the Division at its address set forth in *N.J.A.C.* 13:69-3.5(a), copies of the minutes of all meetings of its board of directors or equivalent governing authority, as applicable, and of all committee meetings including, without limitation, the audit committee, within fifteen (15) days of the meeting regardless of their formal adoption and in the instance of a casino license applicant, with a copy to the Commission at its address set forth in *N.J.A.C.* 13:69-3.5(a).

§ 13:69C-8.2 Governing documents

(a) Each applicant or casino licensee or holding company thereof shall file, with the Division at its address set forth in *N.J.A.C.* 13:69-3.5(a), copies of any amendments to, restatements of, or superseding versions of the governing documents of the business entity, within seven days of their formal adoption and in the instance of a casino license applicant, with a copy to the Commission at its address set forth in *N.J.A.C.* 13:69-3.5(a).

(b) The governing documents described in (a) above include, but are not limited to:

1. If a corporation:
 - i. Articles of incorporation;
 - ii. Charter; and,
 - iii. By-laws.
2. If a partnership:
 - i. Partnership agreements; and,
 - ii. Certificates of limited partnership, if applicable.
3. If a limited liability company:
 - i. Certificates of formation, amendment, and cancellation; and,
 - ii. Operating agreements.

§ 13:69C-8.3 Profit sharing agreements

(a) Agreements between a casino licensee and its employees which provide for casino employee registrant or casino key employee licensee profit sharing shall be lawful if the agreement is in writing and filed with the Division prior to its effective date. Such agreements may be reviewed by the Division under any relevant provision of the Act.

(b) Payments by a casino licensee under a profit sharing agreement shall only be made to properly registered or licensed casino employees or casino key employees.

(c) Concurrent with the filing of a profit sharing agreement, casino licensees shall submit the following information to the Division:

1. A list of participants in the profit sharing agreement, their position, and credential number; and

2. Projected payments under the profit sharing agreement for the next two calendar years.

(d) Changes or amendments to previously filed profit sharing agreements will be effective upon filing such changes or amendments with the Division, provided that the following information is submitted:

1. A narrative description of the changes to the profit sharing agreement;

2. An updated list of participants in the profit sharing agreement, their position, and credential number; and,

3. Any change to the projected payments under the profit sharing agreement.

(e) On an annual basis, each casino licensee shall submit the following information regarding profit sharing agreements to the Division no later than March 31:

1. The total amount paid to each employee for the prior calendar year, including each employee's position and license number;

2. The total amount paid under each profit sharing agreement for the prior calendar year, with a grand total for all profit sharing agreements; and,

3. Projected payments under each profit sharing agreement for the upcoming calendar year, with the projected liability for all profit sharing agreements.

(f) The cancellation of any profit sharing agreement shall be reported to the Division within five days of termination.

SUBCHAPTER 9. EMPLOYMENT REQUIREMENTS

§ 13:69C-9.1 Employee internal controls submission

(a) Each applicant for a casino license shall, pursuant to *N.J.S.A. 5:12-99*, submit an original and three copies to the Division of a description of its internal procedures and administrative and accounting controls concerning employee licensing requirements. Unless otherwise directed by the Division, an initial submission shall be made at least 30 days prior to the projected date of issuance of a certificate of operation. Each such submission shall address, without limitation, the following employee licensing requirements:

1. Procedures used to process and submit applications for casino key employee licenses and casino service employee registrations;

2. Procedures used to prepare and submit petitions for temporary key employee licenses;

3. Procedures for assuring that only properly licensed or registered persons are employed in each position for which a license or registration is required;

4. Procedures for assuring that no person whose license, registration, qualification or approval has been denied or revoked or whose license or registration has been suspended is employed in any position which does not require a license or registration, except as expressly authorized by the Division pursuant to *N.J.A.C. 13:69A-8.9, 8.10 or 8.11*;

5. Procedures for assuring that no unlicensed or unregistered person who has committed a disqualifying offense pursuant to *N.J.S.A. 5:12-86c* is employed as a

CHAB employee, except as expressly authorized by the Division pursuant to *N.J.A.C.* 13:69A-8.9, 8.10 or 8.11;

6. Procedures for notice, verification and implementation of wage executions in accordance with *N.J.A.C.* 13:69C-9.6; and

(b) Each casino licensee shall maintain on its premises a complete, updated copy of its employee internal controls submission, which shall be made available for review upon request of the Division.

(c) Unless otherwise directed by the Division, an amendment to a previously approved employee licensing internal controls submission may be implemented by the casino licensee without the prior approval of the Division, provided that the amendments are immediately recorded in the copy of the employee internal controls submission maintained by the licensee on its premises.

(d) The Division may review any internal controls submission required to be maintained by this section.

§ 13:69C-9.2 Obligation to terminate, suspend or refuse employment; form of notice

(a) Except as authorized by the Division pursuant to *N.J.A.C.* 13:69A-8.9, 8.10 or 8.11:

1. Each casino licensee shall terminate or suspend the employment of any person whose license, registration, qualification or approval has been denied, revoked or suspended by the Commission and/or the Division;

2. No casino licensee shall employ any person whose license, registration, qualification or approval has been denied, revoked or suspended during the period such person is restricted from employment pursuant to *N.J.A.C. 13:69A-8.8*; and

3. No casino licensee shall knowingly employ any unlicensed or unregistered person as a CHAB employee if such person has been convicted of a disqualifying offense pursuant to *N.J.S.A. 5:12-86c*.

(b) Any casino licensee required to terminate or suspend the employment of any such person shall do so within 24 hours of receipt of notice from the Commission and/or the Division as defined in (c) below.

(c) The Division shall, on a weekly basis, notify each casino licensee of the name, date of birth, license, registration or application number and employment eligibility status of each person whose license, registration or application has been revoked, suspended or denied by the Commission and/or the Division.

1. This notice shall be provided to each casino licensee by hard copy (printed) communication or electronic data transfer by no later than 3:00 P.M. each Thursday, unless Thursday is a State or Federal holiday, in which case notice shall be provided by no later than 3:00 P.M. on the first weekday thereafter that is not a State or Federal holiday.

2. Notwithstanding *N.J.A.C. 13:69-3.3(d)*, this notice shall be deemed received by the casino licensee at 9:00 A.M. on the second weekday following the issuance of the notice, unless that weekday is a Friday or State or Federal holiday, in

which case notice shall be deemed received at 9:00 A.M. on the first weekday thereafter that is not a State or Federal holiday.

§ 13:69C-9.3 Employee reporting and recordkeeping requirements

(a) Each casino licensee shall maintain a complete, accurate and current record of each employee including, without limitation, the information in (b) below.

(b) Each casino licensee shall file the following reports with the Division by electronic data transfer on the first and the 15th calendar day of each month:

1. For each current employee:

i. License or registration number, if applicable;

ii. Social Security number, if such information has been voluntarily provided in accordance with section 7 of the Privacy Act, 5 U.S.C. § 522a;

iii. Last name, first name and middle initial;

iv. Date of birth;

v. Address, including zip code;

vi. Job title;

vii. Initial date of hire in the position;

viii. The casino code assigned by the Division to the casino licensee;

ix. The access code, if any, assigned to the employee, which code designates the restricted casino areas that the employee is permitted to enter and remain in for the purposes of performing his or her normal duties; and

x. For any CHAB employee who does not hold a valid license or registration, whether such employee has been convicted of a disqualifying offense pursuant to *N.J.S.A. 5:12-86c*.

2. For each individual whose employment has been terminated since the date of the most recent report filed with the Division pursuant to this subsection:

i. The information in (b)1i through x above; and

ii. The effective date of termination.

3. A record of any and all designations used by a casino licensee to describe categories of its employees, for example "full time," "part time," or "seasonal," the number of employees in each such category and the total number of all employees in all categories; and

4. The date on which the information provided in the report was compiled.

§ 13:69C-9.4 (Reserved)

§ 13:69C-9.5 (Reserved)

§ 13:69C-9.6 Notice, verification and implementation of wage execution

(a) The Division shall, on a weekly basis, notify each casino licensee of the name, date of birth, and, if applicable, the license or registration number of each person who has become subject to a Commission or Division order pursuant to *N.J.A.C.*

13:69B-2.11A.

1. This notice shall be provided to each casino licensee by hard copy (printed) communication or electronic data transfer by no later than 3:00 P.M. each Thursday, unless Thursday is a State or Federal holiday, in which case notice shall be provided by no later than 3:00 P.M. on the first weekday thereafter that is not a State or Federal holiday.

2. Notwithstanding *N.J.A.C. 13:69-3.3(d)*, this notice shall be deemed received by the casino licensee at 9:00 A.M. on the second weekday following the issuance of the notice, unless that weekday is a Friday or State or Federal holiday, in which case notice shall be deemed received at 9:00 A.M. on the first weekday thereafter that is not a State or Federal holiday.

(b) Upon receipt of the notice in (a) above, a casino licensee shall either:

1. Verify that, except as provided in (c)1 below, a wage execution is in place for each employee whose name appears on the list; or

2. If a wage execution is not in place for any such employee, the casino licensee shall:

i. Obtain a copy of the Commission or Division order and relevant consent agreement or court order from the employee or immediately request copies from the Commission or Division; and

ii. Within 10 days of receipt of the notice, implement the Commission or Division order by remitting the required amount of the employee's wages to the agency identified in the consent agreement or court order until the amount

specified has been remitted or until the employee provides evidence that the debt has been paid in full.

(c) Notwithstanding (b) above:

1. A casino licensee shall notify the Commission or Division in writing of any prior wage execution orders, final decrees in bankruptcy proceedings or any other reason which prevents compliance with the Commission's or Division's order, including the terms and priorities of such orders or decrees.

2. A casino licensee shall be permitted, upon written notice to the Commission or Division, to cease implementation of any consent agreement imposed pursuant to *N.J.A.C. 13:69B-2.11A*, if it receives a subsequent court order directing a wage execution for that employee or a final decree in a bankruptcy proceeding which discharges the underlying debt.

SUBCHAPTER 10. REQUIREMENTS FOR DOING BUSINESS WITH VENDORS

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

Prohibited Vendors Record

(a) No agreement entered into with any person by or on behalf of a casino licensee or applicant shall be performed or in force or effect unless the casino licensee or applicant has filed a Master Purchasing and Disbursement Report, and:

1. The person is licensed as a casino service industry pursuant to *N.J.S.A. 5:12-92a* or is an applicant for a casino service industry license pursuant to *N.J.S.A. 5:12-92a* and has been granted a transactional waiver pursuant to *N.J.A.C. 13:69J-1.2B*; or

2. The appropriate filings have been submitted on behalf of the person in accordance with vendor registration pursuant to *N.J.S.A. 5:12-92c* or the Division has exempted the transaction from such filing requirements pursuant to *N.J.A.C. 13:69C-10.5*.

(b) The Division shall maintain an Active Vendors Record of persons with whom a casino licensee or applicant may do business for the reasons set forth in (a) above.

(c) Notwithstanding any other provision of this subchapter, no casino licensee or applicant shall enter into an agreement with any person who:

1. Has been found disqualified pursuant to *N.J.S.A. 5:12-86*;
2. Has failed to comply with the filing requirements of *N.J.A.C. 13:69C-10.4*;
3. Has been subject to a suspension, revocation or denial of a casino service industry license or dismissal of an application pursuant to *N.J.A.C. 13:69A-9.3* or *13:69J-1.5* or *1.10*;
4. Is restricted from application pursuant to *N.J.A.C. 13:69A-8.6*; or
5. Has been temporarily prohibited from doing business with casino licensees and applicants pursuant to *N.J.A.C. 13:69B-3*.

(d) The Division shall maintain a Prohibited Vendors Record of persons with whom casino licensees and applicants are prohibited from doing business for the reasons set forth in (c) above. Such record shall be made available to casino licensees and applicants on a regular basis.

(e) No person shall be removed from the Prohibited Vendors Record except as follows:

1. By order of the Division;
2. Upon expiration of the applicable period of restriction; or
3. For a person who is placed on the Prohibited Vendors Record for failure to comply with all applicable filing requirements, upon compliance therewith or after a period of five years from the date of prohibition unless the Division determines that such person should remain on the Record to protect the public interest and further the policies set forth in *N.J.S.A. 5:12-1(b)6, 1(b)9, 92 and 104*.

§ 13:69C-10.2 Maintaining agreements; filing of agreements

(a) Pursuant to *N.J.S.A. 5:12-104b*, each casino licensee or applicant shall be required to maintain a fully signed copy of every written agreement and records with respect to any unwritten agreement, which provide, at a minimum, the terms thereof, the parties thereto and a description of the goods or services provided regarding the following, whether or not the casino licensee or applicant is a party to such agreement and whether or not the agreement provides for the exchange of direct compensation:

1. The realty of the casino hotel or related facility, including construction, maintenance, renovation, expansion or demolition;
2. Any person doing business with or for the benefit of the casino licensee or applicant; or
3. Any person doing business on the premises of the casino hotel.

(b) Each casino licensee or applicant shall submit a copy of any written agreement or a precise written description of any unwritten agreement for which records are maintained pursuant to (a) above upon oral or written request from the Division based upon a determination that such filing is necessary to protect the public interest and accomplish the policies of the Act.

§ 13:69C-10.3 Review of agreements and records of agreements; termination upon disapproval

(a) The Division may review each agreement and record maintained pursuant to *N.J.A.C. 13:69C-10.2* to determine the following:

1. The reasonableness of the terms of the agreement, including the terms of compensation;

2. The qualifications of the persons involved in and associated with the agreement in accordance with the standards enumerated in section 86 of the Act, after which the Division may make a finding as to the suitability of such persons to be involved or associated with the casino licensee or applicant; and

3. Whether any action is desirable or necessary to regulate, control or prevent economic concentration in any casino service industry or to encourage or preserve competition in any casino service industry in accordance with *N.J.S.A. 5:12-1b(12)* and *N.J.A.C. 13:69J-1.6*.

(b) If the Division disapproves of an agreement governed by *N.J.A.C. 13:69C-10.2* or any person associated therewith, the Division may by directive require the termination of such agreement or association or pursue any remedy or combination of

remedies provided for in the Act or the rules and regulations of the Division. If such disapproved agreement or association is not thereafter promptly terminated as required by Division directive, the Division may pursue any remedy or combination of remedies provided for in the Act or the rules and regulations of the Division.

(c) Each agreement maintained pursuant to *N.J.A.C. 13:69C-10.2* shall be deemed to include a provision for its termination without liability on the part of the casino licensee or applicant, or on the part of any qualified party to the agreement or any related agreement the performance of which is dependent upon such agreement, in the event that the Division disapproves the agreement in accordance with (b) above.

§ 13:69C-10.4 Filing requirements: Vendor Registration Form

(a) Each casino licensee or applicant shall file with the Division a Vendor Registration Form (VRF), as set forth in *N.J.A.C. 13:69A-5.11*, for any enterprise with which it is conducting business, and provide such enterprise with a Vendor Registration Supplemental Disclosure Form (VRF-S) to be filed directly with the Division by the enterprise, if the Active Vendors Record maintained pursuant to *N.J.A.C. 13:69C-10.1* does not indicate that a VRF has been filed for such enterprise by any casino licensee or applicant.

(b) In addition to the agreements listed in (a) above, each casino licensee or applicant shall file with the Division a VRF, and provide the VRF-S to the enterprise, as set forth in *N.J.A.C. 13:69A-5.11*, for any enterprise where required pursuant to this subsection, whether or not the casino licensee or applicant is a party to such agreement. The Division may, on its own initiative, upon a preliminary determination that the filing of a complete VRF is necessary to protect the public interest and further

the policies of the Act, notify a casino licensee or applicant and an enterprise that a complete VRF is required to be filed.

§ 13:69C-10.5 Exemption from registration

(a) The Division may, upon the written request of a casino licensee or applicant or on its own initiative, exempt a transaction from the filing requirements in *N.J.A.C.* 13:69C-10.4 if the Division determines that the filing of a VRF is not necessary to protect the public interest and further the policies set forth in sections 1(b)6, 1(b)9, 92 and 104 of the Act. In making such a determination the Division shall consider, without limitation, the following:

1. The nature of the goods or services provided or the business transacted;
2. The nature of the enterprise providing the goods or services or transacting the business with the casino licensee or applicant; and
3. Whether such person is otherwise regulated by the Act, the Commission or the Division.

(b) The following transactions shall be deemed exempt pursuant to (a) above unless the filing of a VRF is otherwise directed by the Division:

1. Contributions to non-profit charitable corporations or organizations, provided that no consideration is received for the contribution;
2. Direct payments to guests or guests and their representatives pursuant to a court order or stipulation of settlement or for settlement of guest losses or guest refunds;

3. Payments by the casino licensee or applicant for the following:

i. Payments for travel expenses incurred by an employee of the casino licensee or applicant in the conduct of the employer's business, which shall include the employee's lodging, meals, transportation and related expenses;

ii. Payments to prospective employees for reimbursement of travel expenses incurred as a result of the employment interview; and

iii. Payments for tuition, training seminars, publication subscriptions, conference registrations or membership dues for professional associations that will directly contribute to the work performance or professional development of the employee;

4. Payments received from an employee of the casino licensee or applicant for purchases of obsolete hotel property or supplies for personal use;

5. Payments to government agencies for goods or services provided under statutory or other legal mandate, or for taxes, assessments, fines, garnishments or licensing fees and payments to public utilities having legal service monopolies;

6. Payments to or from individuals or enterprises pursuant to compliance with state or Federal law;

7. Payments by a third party manufacturer for rebates to a casino licensee or applicant for prior purchase of goods or services from licensed or registered vendors;

8. Payments for freight charges to freight transporters selected by the vendor for delivering goods C.O.D. or freight collect;

9. Transactions with travel industry enterprises that purchase or order lodging, meals, or other accommodations at a prededucted or gross commission rate which does not exceed 10 percent of cost;

10. Payments to any person required to qualify pursuant to *N.J.S.A. 5:12-85.1*, which are a result of agreements pertaining to such person's status as a financial source or qualifier;

11. Payments to labor organizations, unions and affiliates registered pursuant to *N.J.S.A. 5:12-93* for employee dues and benefits programs; and

12. Payments to the same vendor by an individual casino licensee or applicant for goods and services totaling less than \$10,000 in the same calendar year, made pursuant to a contract or purchase agreement with that vendor for less than \$10,000.

§ 13:69C-10.6 Master Purchasing and Disbursement Report

(a) Each casino licensee or applicant shall generate a Master Purchasing and Disbursement Report in accordance with this section for all transactions subject to *N.J.S.A. 5:12-104b*. Such report shall be submitted to the Division's Application Unit at the Atlantic City address specified in *N.J.A.C. 13:69-3.1* on the 22nd calendar day of each month by 5:00 P.M., unless that day is a Saturday, Sunday, or a State or Federal holiday, in which case the report shall be provided by 5:00 P.M. on the first weekday thereafter that is not a State or Federal holiday, and shall include the following information for the period since the most recent report was filed:

1. A payee register listing alphabetically by payee all nonpayroll transactions drawn by the casino licensee or applicant and, at a minimum, the following information in tabular form next to the name of each payee:

- i. Vendor identification number or exempt code;
- ii. Amount of each individual disbursement;
- iii. Date of each individual disbursement;
- iv. Subtotal of the disbursements by payee; and
- v. The grand total of all disbursements made during the reporting periods;

2. A manual attachment listing any transaction subject to this section which is not included in the payee register in (a)1 above or the magnetic computer tape or the electronic data transmission in (a)6 below, including transactions with enterprises not yet assigned a vendor identification number, wire transfers, credits to vendors and transactions by a subsidiary, intermediary company, holding company or agent of the casino licensee or applicant for goods or services that benefit the casino licensee or applicant. All transactions appearing on the manual attachment shall include, at a minimum, the following information:

- i. Vendor name;
- ii. Vendor identification number (if assigned) or exempt code;
- iii. Date of disbursement or credit;
- iv. Amount of each disbursement or credit; and

v. Subtotal of all disbursements or credits by vendor;

3. A vendee register listing alphabetically by vendee the full amount of all nonoperating transactions, including credits, in which the casino licensee or applicant was the vendor providing goods or services including, at a minimum, the following information in tabular form next to the name of the vendee:

i. Vendor identification number or exempt code;

ii. Date of each transaction;

iii. Amount of each transaction;

iv. Subtotal of all transactions; and

v. A general description of the type of good or service provided;

4. A voided check register listing alphabetically by vendor previously reported transactions that were subsequently voided or require corrected information and at a minimum, the following information:

i. Vendor name;

ii. Vendor identification number or exempt code;

iii. Date of original transaction; and

iv. Amount of void;

5. A subcontractor register listing all payments not included in the payee register in (a)1 above made to maintenance and construction companies performing services on the existing or proposed casino hotel or related facility, regardless of

whether such company is a general contractor, subcontractor, secondary subcontractor or otherwise, including, at a minimum, the following information:

i. Name and vendor identification number of each maintenance or construction company listed directly under the maintenance or construction company from which it received payment;

ii. Transaction dates;

iii. Dollar amount of each payment; and

iv. Monthly total dollar amount disbursed to each maintenance or construction company;

6. A magnetic computer tape or electronic data transmission listing all disbursements to enterprises appearing on the payee register in (a)1 above and appearing on the subcontractor register in (a)5 above, within specifications as required by the Division; and

7. The signature of the casino licensee's or applicant's chief operating officer or his or her designee verifying the accuracy of the information contained therein.

§ 13:69C-10.7 Internal controls

Each casino licensee or applicant shall, pursuant to *N.J.S.A. 5:12-99*, maintain a description of its internal procedures and administrative and accounting controls concerning compliance with the requirements of *N.J.S.A. 5:12-92* and 104b.

SUBCHAPTER 11. CASINO LICENSE RETENTION

§ 13:69C-11.1 Continuing Casino Licensure

(a) Subject to the provisions of this subchapter, casino licenses issued pursuant to *N.J.S.A. 5:12-87* shall remain in full force and effect if:

1. No later than five years after the date of the issuance of a casino license and every five years thereafter, or within such lesser periods as the Division may direct, a casino licensee and its qualifying entities and individuals submit to the Division the documentation and information set forth in subsection (c) of this subchapter to demonstrate to the satisfaction of the Director that they continue to meet the requirements of *N.J.S.A. 5:12-84, -85 and -85.1*; and,

2. The Director issues a summary report to the Commission that no information exists sufficient to warrant revocation, suspension, limitation, or conditioning of such license.

(b) If the Director determines that a hearing on any issue is required, the Division shall issue a report and recommendation to the Commission in accordance with *N.J.S.A. 5:12-87* which shall initiate a hearing pursuant to subsection b thereof at which the casino licensee and its qualifying entities and individuals shall bear the burden of proving, by clear and convincing evidence, continued qualification for licensure.

(c) The documentation and information to be submitted to the Division shall consist of, but is not limited to:

1. The Business Entity Disclosure (BED) forms required by *N.J.A.C. 13:69C-5.3(a)1* for an initial casino license;

2. The Personal History Disclosure Forms required by *N.J.A.C.* 13:69C for an initial casino license, in accordance with the qualifier procedures set forth in *N.J.A.C.* 13:69C-5.3(a)2;

3. Copies of all New Jersey Consolidated Corporation Business Tax Returns, in accordance with *N.J.S.A.* 5:12-148b filed since the Division's most recent review;

4. The information required in *N.J.A.C.* 13:69C-5.3 through 5.5;

5. Regardless of whether an exception to qualification has been previously granted, the documentation and information as set forth in *N.J.A.C.* 13:69C-5A and in the form therein specified for exceptions to qualification under *N.J.S.A.* 5:12-85.1, unless otherwise directed by the Division;

6. Regardless of whether submitted previously, the documentation and information as set forth in *N.J.A.C.* 13:69C-5B for the qualification of all financial backers and others as set forth in *N.J.S.A.* 5:12-85.1e, unless otherwise directed by the Division;

7. Such information as may be requested by the Division to demonstrate the casino licensee's continuing good faith efforts to comply with the equal employment and business opportunity and affirmative action requirements of *N.J.S.A.* 5:12-134 and -135 and *N.J.A.C.* 13:69K and any relevant conditions to the current casino license;

8. Such information as may be requested by the Division to demonstrate compliance with all conditions, restrictions, limitations and covenants in the current casino license and certificate of operation;

9. Any other information or documentation which the Division may deem relevant to the continuing qualification of the casino licensee, or of any person required to be licensed or qualified, pursuant to the Act; and,

10. The casino licensee shall file two (2) hard copies and a computer disk of same with the Division at its Intake Unit, 2nd Floor, 1300 Atlantic Avenue, Atlantic City, New Jersey, ATTN: Casino Licensing Filing.

(d) Nothing in this subchapter shall prevent the Director from reopening licensing hearings at any time.

SUBCHAPTER 12. (RESERVED)

SUBCHAPTER 13. (RESERVED)

SUBCHAPTER 14. ADVERTISING

§ 13:69C-14.1 Applicability of advertising regulations

(a) Except as otherwise provided in this section, the term "advertisement" means any notice or communication by an applicant or licensee to the public of any information concerning the gaming-related business of an applicant or licensee through broadcasting, publication, or any other means of dissemination. An applicant or licensee shall also be responsible for all advertisements which are made by its agents, regardless of whether the applicant or licensee participated directly in its preparation, placement or dissemination.

(b) The following notices and communications shall not be deemed advertisements for purposes of this chapter, but shall be subject to any review and approval by the Division otherwise required by the Act or by regulation:

1. Any sign, notice, or other information required to be provided by the Act

or by regulation, including, without limitation, the following:

- i. Notice regarding the rules of the games in accordance with *N.J.A.C. 13:69F-8.3*;
 - ii. The posting of information about rules of the games, payoffs of winning wagers and odds, in accordance with section 100(f) of the Act;
 - iii. Gaming guides approved pursuant to *N.J.A.C. 13:69F-8.5*;
 - iv. Information imprinted upon gaming table layouts in accordance with *N.J.A.C. 13:69E*; and
 - v. Information imprinted, impressed, affixed or engraved on slot machines or bill changers in accordance with *N.J.A.C. 13:69D* and *13:69E*;
2. Any signs or other directional devices contained in a casino or casino simulcasting facility for the purpose of identifying the location of authorized games or the locations from which simulcast wagers may be made; and
 3. The distribution of a prepared statement containing information or news of general interest to persons employed in the reporting of such information or news to the public, such as newspapers or periodicals, or radio or television stations.

§ 13:69C-14.2 Criteria governing advertising

(a) Advertising shall conform to the requirements of section 70(o) of the Act and this chapter.

(b) Any on-site advertising of casino or casino simulcasting facility operations shall contain the phrase "Bet With Your Head, Not Over It," or some comparable language approved by the Division.

(c) All advertising which appears in print, or on a billboard or sign shall contain

the words "If you or someone you know has a gambling problem and wants help, call 1-800-GAMBLER" or some comparable language approved by the Division, which contains the words "gambling problem" and "call 1-800-GAMBLER" to appear legibly on all print.

(d) Advertising shall be based upon fact, and shall not be false, deceptive or misleading. Without limitation as to the generality of the foregoing requirement, no advertising shall:

1. Use any type, size, location, lighting, illustration, graphic depiction or color resulting in the obscuring of any material fact; or
2. Fail to specifically designate any material conditions or limiting factors.

(e) The following practices shall be prohibited with respect to all advertisements:

1. Advertising within a casino hotel complex which violates the obscenity statutes of this State or which includes:

i. The portrayal or depiction of acts or simulated acts, of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law;

ii. The portrayal or depiction of touching, caressing or fondling of the breasts, buttocks, anus or genitals;

iii. The portrayal or depiction of the pubic hair, vulva, genitals, anus, female nipple or female areola; and

2. The failure to maintain any offer for the advertised period of availability or in a quantity sufficient to meet reasonably anticipated demand.

(f) In the event that the proponent of any advertising which is or may be subject

to these regulations has a question as to the propriety hereunder or applicability hereto, or both, as the case may be, of such advertising, such person may petition the Division in writing for an advisory opinion as to such propriety or applicability, or both, as the case may be.

§ 13:69C-14.3 Division approval

(a) All advertising or in the case of standard or recurring advertising, a sample thereof, which is directly related to casino gaming or casino gaming activity, shall be maintained by the casino licensee or applicant, or the casino service industry licensee or applicant for a period of one year from the date of placement of such advertisement. Advertising which must be maintained shall include such advertising as may have been placed for or on behalf of the casino licensee or applicant or casino service industry licensee or applicant or the junket representative licensee or applicant or the junket enterprise licensee or applicant. Advertising required to be maintained by this section shall be maintained at the principal place of business of the licensee or applicant, and shall be made available or produced for inspection upon the request of the Division.

(b) Each casino licensee or applicant shall maintain a file containing samples of the types and forms of advertising and promotional materials not directly related to casino gaming or casino gaming activity for a period of six months from the date of placement of such advertisement or promotion. Such advertising shall be maintained at the principal place of business of the casino licensee or applicant, and shall be made available or produced for inspection upon the request of the Division.

(c) Standard or recurring advertisement for purposes of this section shall be

deemed to be standard advertisements in standard formats which may be used more than once with minor changes to the copy and/or pictures in such advertisement.

SUBCHAPTER 15. ENTERTAINMENT

§ 13:69C-15.1 Prohibited entertainment activities

(a) No motion picture shall be exhibited within any casino hotel complex either by direct projection or by closed circuit television which would be classified as obscene material pursuant to the definition contained in *N.J.S.A. 2C:34-2*.

(b) No live entertainment shall be permitted within a casino hotel complex which includes:

1. The performance of acts, or simulated acts, of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law;
2. The actual or simulated touching, caressing or fondling of the breasts, buttocks, anus or genitals; or
3. The actual or simulated display of the pubic hair, vulva, genitals, anus, female nipple or female areola.

§ 13:69C-15.2 Entertainment within the casino and casino simulcasting facility

(a) No entertainment shall be offered within the casino or the casino simulcasting facility, or shall be significantly visible or audible from or in the casino or simulcasting facility, unless the casino licensee files a written notice with the Division at the Division's Regulatory Enforcement Bureau office in the establishment, at least five days prior to the commencement of such entertainment, which notice shall include, at a minimum, the following information:

1. The date and time of the scheduled entertainment;
2. A detailed description of the type of entertainment to be offered;
3. The number of persons involved in the entertainment;
4. The exact location of the entertainment on the casino floor and casino simulcasting facility;
5. A description of any additional security measures that will be implemented as a result of the entertainment; and
6. A certification from the supervisors of the casino licensee's security, casino gaming operations, and surveillance departments that the proposed entertainment will not adversely affect the security and integrity of gaming operations.

(b) The Division may at any time require the licensee to immediately cease any entertainment offered within the casino or casino simulcasting facility, if the entertainment provided is in any material manner different from the description contained in the submission filed pursuant to (a) above or in any way compromises the security or integrity of gaming operations.

(c) In reviewing the initial or continued suitability of an entertainment proposal, the Division shall consider the extent to which the entertainment proposal may unduly disrupt or interfere with:

1. Efficient casino operations;
2. The security of the casino or casino simulcasting facility or any restricted casino area;
3. Surveillance operations; or
4. The security or integrity of gaming operations or any authorized game.

SUBCHAPTER 16. UNDERAGE GAMING

§ 13:69C-16.1 Underage gaming -- violations

(a) No casino licensee or agent or employee thereof, shall allow, permit or suffer any person under the age at which a person is authorized to purchase and consume alcoholic beverages in this State ("underage person") to:

1. Enter a casino or casino simulcasting facility, except to pass directly to another room, unless the underage person is licensed and/or registered under the Act and is acting in the regular course of his or her authorized employment;

2. Remain in a casino or casino simulcasting facility, unless the underage person is licensed and/or registered under the Act and is acting in the regular course of his or her authorized employment;

3. Wager at any game or at casino simulcasting in a casino or casino simulcasting facility;

4. Be rated as a player;

5. Receive complimentary services or items as a result of, or in anticipation of, his or her gaming activity; or

6. Utilize credit.

(b) No casino licensee or agent or employee thereof, shall approve a credit limit for an underage person, pursuant to *N.J.A.C. 13:69D-1.27(b)*.

(c) Each violation of any of the provisions of (a) or (b) above as to a single underage person shall be considered a separate and distinct violation for purposes of *N.J.S.A. 5:12-129*.

(d) Each employee and agent of a casino licensee shall have an affirmative

obligation to ensure that no underage persons engage in any of the activities listed in (a) above. Each employee or agent of a casino licensee who violates any provision of this section may be held jointly or severally liable for any such violation.

§ 13:69C-16.2 Underage gaming violations -- affirmative defenses

(a) No casino licensee or employee or agent thereof shall be held liable for any violation of *N.J.S.A. 5:12-119* and *N.J.A.C. 13:69C-16.1* if such person can establish the affirmative defense authorized by *N.J.S.A. 5:12-119(b)*.

(b) For purposes of establishing an affirmative defense to a violation of *N.J.S.A. 5:12-119* and *N.J.A.C. 13:69C-16.1*, the term "writing" in *N.J.S.A. 5:12-119(b)* shall include the following:

1. A photographic driver's license;
2. A photographic identification card issued pursuant to *N.J.S.A. 33:1-81.2*, or a similar card issued pursuant to the laws of another state or the Federal government; or
3. A writing which is made and signed by the underage person, and which contains, at a minimum, the following information:
 - i. The name, address, age and date of birth of the person; and
 - ii. A statement that the representation of age is being made to induce the licensee to permit the person to enter, remain or wager at a game or at casino simulcasting in a casino or casino simulcasting facility, to be rated, receive complimentaries, obtain approval of a credit limit, or to utilize credit.