

TITLE 10: LOCAL LAWS
DIVISION 2: SECOND SENATORIAL DISTRICT (TINIAN, ETC.)

§ 2553. Mortgage and Assignment of Casino License.

(a) A casino licensee shall not mortgage, charge or otherwise encumber:

- (1) The casino license;
- (2) The hotel-casino complex to which the casino license related; or
- (3) The rights and benefits under the agreement in question as referred to in 10 CMC § 2543 save with the prior consent of the commission with a person approved by the commission (which person is hereafter in this section referred to as “the mortgagee”).

(b) Where the mortgagee wishes to enforce his security under the mortgage, charge or other encumbrance, pursuant to his rights thereunder:

(1) The casino license and the rights, benefits and obligations under the relevant agreement shall be assigned only to a person approved by the commission;

(2) Any receiver and manager appointed shall be a person approved by the commission having regard to the provisions of subsection (e) of this section.

For the purpose of giving effect to the provisions of subsection (e) of this section, the name of a proposed receiver and manager may be submitted to the executive director at any time.

(c) As a condition precedent to the approval by the commission referred to in subsection (b)(1) of this section, the commission may require that a further agreement in writing be entered into between:

(1) The executive director for and on behalf of the commission and the proposed assignee; or

(2) The executive director for and on behalf of the commission and some other person whom the commission considers to be the appropriate person to be a party to the agreement with a view to the assignment of the casino license to the proposed assignee containing such terms and conditions with respect to the assignment and the proposed assignee as the commission thinks fit.

(d) Any such further agreement shall have no force or effect unless and until it is approved by the commission.

(e) Prior to any approval by the commission pursuant to subsection (b) of this section, the executive director shall cause to be undertaken such investigations as are necessary to satisfy the commission or shall require the proposed person and all persons whether natural persons or not, associated or connected or to be associated or connected, in the opinion of the executive director, with the ownership, administration or management of the operations or business of the proposed person, to satisfy the commission that such proposed person and such persons as aforesaid are suitable persons to be associated or connected with the management and operations of a hotel-casino complex or casino, having regard to the matters appropriate to them respectively that are set out in 10 CMC § 2533(a)(1) to (7), subject to such adaptations of those subsections as are necessary for the purpose of their application to such proposed person and other persons as aforesaid, and having regard to such other matters with respect to which the commission determines it should be satisfied in the particular case. The cooperation and assistance of the Federal Bureau of Investigation, New

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Jersey and Nevada Gaming Authorities and Interpol and other jurisdictions shall be sought where appropriate.

A reference in this subsection to a proposed person is a reference to a proposed assignee or a proposed receiver and manager, as the case requires.

(f) Upon a casino license being assigned, the assignee is the casino licensee in respect of the casino license in question, and the executive director shall cause the license to be amended to show the name of the assignee, the date of the assignment and such other particulars as may be prescribed, and the license shall be made available to the executive director for the purpose of amendment accordingly.

(g) A decision by the commission to approve or not to approve of a person pursuant to subsection (b) of this section is final and conclusive and shall not be appealed against, reviewed, quashed or in any way called in question in any court on any account whatsoever.

Source: Tinian Local Initiative 1, § 29.

Commission Comment: To enhance clarity, in subsection (1)(a), following “prior consent of the Commission,” the Commission deleted “so to do to a” and inserted “with.”