

7870.0030 DISCLOSURE OF OWNERSHIP AND CONTROL.

An applicant for a Class A license must disclose:

A. The type of organizational structure of the applicant, whether individual, business corporation, nonprofit corporation, partnership, joint venture, trust, association, or other.

B. If the applicant is an individual, the applicant's legal name, whether the applicant is a United States citizen, any aliases and business names currently used by the applicant, and copies of state and federal tax returns for the past five years.

C. If the applicant is a corporation:

(1) The applicant's full corporate name and any trade names currently used by the applicant.

(2) The jurisdiction and date of incorporation.

(3) The date the applicant commenced doing business in Minnesota and, if the applicant is incorporated outside Minnesota, a copy of the applicant's certificate of authority to do business in Minnesota.

(4) Copies of the applicant's articles of incorporation, bylaws, and state and federal corporate tax returns for the past five years.

(5) The general nature of the applicant's business.

(6) Whether the applicant is publicly held as defined by the rules and regulations of the Securities and Exchange Commission.

(7) The classes of stock of the applicant. As to each class, the number of shares authorized, number issued, number outstanding, par value per share, issue price, current market price, number of shareholders, terms, position, rights, and privileges must be disclosed.

(8) If the applicant has any other obligations or securities authorized or outstanding which bear voting rights either absolutely or upon any contingency, the nature thereof, face or par value, number of units authorized, number outstanding, and conditions under which they may be voted.

(9) The names, in alphabetical order, and addresses of the directors and, in a separate listing, officers of the applicant. As to each director and officer, the number of shares held of record as of the application date or beneficially of each class of stock, including stock options and subscriptions, and units held of record or beneficially of other obligations or securities which bear voting rights must be disclosed.

(10) The names, in alphabetical order, and addresses of each record holder as of the date of application or beneficial owner of shares, including stock options and

subscriptions, of the applicant or units of other obligations or securities which bear voting rights. As to each holder of shares or units, the number and class or type of shares or units must be disclosed.

(11) Whether the requirements of the Securities Act of 1933 and Securities and Exchange Act of 1934, as amended, and Securities and Exchange Commission rules and regulations have been met in connection with issuance of applicant's securities, and copies of most recent registration statement and annual report filed with the Securities and Exchange Commission.

(12) Whether the securities registration and filing requirements of the applicant's jurisdiction of incorporation have been met, and a copy of most recent registration statement filed with the securities regulator in that jurisdiction.

(13) Whether the securities registration and filing requirements of the state of Minnesota have been met. If they have not, the applicant must disclose the reasons why. The applicant must provide copies of all securities filings with the Minnesota Department of Commerce during the past five years.

D. If the applicant is an organization other than a corporation:

(1) The applicant's full name and any trade names currently used by the applicant.

(2) The jurisdiction of organization of the applicant.

(3) The date the applicant commenced doing business in Minnesota.

(4) Copies of any agreements creating or governing the applicant's organization and the applicant's state and federal tax returns for the past five years.

(5) The general nature of the applicant's business.

(6) The names, in alphabetical order, and addresses of any partners and officers of the applicant and other persons who have or share policy-making authority. As to each, the applicant must disclose the nature and extent of any ownership interest, including options, or other voting interest, whether absolute or contingent, in the applicant.

(7) The names, in alphabetical order, and addresses of any individual or other entity holding a record or beneficial ownership interest, including options, as of the date of the application or other voting interest, whether absolute or contingent, in the applicant. As to each, the applicant must disclose the nature and extent of the interest.

E. If a nonindividual record or beneficial holder of an ownership or other voting interest of five percent or more in the applicant is identified pursuant to item C, subitem (9) or (10) or item D, subitem (6) or (7), the applicant makes its best effort to disclose the information required by those clauses as to record or beneficial holders of an ownership or

other voting interest of five percent or more in that nonindividual holder. The disclosure required by those clauses must be repeated, in turn, until all indirect individual record and beneficial holders of ownership or other voting interests in applicant are so identified. The term "best effort," as used in this and subsequent sections of this chapter, means an active and serious attempt which is made in good faith, and goes beyond due diligence, to provide the information required to be disclosed. When an applicant is unable, despite its best effort, to provide the information required, it shall explain fully and document its inability to do so.

F. Whether the applicant is directly or indirectly controlled to any extent or in any manner by another individual or entity. If so, the applicant must disclose the identity of the controlling entity and a description of the nature and extent of control.

G. Any agreements or understandings which the applicant or any individual or entity identified pursuant to this part has entered into regarding ownership or operation of applicant's horse racing facility, and copies of any written agreements.

H. Any agreements or understandings which the applicant has entered into for the payment of fees, rents, salaries, or other compensation by the applicant, and copies of any written agreements.

I. Whether the applicant, any partner, director, officer, other policymaker, or holder of a direct or indirect record or beneficial ownership interest or other voting interest or control of five percent or more in the applicant has held or holds a license or permit issued by a governmental authority to own and operate a horse racing facility or conduct any aspect of horse racing or gambling. If so, the applicant must disclose the identity of the license or permit holder, nature of the license or permit, issuing authority, and dates of issuance and termination.

Statutory Authority: *MS s 240.23*

History: *8 SR 1823*

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