§ 403. Filing of information concerning stock transfers; necessity for commission approval. 1. Whenever there is a transfer of stock of any association or corporation that is licensed under this article, or of any association or corporation that leases to such licensee the track at that it conducts pari-mutuel quarter horse races, or which owns twenty-five percent or more of the stock of such licensee, there shall be filed simultaneously with the association or corporation that issued such stock the following:

a. In duplicate, an affidavit executed by the transferee stating that he or she is to be the sole beneficial owner thereof, and whether or not he or she (i) has been convicted of a crime involving moral turpitude, (ii) has been engaged in bookmaking or other forms of illegal gambling, (iii) has been found guilty of any fraud or misrepresentation in connection with racing or breeding, (iv) has been guilty of any violation or attempt to violate any law, rule or regulation of any racing jurisdiction for which suspension from racing might be imposed in such jurisdiction, or (v) has violated any rule, regulation or order of the commission; if the transferee is not, or is not to be, the sole beneficial owner thereof, then there shall be annexed to said affidavit of the transferee, and expressly stated in such affidavit to be deemed a part thereof, a true and complete copy, or if oral, a complete statement of all the terms, of the agreement or understanding pursuant to which the stock is to be so held by the transferee, including a detailed statement of the interest therein of each person who is to have any interest therein; and at the same time.

b. In duplicate, an affidavit executed by each person for whom the said stock, or any interest therein, is to be held by said transferee, setting forth whether or not the affiant (i) has been convicted of a crime involving moral turpitude, (ii) has engaged in bookmaking or other forms of illegal gambling, (iii) has been found guilty of any fraud or misrepresentation in connection with racing or breeding, (iv) has been guilty of any violation or attempt to violate any law, rule or regulation of any racing jurisdiction for which suspension from racing might be imposed in such jurisdiction, or (v) has violated any rule, regulation or order of the commission; to each of which affidavits shall

be annexed, and expressly stated in such affidavit to be deemed a part thereof, a true and complete copy, or if oral, a complete statement of all the terms of the agreement or understanding pursuant to which the stock is to be so held by the transferee, including a detailed statement of the interest therein of each person who is to have any interest therein.

c. Said association or corporation shall forthwith file with the commission one of each of said duplicate affidavits.

2. If, after the filing of any affidavit required to be filed by subdivision one of this section, there is any change in the status of any such affiant with respect to any of the matters set forth in paragraph a or b of subdivision one of this section, of the affidavit filed by such affiant, then such affiant shall forthwith file with the association or corporation with which his or her affidavit was so filed a new affidavit, executed by him or her in duplicate, setting forth such change of status, and the association or corporation shall forthwith file one of said affidavits with the commission.

3. Whenever any change shall be made in the amount, nature, or otherwise, of the interest of any person having an interest in stock of any such association or corporation, or any new interest shall be created therein, without a transfer thereof as provided in this section, the record owner of such stock, and each person whose interest therein has been so attempted to be changed or created, shall file with the association or corporation that issued such stock, in duplicate, affidavits as provided by paragraphs a and b of subdivision one of this section, except that such affidavits need not include the matters referred to in paragraph a or b of subdivision one of this section, unless then required pursuant to subdivision two of this section, and one copy thereof shall forthwith be filed by the association or corporation with the commission.

4. The commission may, upon application to it for good cause shown, waive compliance with subdivisions one, two and three of this section.

5. If the commission determines that it is inconsistent with the public interest, convenience or necessity, or with the best interests of racing generally, that any person continue to be a stockholder of record or the beneficial owner of any interest in stock standing in the name of another, in any association or corporation licensed under this article, or of any association or corporation that leases to such licensee the track at which it conducts pari-mutuel quarter horse racing or that owns twenty-five percent or more of the stock of such licensee, the commission shall have full power and authority to order or direct each such stockholder or beneficial owner irrespective of the time when such stockholder or beneficial owner acquired his or her stock or interest therein to dispose of such stock or interest within a period of time to be specified by the commission, which period the commission shall have full power and authority to extend from time to time.

6. If the commission shall make any order or direction as provided in subdivision five of this section, the person aggrieved thereby shall be given notice of the time and place of a hearing before the commission at which the board will hear such person in reference thereto. The action of the commission in making any such order or direction shall be reviewable in the courts of this state in the manner provided by, and subject to the provisions of article seventy-eight of the civil practice law and rules.

7. Upon application of the commission, the supreme court of this state shall have jurisdiction to issue final orders, on notice and after hearing, commanding any person to comply with the provisions of the orders or directions issued by the commission under subdivision five of this section.

8. In case of conflict between this section and article eight of the uniform commercial code, this section shall control.