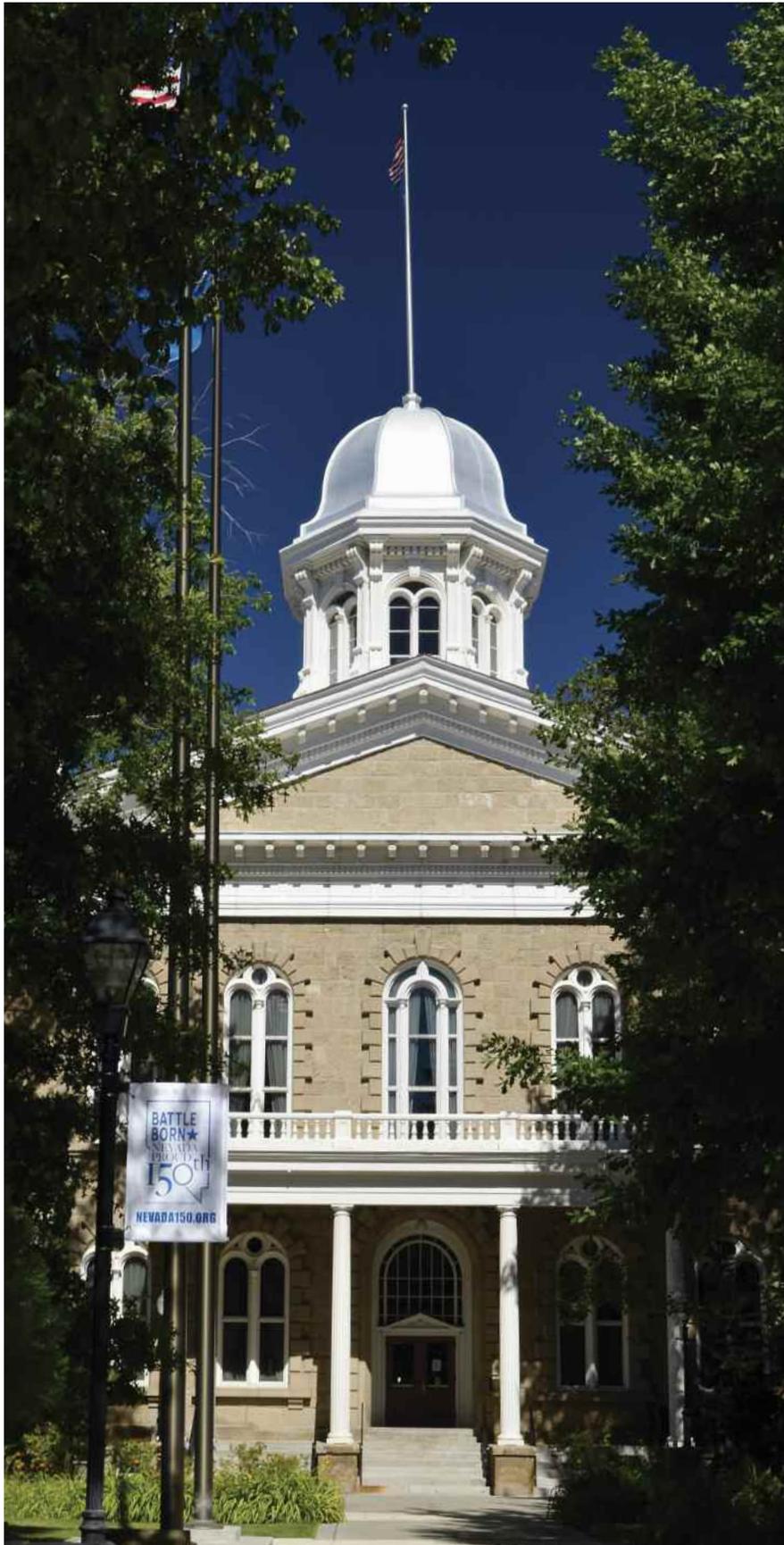


FOREWORD

By A.G. Burnett, Chairman, Nevada Gaming Control Board



Welcome to the 2015 edition of *Nevada Gaming Lawyer* magazine. I would like to commend the ongoing work of the State Bar of Nevada's Gaming Law Section for its continued efforts in bringing the gaming bar this valuable resource. I keep every issue of the *Nevada Gaming Lawyer* after reading it thoroughly. I find that I often go back to it to consult what the authors of particular articles had to say about specific subjects. The strength of this magazine is that each issue contains informative articles written by the best "gaming law" minds in the world.

This year's issue contains such articles written by such authors. You will find a valuable legislative update provided by State Senator Greg Brower. Much of the action this year was a bit subdued as far as gaming goes—there were multiple gaming related bills, but none had that controversial ring to them as in sessions' past—and he will let you know which ones merit your attention. Mark Lerner and Lars Perry are two excellent attorneys who have specialized in the area of gaming law related to manufacturers of gaming products. They will update you on matters related to that segment of the gaming industry.

Board Member Terry Johnson has prepared an article on the legislators' and regulators' take on the newly revised Live Entertainment Tax (LET). His article explores recent efforts to streamline the LET and why they were necessary. Member Johnson was tasked with working with the legislators on behalf of the Board as legislation was considered and eventually adopted to simplify the LET.

BY THE NUMBERS . . .

Gaming Commission Chairman Tony Alamo, Jr. will also detail the hot topics before the Commission. Chairman Alamo has years of experience watching gaming attorneys work, and now, as the Commission Chair, he brings a unique perspective as both a regulator and a physician.

We will also see a piece written by Chief Deputy Attorney General J. Brin Gibson and Senior Deputy Attorney General Michael Soms introducing you to the new Gaming Division of the Office of the Nevada Attorney General. Brin has recently taken the helm at the Attorney General's Gaming Division under new Attorney



General Adam Laxalt. Brin and I have met many times and I am excited to welcome him as the Chief Deputy representing the Gaming Control Board; he has taken on the role with vibrant

optimism and is doing a great job. Attorney General Laxalt takes a historic look back at the Corporate Gaming Act of 1969 that was signed into law by his grandfather, Governor Paul Laxalt.

Former Board Member Scott Scherer has spearheaded the Gaming Law Section's development of a pro bono program for indigent individuals seeking to appeal objections to their gaming employee registrations. Scott brings a broad range of experience having served two terms in the Nevada State Assembly, as well as worked as both General Counsel and Chief of Staff to the late Governor Guinn not to mention his years of experience as a gaming executive and now private practitioner. He has worked closely with Board Members Shawn Reid and Terry Johnson to bring this program to fruition and he provides you with the latest information. In the past, gaming employees were unaware that they could secure pro bono assistance in their appeals under NRS 463.335 and Regulation 5.109. At the suggestion of the Gaming Law Section, the Board made some simple changes to the objection letters that registrants receive regarding their ability to obtain free legal assistance. In turn, we are now seeing members of the gaming bar representing persons who wish to appeal the denial of their gaming employee registrations. You will have the benefit of reading the details on how this came about and what it means for you as a gaming practitioner should you wish to add some gaming-related pro bono work to your schedule.

Of special note is a piece that Geoff Freeman has authored regarding that the time is now to shut down illegal gambling across the country and for the gaming industry to highlight the benefits of a

15. The total number of individuals who have been appointed since 1959 to serve as Chairman of the Nevada Gaming Commission (the Commission was created in 1959 with the passage of the Gaming Control Act).

16. The total number of individuals who have been appointed since 1955 to serve as Chairman of the Nevada Gaming Control Board (in 1955 the Legislature created the State Gaming Control Board as an entity within the Nevada Tax Commission).

208. The total membership of the Gaming Law Section for the period ended July 31, 2015, including 178 members in Clark County, 18 in Washoe County, 3 in Carson City and 9 from out-of-state. Nine members work for government agencies, 88 are employed in-house and 111 are in private practice.

1985. The Board of Governors of the State Bar of Nevada approved the formation of the Gaming Law Section on February 22nd and appointed the following members to serve on the initial ten-member Executive Committee: A.J. "Bud" Hicks, Chairman; Grant Sawyer, Vice Chairman; Robert D. Faiss; Bruce Aguilera; Raymond Pike; Samuel McMullen; David Russell; Frank Schreck; Mike Sloan; and Gregg Nasky. Julian Sourwine served as the ex-officio member from the Board of Governors. The Board of Governors authorized annual section dues of \$25.00 per member.

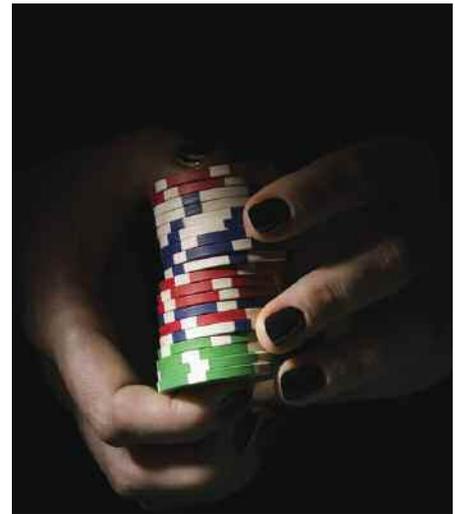
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2000. On May 10th, after having been inactive since 1994, the Board of Governors revived the Gaming Law Section by appointing the following members serve on the ten-member Executive Committee: Jeffrey R. Rodefer, Chairman; Mark A. Clayton, Vice Chairman; Michael G. Alonso; A.G. Burnett; Anthony N. Cabot; Lou Dorn; Michael F. Dreitzer; Keith E. Kizer; Lisa S. Miller-Roche; and Kimberly Maxson-Rushton. The Board of Governors also authorized a "welcome back" one-hour CLE lunch that would be free to all who were members of the Gaming Law Section in 1999 and 2000. On August 4th, then United States Senator Richard Bryan gave a "Capitol Hill Update" for the keynote address that drew an overflow crowd to the Paris Las Vegas Hotel Casino. The annual section dues of \$25.00 per member remained (and have not changed in the intervening 15 years).

2,452. As of June 30, 2015, the total number of gaming licenses issued in Nevada (a 0.2% decrease over the same period in 2014), including 458 nonrestricted (up 1.6% over 2014) and 1,994 restricted (down 0.6% from 2014).

6,689. As of June 30, 2015, the total number of games in Nevada (increase of 1.67% from 2014), including, 869 poker tables and two interactive games.

legal, regulated gaming industry. Geoff, as all of you know, is now leading the American Gaming Association as it attempts to educate our federal representatives on Capitol Hill about gaming around the country. One of Mr. Freeman's biggest challenges, I am sure, involves educational efforts that show that the gaming industry is not the hotbed of potential money laundering activity that some may think it is. In fact, Mr. Freeman is pushing the notion that gaming in the United States is one of, if not the most, heavily regulated industries in the country.



That goes directly to a topic that will be addressed by Jeff Setness, that of Anti-Money Laundering Compliance, or "AML," and where the federal authorities are focusing their current enforcement efforts. This topic has come to the forefront in the last several years. FinCEN has recently issued guidance regarding AML procedures, and gaming companies have been extremely active in understanding and abiding by that guidance.

Sean Higgins delves into the ongoing discussion about restricted gaming and, in particular, provides an update on tavern gaming. Restricted gaming licensing requirements for taverns has undergone changes in the last several years, and Mr. Higgins will let you know what has occurred recently, not just at the state level but at the local levels as well.

The Boyd School of Law has created an LL.M program that could be an educational game changer in the world of gaming law. The first ever Masters of Gaming Law will be described in this issue, and we will see how Boyd School of Law intends to make UNLV the intellectual world capital of gaming law.



You have in your hands a magazine that contains a plethora of information not just for the gaming law practitioner, but for your clients. Those who have contributed their talents to this month's issue have given you something you can hold on to and consult as time goes on. I am appreciative of everyone who has written for this month's magazine and I look forward to reading about their thoughts and experience. The Gaming Law Section continues to be an invaluable resource and I look forward to many issues of the *Nevada Gaming Lawyer* magazine to come.



A.G. Burnett is the Chairman of the Nevada Gaming Control Board. He was appointed to this role by Governor Brian Sandoval in October 2012, and then reappointed to serve another term in January 2015. Prior to serving as Chairman, he was a Member of the GCB, appointed by Governor Sandoval in January 2011. Before being appointed to the Board, Chairman Burnett served as Deputy Chief of the Corporate Securities Division for the GCB. In that position, he handled legal matters that came before the Division and oversaw regulatory and investigative activities. He worked extensively with emerging gaming jurisdictions in their efforts to regulate gaming, and oversaw the compliance activities of publicly-traded Nevada licensees. Prior to his time at the Board, Chairman Burnett was a Senior Deputy Attorney General in the Gaming Division of the Nevada Attorney General's Office, representing the Nevada Gaming Control Board, the Nevada Gaming Commission, and the Nevada Commission on Sports. From 2012 to 2015, he served as a Trustee and the Treasurer for the International Association of Gaming Regulators. He also sits on the William S. Boyd School of Law Gaming Law Advisory Board. Chairman Burnett also served on the Executive Committee of the State Bar of Nevada's Gaming Law Section from 2000-2006, and served on the Bar's Functional Equivalency Committee from 2001-2005. He has spoken and testified extensively on the issues of gaming regulation and regulatory compliance in numerous seminars and continuing legal education classes, including guest lectures at UNLV and UNLV's Boyd School of Law.

44,225. Per the 2014 Gaming Abstract, the total number of casino department employees in the state (a 4.4% increase over 2013).

174,548. As of June 30, 2015, the total number of slot machines in Nevada (down 0.87%), including 155,681 in nonrestricted locations (down 0.97%) and 18,867 in restricted gaming establishments (down 0.04%).

427,873. Per the Reno Sparks Convention and Visitor Authority, the total visitor volume for Reno, Sparks and Lake Tahoe areas year to date for May 2015 (a 3.4% decrease over the same period in 2014).

17,456,127. Per the Las Vegas Convention and Visitor Authority, the total visitor volume in Las Vegas year to date for May 2015 (a 1.2% increase over the same period in 2014).

\$130,846,679. For Fiscal Year 2015, total live entertainment tax revenues generated from gaming facilities (up 2.0% over the same period in 2014).

\$698,698,798. For Fiscal Year 2015, the total amount paid in gross gaming revenue fees (down 5.97% from 2014).

Statistical information for gaming licenses, games and slot machines compiled by Michael Lawton, Senior Research Analyst for the Nevada Gaming Control Board.