

JUNE 4, 1999

On April 30, 1999 Gov. Bill Owens signed legislation that changed C.R.S. 12-47.1-835 to read (changes in bold italic):

Financial interest restrictions. (1)(a) No manufacturer or distributor of slot machines or associated equipment shall *knowingly, without notification being provided to the Division within ten days:*

- (I) Have any interest, directly or indirectly, in any operator;
 - (II) Allow any of its officers, or any other person with a substantial interest in such business, to have any interest in an operator;
 - (III) Employ any person in any capacity or allow any person to represent the business in any way if such person is also employed by an operator;
 - (IV) Allow any operator or any person with a substantial interest therein, to have any interest directly or indirectly in the business;
 - (V) Allow any operator or any person having a substantial interest therein, to have any interest, directly or indirectly, in such business.
- (b) The word “interest” as used in this section does not preclude transactions in the ordinary course of business.

This legislation removes the prohibition for persons to holding an interest in a manufacturer/distributor from also having an interest in a retailer or operator in Colorado, and vice versa.

Under the newly changed statute licensed manufacturer/distributors are required to provide the Division with notification of any interest in an licensed operator or retailer to include:

- Manufacturer/Distributor Name
- Date the shares were purchased (publicly traded)
- Date shares to be purchased (privately held)
- Number of shares
- Identity of the Purchaser
- Purchaser’s relationship to the Colorado licensed entity

It also removes the prohibition for an employee of manufacturer/distributor from also being employed by a retail licensee. The Division must be notified with the name, gaming license number (if applicable), date and places of employment of the person employed both a manufacturer/distributor and a licensed retail or operator.

Notification should be sent to the Division of Gaming, 1881 Pierce St. Suite 112, Lakewood, CO 80214-1496 within 10 days of the manufacturer/distributor obtaining knowledge of the situation. E-mail or fax notification are also acceptable.

This does not change the requirement that changes of ownership in all licensed entities, with the exception of publicly traded companies, must be approved by the Commission before the ownership is transferred.

If you have any questions, please contact Maren Rubino at (303) 205-1309.