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STATE OF NEVADA

4

BEFORE THE NEVADA GAMING COMMISSION

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STATE GAMING CONTROL BOARD,

6

Complainant,

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vs.

COMPLAINT

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CANTOR G&W (NEVADA) HOLDINGS,
LLC, AND

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CANTOR G&W (NEVADA) HOLDINGS,
LP, AND

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CANTOR G&W (NEVADA) LLC, AND

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CANTOR G&W (NEVADA), LP,
doing business as CANTOR GAMING;

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Doing Business at:

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-The M Race and Sports Book, Henderson;

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-Hard Rock Hotel & Casino - Race and
Sports Book, Las Vegas;

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-Tropicana Las Vegas - Race and Sports
Book, Las Vegas;

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-Cosmopolitan of Las Vegas Race and
Sports Book, Las Vegas;

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-Venetian Casino Resort - Race and Sports
Book, Las Vegas;

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-Palms Casino Resort - Race and Sports
Book, Las Vegas;

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-Silverton Casino Lodge Las Vegas, Las
Vegas

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And

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Doing Business as: an Operator of a Mobile
Gaming System; an Operator of a Slot
Machine Route; a Manufacturer; a
Distributor;

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And

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Doing Business as Las Vegas Sports
Consultants, Las Vegas, as an Information
Service Provider,

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Respondents.

Office of the Attorney General
Gaming Division
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511

1 The State of Nevada, on relation of its State Gaming Control Board (BOARD),
2 Complainant herein, by and through its counsel, CATHERINE CORTEZ MASTO, Attorney
3 General, by JOHN S. MICHELA, Senior Deputy Attorney General, hereby files this Complaint
4 for disciplinary action against RESPONDENTS pursuant to Nevada Revised Statute (NRS)
5 463.310(2) and alleges as follows:

6 1. Complainant, BOARD, is an administrative agency of the State of Nevada duly
7 organized and existing under and by virtue of chapter 463 of NRS and is charged with the
8 administration and enforcement of the gaming laws of this state as set forth in Title 41 of NRS
9 and the Regulations of the Nevada Gaming Commission.

10 2. CANTOR G&W (NEVADA) HOLDINGS, LLC (HOLDINGS, LLC) is licensed and/or
11 registered as the general partner of CANTOR G&W (NEVADA) HOLDINGS, LP (HOLDINGS,
12 LP) with a 21.85 percent interest therein.

13 3. HOLDINGS, LP is licensed and/or registered as the sole member and manager of
14 CANTOR G&W (NEVADA), LLC (LLC).

15 4. HOLDINGS, LP is licensed and/or registered as the limited partner of CANTOR
16 G&W (NEVADA), LP, dba CANTOR GAMING (LP) with a 99.75 percent ownership interest
17 therein.

18 5. LLC is licensed and/or registered as the general partner of LP and holds a 0.25
19 percent ownership interest therein.

20 6. LP holds nonrestricted gaming licenses with Nevada Gaming Commission approvals
21 to operate a race book, sports pool, off-track pari-mutuel race wagering, and off-track pari-
22 mutuel sports wagering at the establishments of the following nonrestricted gaming licensees:
23 LV Gaming Ventures, LLC, dba The M Resort, Spa, and Casino; LVHR Casino, LLC dba Hard
24 Rock Hotel & Casino; Tropicana Las Vegas, Inc., dba Tropicana Las Vegas; Nevada Property
25 1, LLC dba The Cosmopolitan of Las Vegas; Las Vegas Sands, LLC, dba Venetian Casino
26 Resort; FP Holdings, LP, dba Palms Casino Resort; Silverton Casino, LLC, dba Silverton
27 Casino Lodge Las Vegas.

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1 7. LP holds a manufacturer license.

2 8. LP holds a distributor license.

3 9. LP holds a mobile gaming license.

4 10. LP holds a slot route operator license.

5 11. LP holds an information service provider license and does business as Las Vegas
6 Sports Consultants in that capacity.

7 12. Hereinafter, the entities, licenses, registrations, and operations referred to in
8 paragraphs 2 through 11 above are collectively referred to as "CANTOR GAMING."

9 **RELEVANT LAW**

10 13. The Nevada Legislature has declared under NRS 463.0129(1) that:

11 (a) The gaming industry is vitally important to the economy of
12 the State and the general welfare of the inhabitants.

13 (b) The continued growth and success of gaming is
14 dependent upon public confidence and trust that licensed gaming
15 and the manufacture, sale and distribution of gaming devices and
16 associated equipment are conducted honestly and competitively,
17 that establishments which hold restricted and nonrestricted licenses
18 where gaming is conducted and where gambling devices are
19 operated do not unduly impact the quality of life enjoyed by
20 residents of the surrounding neighborhoods, that the rights of the
21 creditors of licensees are protected and that gaming is free from
22 criminal and corruptive elements.

23 (c) Public confidence and trust can only be maintained by
24 strict regulation of all persons, locations, practices, associations and
25 activities related to the operation of licensed gaming establishments,
26 the manufacture, sale or distribution of gaming devices and
27 associated equipment and the operation of inter-casino linked
28 systems.

(d) All establishments where gaming is conducted and where
gaming devices are operated and manufacturers, sellers and
distributors of certain gaming devices and equipment, and operators
of inter-casino linked systems must therefore be licensed, controlled
and assisted to protect the public health, safety, morals, good order
and general welfare of the inhabitants of the State, to foster the
stability and success of gaming and to preserve the competitive
economy and policies of free competition of the State of Nevada.

25 NRS 463.0129(1)(a), (b), (c) and (d).

26 14. The Nevada Gaming Commission has full and absolute power and authority to
27 limit, condition, restrict, revoke or suspend any license, or fine any person licensed, for any
28 cause deemed reasonable. See NRS 463.1405(4).

1 15. The Nevada Gaming Commission may also place “such conditions as it may deem
2 necessary in the public interest upon any registration, finding of suitability or approval for
3 which application has been made.” NRS 463.220(3).

4 16. The BOARD is authorized to observe the conduct of licensees in order to ensure
5 that the gaming operations are not being conducted in an unsuitable manner. See NRS
6 463.1405(1).

7 17. This continuing obligation is repeated in Nevada Gaming Commission Regulation
8 5.040, which provides as follows:

9 A gaming license is a revocable privilege, and no holder
10 thereof shall be deemed to have acquired any vested rights therein or
11 thereunder. The burden of proving his qualifications to hold any
12 license rests at all times on the licensee. The board is charged by
13 law with the duty of observing the conduct of all licensees to the end
14 that licenses shall not be held by unqualified or disqualified persons
15 or unsuitable persons or persons whose operations are conducted in
16 an unsuitable manner.

17 Nev. Gaming Comm’n Reg. 5.040.

18 18. Nevada Revised Statute 463.170 provides, in relevant part, as follows:

19 1. Any person who the Commission determines is qualified
20 to receive a license, to be found suitable or to receive any approval
21 required under the provisions of this chapter, or to be found suitable
22 regarding the operation of a charitable lottery under the provisions
23 of chapter 462 of NRS, having due consideration for the proper
24 protection of the health, safety, morals, good order and general
25 welfare of the inhabitants of the State of Nevada and the declared
26 policy of this State, may be issued a state gaming license, be found
27 suitable or receive any approval required by this chapter, as
28 appropriate. The burden of proving an applicant’s qualification to
receive any license, be found suitable or receive any approval
required by this chapter is on the applicant.

 2. An application to receive a license or be found suitable
must not be granted unless the Commission is satisfied that the
applicant is:

- (a) A person of good character, honesty and integrity;
- (b) A person whose prior activities, criminal record, if any,
reputation, habits and associations do not pose a threat to the
public interest of this State or to the effective regulation and control
of gaming or charitable lotteries, or create or enhance the dangers
of unsuitable, unfair or illegal practices, methods and activities in
the conduct of gaming or charitable lotteries or in the carrying on of
the business and financial arrangements incidental thereto; and

1 (c) In all other respects qualified to be licensed or found
2 suitable consistently with the declared policy of the State.

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4 8. Any person granted a license or found suitable by the
5 Commission shall continue to meet the applicable standards and
6 qualifications set forth in this section and any other qualifications
7 established by the Commission by regulation. The failure to
8 continue to meet such standards and qualifications constitutes
9 grounds for disciplinary action.

8 NRS 463.170(1), (2), (8).

9 19. Nevada Gaming Commission Regulation 5.010 provides as follows:

10 1. It is the policy of the commission and the board to require
11 that all establishments wherein gaming is conducted in this state be
12 operated in a manner suitable to protect the public health, safety,
13 morals, good order and general welfare of the inhabitants of the State
14 of Nevada.

15 2. Responsibility for the employment and maintenance of
16 suitable methods of operation rests with the licensee, and willful or
17 persistent use or toleration of methods of operation deemed
18 unsuitable will constitute grounds for license revocation or other
19 disciplinary action.

16 Nev. Gaming Comm'n Reg. 5.010.

17 20. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as follows:

18 The board and the commission deem any activity on the part
19 of any licensee, his agents or employees, that is inimical to the public
20 health, safety, morals, good order and general welfare of the people
21 of the State of Nevada, or that would reflect or tend to reflect discredit
22 upon the State of Nevada or the gaming industry, to be an unsuitable
23 method of operation and shall be grounds for disciplinary action by
24 the board and the commission in accordance with the Nevada
25 Gaming Control Act and the regulations of the board and the
26 commission. Without limiting the generality of the foregoing, the
27 following acts or omissions may be determined to be unsuitable
28 methods of operation:

1. Failure to exercise discretion and sound judgment to
prevent incidents which might reflect on the repute of the State of
Nevada and act as a detriment to the development of the industry.

. . . .

10. Failure to conduct gaming operations in accordance with
proper standards of custom, decorum and decency, or permit any
type of conduct in the gaming establishment which reflects or tends to
reflect on the repute of the State of Nevada and act as a detriment to
the gaming industry.

28 Nev. Gaming Comm'n Reg. 5.011 (1), and (10).

1 21. Nevada Gaming Commission Regulation 22.061 provides as follows:

2 1. Prior to accepting any nonpari-mutuel wager in excess of
3 \$10,000 the book shall:

4 (a) Obtain the patron's name;
5 (b) Obtain or reasonably attempt to obtain the patron's
6 permanent address and social security number;
7 (c) Obtain one of the following identification credentials from
8 the patron;

9 (1) Driver's license;
10 (2) Passport;
11 (3) Non-resident alien identification card;
12 (4) Other reliable government issue identification
13 credentials; or

14 (5) Other picture identification credential normally
15 acceptable as a means of identification when cashing checks; and

16 (d) Examine the identification credential obtained to verify
17 the patron's name, and to the extent possible, to verify the accuracy
18 of the information obtained pursuant to paragraph (b).

19 2. Prior to accepting a nonpari-mutuel wager in excess of
20 \$10,000, if a book knows a person is placing a wager allowed by
21 the Nevada Revised Statutes and these regulations on behalf of
22 another person, the licensee shall obtain and record the information
23 required by paragraphs (a) through (d) of subsection 1 with respect
24 to the person placing the wager, and the licensee shall reasonably
25 attempt to obtain and, to the extent obtained, shall record the
26 information required by paragraphs (a) through (d) of subsection 1
27 with respect to the person for whom the wager was placed.

28 3. Subsequent to accepting a nonpari-mutuel wager in
excess of \$10,000 the book shall record or maintain records that
include:

(a) The patron's name and, if applicable, the agent's name;
(b) The patron's address and, if applicable, the agent's
address;

(c) The patron's social security number and, if applicable,
the agent's social security number;

(d) A description including any document number of the
identification credential examined (or credential information on file
for known patrons) and, if applicable, for the agent;

(e) The amount of the wager;

(f) Window number or other identification of the location
where the wager occurred;

(g) The time and date of the wager;

(h) The name and signature of the book employee accepting
or approving the wager; and

(i) Any other information as required by the chairman.

A book shall not implement alternative procedures to comply with
this subsection without the written approval of the chairman.

4. As used in this section, a "known patron" means a patron
known to the book employee accepting the wager, for whom the
licensee has previously obtained the patron's name and
identification credential, and with respect to whom the licensee has
on file and updates, at least every three years, all the information
required to be recorded pursuant to this section.

5. As used in this section, a "listed patron" means a known
patron for whom the book has requested and received approval
from the chairman to exclude wagers placed by the patron from the
reporting requirements of this section. If the chairman does not

1 deny the request for approval within 15 days of receipt of the
2 request, the request will be deemed to be approved. All approvals
3 may be revoked at any time at the discretion of the chairman, and
4 are conditioned that the patron's wagers remain subject to the
5 identification and recordkeeping requirements of subsections 1
6 through 4 and of Regulations 22.062 and 22.063. A book's written
7 request to have a patron approved as a listed patron shall include:

- 8 (a) The patron's name;
- 9 (b) The patron's residence, mailing or business address;
- 10 (c) The patron's social security number;
- 11 (d) The patron's identification credential information
including any document number and expiration date;
- 12 (e) The patron's birth date;
- 13 (f) A recent photograph of the patron's face or a copy of a
current picture identification credential;
- 14 (g) A description of the patron's book wagering activity
including the use of any wagering accounts or credit accounts
including account numbers;
- 15 (h) A statement as to why the book desires to have the
patron approved as a listed patron and an acknowledgment that the
book believes that the patron is not involved in illegal wagering
activity;

16 (i) The signature of the licensee or an officer of the licensee;
17 and

18 (j) Any other information as required by the chairman.
19 All records related to the patron's activity supporting the request
20 shall be available for board review.

21 6. Each book shall report the wagers required to be
22 recorded pursuant to this section, excluding any wagers accepted
23 from listed patrons, on a "Book Wagering Report," a form published
24 or approved by the chairman that includes, but is not limited to:

- 25 (a) The patron's and agent's (if applicable) name;
- 26 (b) The patron's and agent's (if applicable) identity credential
information;
- 27 (c) The patron's and agent's (if applicable) social security
number;
- 28 (d) Wager amounts; and
- (e) Date of transactions.

Reports shall be submitted to the board no later than 15 days after
the end of the month of the occurrence of the transaction and in
such manner as the chairman may approve or require. Each book
shall file an amended report if the licensee obtains information to
correct or complete a previously submitted report, and the amended
report shall reference to the previously submitted report. Each book
shall retain a copy of each report filed for at least 5 years unless the
chairman requires retention for a longer period of time.

23 Nev. Gaming Comm'n Reg. 22.061.

24 22. Nevada Gaming Commission Regulation 22.140, in relevant part,
25 provides as follows:

26 1. A book may only accept a sports wager, nonpari-mutuel
27 race wager, or other event wager made in person unless the
28 transmission of a wager is initiated from within the State of Nevada.
Each book must conspicuously display signs to that effect on its
premises.

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2. An operator of a call center shall not accept wagering instructions for sports wagers, nonpari-mutuel race wagers, or other events wagers unless the transmission of the wagering instructions is initiated from within the State of Nevada.

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6. Each book shall issue each patron or authorized employee of a book a secure personal identification reasonably designed to prevent the acceptance of wagers from persons other than the patrons or authorized employees of books for whom wagering accounts are established. More than one patron or authorized employee of a book may be assigned to a single wagering account; however, each patron or authorized employee of a book assigned to an account must comply with the provisions of subsections 7, 8, and 9.

7. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, on any nonpari-mutuel race wager, or on any other event wager:

(a) The patron must personally appear before employees of the book to open a wagering account. If the patron does not appear personally at the premises of the book or, for central site books, at an outstation, satellite or affiliated book, to open a wagering account, a book must file a request with the chairman for permission to have its employees open wagering accounts outside the premises of the book. The request must include a comprehensive marketing plan setting out, at a minimum, the types of locations and types of potential patrons to which a book intends to send its employees for the purposes of opening wagering accounts. A book may not act under its marketing plan prior to the chairman approving the request. The chairman may impose limitations and conditions on any approved request. The chairman may rescind his approval of a request of a book to have its employees open wagering accounts outside the premises of the book upon written notice to the book. Wagering accounts may not be opened outside the State of Nevada;

(b) An employee of the book must examine, in the patron's presence, the patron's:

- (1) Driver's license;
- (2) Passport;
- (3) Non-resident alien identification card;
- (4) Other reliable government issue identification credential; or

(5) Other picture identification credential normally acceptable as a means of identification when cashing checks;

(c) The employee must record:

- (1) The patron's name, permanent home address (other than a post office box number), and home telephone number;
- (2) The patron's mailing address and, if the mailing address is not a post office box number and is a residence or place of business of the patron, the telephone number of the resident or place of business;
- (3) The patron's date of birth, gender, a description and number of the identity credential examined, and social security number, for United States residents only;

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- (4) The method used to verify the patron's identity and residence, and a description, including the document number, of the identity credential examined;
- (5) The patron's approved credit limit or the amount of the patron's initial wagering account or front money deposit;
- (6) The patron's account number with the book; and
- (7) The date the patron's account with the book is opened;
- (d) The patron must sign, in the presence of a supervising employee of the book, statements attesting that the patron:
 - (1) Confirms the accuracy of the information recorded;
 - (2) Has received a copy of the book's rules and procedures for wagering communications;
 - (3) Has been informed and understands that patrons that establish a wagering account pursuant to this subsection 7 are prohibited by law from placing wagering communications from outside Nevada and that the book is prohibited by law from accepting them;
 - (4) Has been informed and understands that, with regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of Regulation 26C; and
 - (5) Consents to the monitoring and recording by the board of any wagering communications; and
- (e) The employee who verifies the patron's identity and residence and who obtains and records the information on behalf of the book and the supervising employee described in subparagraph (d), must each sign statements that they witnessed the patron's signature and confirmed the patron's identity and residence.

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10. For each wagering account established for the purpose of accepting wagering communications, the book shall record the secure personal identification assigned to the patron and the date/time and amount of each:
- (a) Deposit;
 - (b) Withdrawal;
 - (c) Wager placed and accepted including the wagering transaction number;
 - (d) Payout on winning wager;
 - (e) Charge for horse racing-related services or merchandise;
 - (f) Service or other transaction-related charge authorized by the patron; and
 - (g) Adjustment to the account.

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12. All wagering account applications or amendments thereto for active accounts must be retained by the book. All wagering account applications or amendments thereto for rejected applications shall be retained by the book for no less than one year following the rejection of the related application. All wagering account applications or amendments thereto for closed accounts

1 shall be retained by the book for no less than one year following the
2 closure of the related wagering account.

3 Nev. Gaming Comm'n Reg. 22.140(1), (2), (6), (7), (10), and (12).

4 23. Nevada Revised Statute 465.092 provides as follows:

5 1. Except as otherwise provided in NRS 465.094, a person,
6 alone or with others, shall not knowingly, within or outside of this
7 state:

8 (a) Accept or receive, directly or indirectly, through any
9 medium of communication a wager from another person who is
10 physically present within this state; or

11 (b) Allow a lessee, agent or employee to accept or receive,
12 directly or indirectly, through any medium of communication a
13 wager from another person who is physically present within this
14 state.

15 2. If a person engages in conduct in violation of subsection 1
16 and the person is outside of this state at the time of the offense:

17 (a) The offense shall be deemed to commence outside of
18 this state;

19 (b) The offense shall be deemed to be consummated within
20 this state; and

21 (c) The person may be prosecuted within this state pursuant
22 to the provisions of NRS 171.015.

23 3. A person who violates the provisions of this section is
24 guilty of a misdemeanor.

25 NRS 465.092.

26 24. Nevada Revised Statute 465.094 provides as follows:

27 The provisions of NRS 465.092 and 465.093 do not apply to
28 a wager placed by a person for the person's own benefit or, without
compensation, for the benefit of another that is accepted or
received by, placed with, or sent, transmitted or relayed to

1. A race book or sports pool that is licensed pursuant to
chapter 463 of NRS, if the wager is accepted or received within this
State and otherwise complies with all other applicable laws and
regulations concerning wagering;

2. A person who is licensed to engage in off-track pari-
mutuel wagering pursuant to chapter 464 of NRS, if the wager is
accepted or received within this State and otherwise complies with
subsection 3 of NRS 464.020 and all other applicable laws and
regulations concerning wagering;

3. A person who is licensed to operate a mobile gaming
system pursuant to chapter 463 of NRS, if the wager is accepted or
received within this State and otherwise complies with all other
applicable laws and regulations concerning wagering; or

4. Any other person or establishment that is licensed to
engage in wagering pursuant to title 41 of NRS, if the wager is
accepted or received within this State and otherwise complies with
all other applicable laws and regulations concerning wagering.

1 5. Any other person or establishment that is licensed to
2 engage in wagering in another jurisdiction and is permitted to
3 accept or receive a wager from patrons within this State under an
4 agreement entered into by the Governor pursuant to NRS 463.747.

4 NRS 465.094

5 25. Nevada Gaming Commission Regulation 22.010 provides, in relevant part, as
6 follows: “Messenger bettor’ means a person who places a race book or sports pool wager for
7 the benefit of another for compensation. Nev. Gaming Comm’n Reg. 22.010(12).

8 26. Nevada Gaming Commission Regulation 22.060 provides, in relevant part, as
9 follows:

10 3. A book shall not knowingly accept money or its equivalent
11 ostensibly as a wager upon an event whose outcome has already
12 been determined. A licensed sports pool shall not accept a wager
13 on an event unless the date and time at which the outcome of the
14 event is determined can be confirmed from reliable sources
15 satisfactory to the chairman or from records created and maintained
16 by the book in such manner as the chairman may approve.

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16 5. No book or agent or employee of a book may accept a
17 wager from a person who the book, agent, or employee knows or
18 reasonably should know is a messenger bettor or is placing the
19 wager in violation of state or federal law.

19 Nev. Gaming Comm’n Reg. 22.060 (3) and (5).

20 27. Nevada Gaming Commission Regulation 26C.010 provides, in relevant part, as
21 follows: “Messenger bettor” means a person who places a wager for the benefit of another
22 for compensation. Nev. Gaming Comm’n Reg. 26C.010(11).

23 28. Nevada Gaming Commission Regulation 26C.070 provides, in relevant part, as
24 follows: “No book or agent or employee of a book may accept a wager from a person who the
25 book, agent, or employee knows or reasonably should know is a messenger bettor or is
26 placing the wager in violation of state or federal law.” Nev. Gaming Comm’n Reg. 26C.070(4).

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1 29. Nevada Gaming Commission Regulation 22.200 provides as follows:

2 Books shall create and maintain the records and reports
3 required by this regulation in such manner and using such forms as
4 the chairman may require or approve. The chairman may require
5 books to create and maintain such other records and reports as are
6 necessary or convenient for strict regulation of books. Except as
7 otherwise provided in this regulation, books shall preserve the
8 records required by this regulation for at least 5 years after they are
9 made. The board may at any time examine and copy the records of
10 any book. Each book shall comply with all other applicable
11 regulations of the commission to the extent not in conflict with this
12 regulation.

13 Nev. Gaming Comm'n Reg. 22.200.

14 30. NRS 463.335 provides, in relevant part:

15 2. A person may not be employed as a gaming employee
16 unless the person is temporarily registered or registered as a
17 gaming employee pursuant to this section. An applicant for
18 registration or renewal of registration as a gaming employee must
19 file an application for registration or renewal of registration with the
20 Board. Whenever a registered gaming employee, whose
21 registration has not expired, has not been objected to by the Board,
22 or has not been suspended or revoked becomes employed as a
23 gaming employee at another or additional gaming establishment,
24 the registered gaming employee must file a change of employment
25 notice within 10 calendar days with the Board. The application for
26 registration and change of employment notice must be filed through
27 the licensee for whom the applicant will commence or continue
28 working as a gaming employee, unless otherwise filed with the
Board as prescribed by regulation of the Commission.

3. The Board shall prescribe the forms for the application for
registration as a gaming employee and the change of employment
notice.

4. A complete application for registration or renewal of
registration as a gaming employee or a change of employment
notice received by a licensee must be mailed or delivered to the
Board within 5 business days after receipt unless the date is
administratively extended by the Chairman of the Board for good
cause. A licensee is not responsible for the accuracy or
completeness of any application for registration or renewal of
registration as a gaming employee or any change of employment
notice.

.....

7. Except as otherwise prescribed by regulation of the
Commission, an applicant for registration or renewal of registration
as a gaming employee is deemed temporarily registered as a
gaming employee as of the date a complete application of
registration or renewal of registration is submitted to the licensee for
which he will commence or continue working as a gaming

1 employee. Unless objected to by the Board or suspended or
2 revoked, the initial registration of an applicant as a gaming
3 employee expires 5 years after the date employment commences
4 with the applicable licensee. Any subsequent renewal of
5 registration as a gaming employee, unless objected to by the Board
6 or suspended or revoked, expires 5 years after the expiration date
7 of the most recent registration or renewal of registration of the
8 gaming employee.

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10 9. A person who is temporarily registered or registered as a
11 gaming employee is eligible for employment in any licensed
12 gaming establishment in this State until such registration is
13 objected to by the Board, expires or is suspended or revoked. The
14 Commission shall adopt regulations to:

- 15 (a) Establish uniform procedures for the registration of
16 gaming employees;
17 (b) Establish uniform criteria for objection by the Board of
18 an application for registration; and
19 (c) Provide for the creation and maintenance of a system of
20 records that contain information regarding the current place of
21 employment of each person who is registered as a gaming
22 employee and each person whose registration as a gaming
23 employee has expired, was objected to by the Board, or was
24 suspended or revoked. The system of records must be accessible
25 by:
26 (1) Licensees for the limited purpose of complying with
27 subsection 2; and
28 (2) The Central Repository for Nevada Records of Criminal
History for the limited purpose of complying with NRS 179D.570.

18 NRS 463.335(2), (3), (4), (7), and (9).

19 31. Nevada Revised Statute 463.0157 provides as follows:

- 20 1. "Gaming employee" means any person connected directly
21 with an operator of a slot route, the operator of a pari-mutuel
22 system, the operator of an inter-casino linked system or a
23 manufacturer, distributor or disseminator, or with the operation of a
24 gaming establishment licensed to conduct any game, 16 or more
25 slot machines, a race book, sports pool or pari-mutuel wagering,
26 including:
27 (a) Accounting or internal auditing personnel who are
28 directly involved in any recordkeeping or the examination of records
associated with revenue from gaming;
(b) Boxpersons;
(c) Cashiers;
(d) Change personnel;
(e) Counting room personnel;
(f) Dealers;
(g) Employees of a person required by NRS 464.010 to be
licensed to operate an off-track pari-mutuel system;

1 (h) Employees of a person required by NRS 463.430 to be
2 licensed to disseminate information concerning racing and
3 employees of an affiliate of such a person involved in assisting the
4 person in carrying out the duties of the person in this State;

5 (i) Employees whose duties are directly involved with the
6 manufacture, repair, sale or distribution of gaming devices,
7 cashless wagering systems, mobile gaming systems, equipment
8 associated with mobile gaming systems, interactive gaming
9 systems or equipment associated with interactive gaming;

10 (j) Employees of operators of slot routes who have keys for
11 slot machines or who accept and transport revenue from the slot
12 drop;

13 (k) Employees of operators of inter-casino linked systems,
14 mobile gaming systems or interactive gaming systems whose
15 duties include the operational or supervisory control of the systems
16 or the games that are part of the systems;

17 (l) Employees of operators of call centers who perform, or
18 who supervise the performance of, the function of receiving and
19 transmitting wagering instructions;

20 (m) Employees who have access to the Board's system of
21 records for the purpose of processing the registrations of gaming
22 employees that a licensee is required to perform pursuant to the
23 provisions of this chapter and any regulations adopted pursuant
24 thereto;

25 (n) Floorpersons;

26 (o) Hosts or other persons empowered to extend credit or
27 complimentary services;

28 (p) Keno runners;

(q) Keno writers;

(r) Machine mechanics;

(s) Odds makers and line setters;

(t) Security personnel;

(u) Shift or pit bosses;

(v) Shills;

(w) Supervisors or managers;

(x) Ticket writers;

29 (y) Employees of a person required by NRS 463.160 to be
30 licensed to operate an information service; and

31 (z) Temporary or contract employees hired by a licensee to
32 perform a function related to gaming.

33 (aa) Temporary or contract employees hired by a licensee to
34 perform a function related to gaming.

35 2. "Gaming employee" does not include barbacks,
36 bartenders, cocktail servers or other persons engaged exclusively
37 in preparing or serving food or beverages.

38 3. As used in this section, "local access" means access to
hardware or software from within a licensed gaming establishment,
hosting center or elsewhere within this State.

39 NRS 463.0157.

40 32. Nevada Gaming Commission Regulation 5.100 provides as follows:

41 As used in Regulations 5.100 to 5.109, inclusive:

42 1. "Applicant" means a person who has submitted an
43 application for registration or renewal of registration as a gaming
44 employee and, unless otherwise indicated, also means a person
45 who has filed a change of employment notice.

1 2. “Application for registration” means an application
2 package containing all the components of a complete application
3 for registration or renewal of registration as a gaming employee
4 consisting of:

5 (a) The form for application;
6 (b) Two sets of fingerprints of the applicant or, if applicable,
7 proof that the applicant’s fingerprints were submitted electronically
8 or by another means to the Central Repository for Nevada Records
9 of Criminal History;

10 (c) The fee or a voucher guaranteeing payment of the fee
11 for processing the application for registration; and

12 (d) The statement prescribed in subsections 1 and 2 of
13 NRS 463.3351.

14 Unless otherwise indicated, an “application for registration” also
15 means the change of employment notice prescribed by the board.

16 3. “Form for application” means the application form
17 prescribed by the board for registration or renewal of registration
18 as a gaming employee and, unless otherwise indicated, also
19 means the change of employment notice form prescribed by the
20 board, in electronic or paper form.

21 Nev. Gaming Comm’n Reg. 5.100.

22 33. Nevada Gaming Commission Regulation 5.101 provides: “No person shall be
23 employed as a gaming employee unless such person is temporarily registered or registered as
24 a gaming employee in accordance with NRS 463.335 and these regulations.”

25 Nev. Gaming Comm’n Reg. 5.101.

26 34. Nevada Gaming Commission Regulation 5.102 provides, in relevant part: “A
27 person is deemed temporarily registered as a gaming employee upon submission of an
28 application for registration to the licensee for which he will commence or continue working as
a gaming employee, unless otherwise prescribed by the chairman.” Nev. Gaming Comm’n
Reg. 5.102(1)

 35. Nevada Gaming Commission Regulation 5.105 provides, in relevant part, as
follows:

 1. A nonrestricted licensee shall not knowingly employ any
person as a gaming employee unless such person is temporarily
registered or registered as a gaming employee. A licensee shall
check, and may rely on, the system of records maintained by the
board to verify the temporary registration, registration or eligibility of
a person seeking employment as a gaming employee with such
licensee.

.....

1 4. If a licensee determines, after accessing the system of
2 records maintained by the board, that a person seeking
3 employment as a gaming employee with such licensee is not
4 temporarily registered or registered as a gaming employee, and is
5 not subject to objection, suspension or revocation, the licensee
6 shall provide the person with a form for application, the statement
7 prescribed in subsections 1 and 2 of NRS 463.3351 and instruct the
8 person to:

9 (a) Complete the form for application and the statement
10 prescribed in subsections 1 and 2 of NRS 463.3351;

11 (b) Obtain two complete sets of fingerprints;

12 (c) Complete an online payment by credit or debit card
13 through the board's online gaming employee registration system or
14 obtain a money order, cashier's check or voucher in the amount
15 prescribed by the board in accordance with NRS 463.335(5); and

16 (d) Unless otherwise prescribed by the chairman, complete
17 the application for gaming employee registration online via the
18 board's online gaming employee registration system or return a
19 completed paper application for registration to the licensee in a
20 sealed envelope, or in any other confidential manner permitted by
21 the board, for submission to the board.

22 If the person's fingerprints are submitted electronically or by
23 another means to the Nevada Records of Criminal History, tangible
24 proof of such shall be included in the application for registration in
25 lieu of the fingerprint cards.

26 A licensee shall not employ a person who is not temporarily
27 registered or registered as a gaming employee until such time as
28 the person complies with this subsection.

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8. Upon receipt of an application for registration, a licensee
shall mail or deliver it to the board within 5 business days as
prescribed in NRS 463.335(4).

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11. On or before the fifteenth (15th) day of each month,
each licensee shall submit a written report to the board containing
the name, social security number, position held, and date of hire of
each gaming employee hired during the previous month.

Nev. Gaming Comm'n Reg. 5.105(1), (4), (8), and (11).

36. As it was in effect through October of 2010, Nevada Gaming Commission
Regulation 3.100 provides, in relevant part, as follows:

1. On or before January 15 and July 15 of each year, each
nonrestricted licensee, including each operator of a slot machine
route, of a mobile gaming system, or of an inter-casino linked
system, and each pari-mutuel systems operator shall submit an
employee report to the board. The report shall identify every
individual who is, or who has been since the filing of the previous
report, actively engaged in the administration or supervision of the
operation as follows:

1 (d) Any individual who has the authority to supervise or
2 direct a shift of each gaming or security activity, including but not
3 limited to supervision or direction of the entire pit operation, keno
4 games, bingo games, slot machines, race book, sports pool, pari-
mutuel operations, and any persons having authority to supervise or
direct such persons;

5

6 (g) Any individual who has the authority to set betting lines,
7 point spreads or betting odds; who has the authority to authorize
8 the voiding of betting tickets; or who has the authority to approve
wagers larger than the posted limits established for the book;

9 Nev. Gaming Comm'n Reg. 3.100(1)(d) and (g) (2006).

10 37. Nevada Gaming Commission Regulation 3.110 provides, in relevant part:

11 1. Any executive, employee, or agent of a gaming licensee
12 having the power to exercise a significant influence over decisions
concerning any part of the operation of a gaming licensee or who is
13 listed or should be listed in the annual employee report required by
Regulation 3.100 is a key employee.

14 Nev. Gaming Comm'n Reg. 3.110(1).

15 38. Nevada Gaming Commission Regulation 5.013 provides:

16 1. Except as provided in subsection 2, no officer, director,
17 owner or key employee of an entity which holds a gaming license in
this state, or of an affiliate or an affiliated company of an entity
18 which holds a gaming license in this state, shall play or place a
wager at any gambling game, slot machine, race book or sports
19 pool which is exposed to the public for play or wagering:

20 (a) By that gaming licensee; or

(b) By an affiliate or an affiliated company of that gaming
licensee.

21 2. Subsection 1 shall not apply to the playing of or wagering
on poker, panguingui or off-track pari-mutuel wagering.

22 3. No race book or sports pool employee shall place a
23 wager, other than an off-track pari-mutuel wager, with the book at
which they are employed or at a book of an affiliate or an affiliated
24 company whether on their behalf, on behalf of the race book or
sports pool, or on behalf of another person.

25 4. Licensees shall not issue credit for purposes of gaming to
key employees of that licensee whether or not such credit is
26 evidenced by a player card, wagering account or a credit
instrument.

27 5. For the purposes of this section, "affiliate" shall have the
28 same meaning as defined in Regulation 15.482-3 and "affiliated
company" shall have the same meaning as defined in NRS

1 463.4825. "Affiliated company" specifically includes a publicly
2 traded corporation registered with the Commission.

3 Nev. Gaming Comm'n Reg. 5.013.

4 39. Nevada Gaming Commission Regulation 26.140 provides, in relevant part:

5 2. No employee of a mutuel department, officials,
6 participants of a sporting event, or other employees on duty in the
7 playing or spectator areas shall purchase or cash a pari-mutuel
8 ticket; provided, however, the selling and cashing of pari-mutuel
9 tickets for patrons by messengers employed by the licensee for that
10 purpose may be allowed.

11 Nev. Gaming Comm'n Reg. 26.140(2).

12 40. Nevada Revised Statute 464.070 provides as follows: "A pari-mutuel wager
13 placed at the enclosure where the wagered race or event is conducted may be made by an
14 agent if the principal is present on the premises. All off-track pari-mutuel wagering must be
15 done by a principal." NRS 464.070.

16 41. Nevada Gaming Commission Regulation 5.030 provides as follows:

17 ***Violation of any provision of the Nevada Gaming Control Act
18 or of these regulations by a licensee, his agent or employee shall be
19 deemed contrary to the public health, safety, morals, good order and
20 general welfare of the inhabitants of the State of Nevada and grounds
21 for suspension or revocation of a license. Acceptance of a state
22 gaming license or renewal thereof by a licensee constitutes an
23 agreement on the part of the licensee to be bound by all of the
24 regulations of the commission as the same now are or may hereafter be
25 amended or promulgated. It is the responsibility of the licensee to
26 keep himself informed of the content of all such regulations, and
27 ignorance thereof will not excuse violations.***

28 Nev. Gaming Comm'n Reg. 5.030 (emphasis added).

COUNT ONE

VIOLATION OF NEVADA REVISED STATUTE 463.170 and/or

NEVADA GAMING COMMISSION REGULATION 5.010 and/or 5.011

42. Complainant BOARD realleges and incorporates by reference as though set forth
in full herein paragraphs 1 through 41 above.

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1 43. Michael Lloyd Colbert was licensed by the Nevada Gaming Commission in July of
2 2011 as a Key Employee of LP and held the title of Vice President of Race and Sports Risk
3 Management.

4 44. Michael Lloyd Colbert’s job duties, among others, included risk management for
5 the Company. Colbert had a “team” of employees that worked under his supervision.

6 45. On or about October 24, 2012, Michael Lloyd Colbert was indicted by the New
7 York State Grand Jury and charged with one count of Enterprise Corruption, one count of
8 Money Laundering in the First Degree, three counts of Money Laundering in the Fourth
9 Degree, one count of Money Laundering in the Third Degree, and two counts of Conspiracy in
10 the Fifth Degree. The indictment was made in the Supreme Court of the State of New York,
11 County of Queens, Indictment Number 2593/2012 (hereinafter “Indictment”).

12 46. Colbert was named in the Indictment as both a “Defendant” and as a “participant.”
13 The Indictment arose based on each participant’s specialized role within the gambling
14 operation.

15 47. According to the Indictment, the defendants were members and associates of an
16 organization that operated an unlawful sports gambling enterprise.

17 48. According to the Indictment, the purpose of the gambling enterprise was to engage
18 in criminal conduct and to acquire money illegally through the promotion of gambling activity,
19 including wagers on sports.

20 49. According to the Indictment, Michael Colbert was an agent in this enterprise who
21 recruited bettors, maintained existing bettors, collected gambling losses and paid out winnings
22 resulting from bets placed with the enterprise.

23 50. Michael Lloyd Colbert conducted his illegal gambling activities, as set out in the
24 Indictment, through the use of his position as a key employee and Vice President of Race and
25 Sports Book Risk Management with LP.

26 51. Colbert’s actions took place during his employment with LP, during which time he
27 was under the direct supervision of Lee Amaitis, President and Chief Executive Officer of LP.

28

1 Lee Amaitis was also President and Chief Executive Officer of HOLDINGS, LP and
2 President and Chief Executive Officer of LLC.

3 52. CANTOR GAMING and/or Lee Amaitis, either knew or should have known that
4 Colbert was conducting the illegal activities described in the Indictment.

5 53. Based on the allegations of the Indictment, Michael Lloyd Colbert pled guilty to a
6 felony charge of conspiracy related to an illegal gambling business in the United States District
7 Court, Eastern District of New York on or about August 21, 2013. His sentencing is presently
8 pending.

9 54. The Indictment and conviction are based on crimes involving illegal gambling, and
10 a key employee licensed in Nevada for a position of authority with a legal gambling
11 establishment named in such an indictment directly impacts the State's reputation in ensuring
12 gaming is conducted honestly, competitively and free of criminal and corruptive elements.

13 55. The failure of CANTOR GAMING to prevent Michael Lloyd Colbert, one of its
14 executives and key employees found suitable by the Nevada Gaming Commission, from
15 engaging in illegal gambling activities made in significant part possible by Michael Lloyd
16 Colbert's position with CANTOR GAMING reflects or tends to reflect poorly on the reputation
17 of gaming in the State of Nevada and/or acts as a detriment to the development of the gaming
18 industry and/or reflects or tends to reflect discredit upon the State of Nevada or the gaming
19 industry.

20 56. The failure to supervise Michael Lloyd Colbert sufficiently to prevent his illegal
21 gambling activities made in significant part possible by his position with CANTOR GAMING is
22 a violation of Nevada Revised Statute 463.170 and/or Nevada Gaming Commission
23 Regulations 5.010 and/or 5.011(1) and (10). This constitutes an unsuitable method of
24 operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs.
25 5.010(2), 5.011 and 5.030.

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COUNT TWO

VIOLATION OF NEVADA REVISED STATUTES 465.092 and/or 465.094 and/or
NEVADA GAMING COMMISSION REGULATIONS 22.060 and/or 26C.070

57. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 56 above.

58. Gadoon Kyrollos was a high-volume wagerer with CANTOR GAMING.

59. Gadoon Kyrollos placed few, if any, wagers in his own name with CANTOR GAMING.

60. Gadoon Kyrollos is also known as "Spanky."

61. Gadoon Kyrollos employed a number of people to place wagers with CANTOR GAMING, including, but not limited to, Paul Sexton.

62. Gadoon Kyrollos paid Paul Sexton to place wagers for him with CANTOR GAMING. Thus, Paul Sexton was a messenger bettor for Gadoon Kyrollos.

63. Paul Sexton was indicted by the New York State Grand Jury and charged with one count of Enterprise Corruption, one count of Money Laundering in the First Degree, two counts of Money Laundering in the Second Degree, four counts of Money Laundering in the Third Degree, three counts of Money Laundering in the Fourth Degree, and one count of Conspiracy in the Fifth Degree.

64. On or about September 24, 2013, Paul Sexton pled guilty to Money Laundering in the Fourth Degree and forfeited \$600,000.00.

65. The Indictment arose based on each participant's specialized role within the gambling operation.

66. According to the Indictment, the participants were members and associates of an organization that operated an unlawful sports gambling enterprise.

67. According to the Indictment, the purpose of the gambling operation was to engage in criminal conduct and to acquire money illegally through the promotion of gambling activity, including wagers on sports.

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1 68. According to the Indictment, Paul Sexton and others were money collectors/money
2 distributors/banks in this organization who collected and distributed money among the
3 participants of this enterprise and held large sums of cash for the advancement of the
4 business.

5 69. The Indictment also alleges Paul Sexton and Michael Colbert acted in concert to
6 launder money which represented the proceeds of criminal conduct.

7 70. Paul Sexton placed approximately 4,464 wagers with CANTOR GAMING from July
8 of 2011 through October 24, 2012. The total amount of these wagers was approximately
9 \$22,000,000.00.

10 71. Paul Sexton only placed wagers for Gadoon Kyrollos with CANTOR GAMING.

11 72. Michael Lloyd Colbert, while Vice President of Race and Sports Risk Management
12 for CANTOR GAMING and while licensed as a key employee of CANTOR GAMING, knew or
13 reasonably should have known Paul Sexton was a messenger bettor on or before July of
14 2011. As an employee and/or executive of CANTOR GAMING, Michael Lloyd Colbert's
15 knowledge is imputed to CANTOR GAMING. Other employees of CANTOR GAMING also
16 may have known or reasonably should have known Paul Sexton was a messenger bettor.

17 73. Each wager placed by Paul Sexton subsequent to when at least one employee of
18 CANTOR GAMING knew or should have known he was a messenger bettor constitutes a
19 separate violation pursuant to NRS 463.310(4)(d)(2).

20 74. The failure of CANTOR GAMING to prevent the acceptance of wagers from
21 messenger bettors is a violation of Nevada Revised Statutes 465.092 and/or 465.094 and/or
22 Nevada Gaming Commission Regulations 22.060 and/or 26C.070. This constitutes an
23 unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev.
24 Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

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COUNT THREE

**VIOLATION OF NEVADA REVISED STATUTES 465.092 and/or 465.094 and/or
NEVADA GAMING COMMISSION REGULATIONS 22.060 and/or 26C.070**

75. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 74 above.

76. Gadoon Kyrollos employed a number of people to place wagers with CANTOR GAMING, including, but not limited to, Robert Drexler.

77. Gadoon Kyrollos paid Robert Drexler to place wagers for him with CANTOR GAMING. Thus, Robert Drexler was a messenger bettor for Gadoon Kyrollos.

78. Robert Drexler placed approximately 1,612 wagers with CANTOR GAMING from February 2011 through July 2011. The total amount of these wagers was approximately \$7,900,000.00.

79. Robert Drexler only placed wagers for Gadoon Kyrollos with CANTOR GAMING.

80. At least one employee of CANTOR GAMING knew or reasonably should have known Robert Drexler was a messenger bettor on or before February 15, 2011. The knowledge of CANTOR GAMING's employees is imputed to CANTOR GAMING.

81. Each wager placed by Robert Drexler subsequent to when at least one employee of CANTOR GAMING knew or should have known he was a messenger bettor constitutes a separate violation pursuant to NRS 463.310(4)(d)(2).

82. The failure of CANTOR GAMING to prevent the acceptance of wagers from messenger bettors is a violation of Nevada Revised Statutes 465.092 and/or 465.094 and/or Nevada Gaming Commission Regulations 22.060 and/or 26C.070. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

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COUNT FOUR

**VIOLATION OF NEVADA REVISED STATUTES 465.092 and/or 465.094 and/or
NEVADA GAMING COMMISSION REGULATIONS 22.060 and/or 26C.070**

83. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 82 above.

84. Gadoon Kyrollos employed a number of people to place wagers with CANTOR GAMING, including, but not limited to, Thomas Ludford.

85. Thomas Ludford knew Gadoon Kyrollos as Mike Fisher.

86. Gadoon Kyrollos paid Thomas Ludford to place wagers for him with CANTOR GAMING. Thus, Thomas Ludford was a messenger bettor for Gadoon Kyrollos.

87. Thomas Ludford placed approximately 900 wagers with CANTOR GAMING from August 2012 through October 2012. The total amount of these wagers was approximately \$4,400,000.00.

88. Almost all of the money Thomas Ludford wagered with CANTOR GAMING was on behalf of Gadoon Kyrollos.

89. At least one employee of CANTOR GAMING knew or reasonably should have known Thomas Ludford was a messenger bettor on or before August 2012. The knowledge of CANTOR GAMING's employees is imputed to CANTOR GAMING.

90. Each wager placed by Thomas Ludford subsequent to when at least one employee of CANTOR GAMING knew or should have known he was a messenger bettor constitutes a separate violation pursuant to NRS 463.310(4)(d)(2).

91. The failure of CANTOR GAMING to prevent the acceptance of wagers from messenger bettors is a violation of Nevada Revised Statutes 465.092 and/or 465.094 and/or Nevada Gaming Commission Regulations 22.060 and/or 26C.070. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

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COUNT FIVE

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 22.140 and/or 22.200

92. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 91 above.

93. During its last audit of CANTOR GAMING, the BOARD's Audit Division requested the account wagering applications for nineteen (19) patrons, selected on a random basis, who had active wagering accounts with CANTOR GAMING.

94. CANTOR GAMING was missing eight (8) of the hard copy applications for these patrons.

95. Of the eleven (11) account wagering applications CANTOR GAMING produced to the Audit Division of the BOARD, one was not signed by the patron.

96. Of the eleven (11) account wagering applications CANTOR GAMING produced to the Audit Division of the BOARD, two (2) were not signed by a supervising employee of CANTOR GAMING attesting that the patron signed the application in the supervising employee's presence.

97. Of the eleven (11) account wagering applications CANTOR GAMING produced to the Audit Division, two (2) did not contain the social security number of patrons residing in the United States.

98. Of the eleven (11) account wagering applications CANTOR GAMING produced to the Audit Division of the BOARD, three (3) did not contain a home telephone number for the patron.

99. The failure of CANTOR GAMING to obtain and produce the missing account wagering applications and to have complete account wagering applications as required is a violation of Nevada Gaming Commission Regulations 22.140 and/or 22.200. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

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1 **COUNT SIX**

2 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 22.060 and/or 22.200**

3 100. Complainant BOARD realleges and incorporates by reference as though set forth
4 in full herein paragraphs 1 through 99 above.

5 101. On October 26, 2011, the BOARD Chairman made the following approval with
6 regard to satisfactory confirmation of the date and time the outcome of an event is determined
7 for in-running wager events:

8 Your proposed method to comply with Regulation 22.060(3)
9 by digitally recording live broadcast of all games that involve an in-
10 running wager event with an overlay of a date and time, from the
11 CSB computerized race and sports system, on the recording is
12 approved. These recordings are to be maintained and used as an
13 independent source for the in-running wager event's date and time
14 and the event's final result. As a reminder, please amend your
written system of internal control to indicate the method used to
comply with Regulation 22.060(3) in preparing the independent
source record and the 5-year retention period of such records.

15 102. On October 30, 2013, the BOARD's Audit Division discussed the five year record
16 retention requirements for in-running wagering events with CANTOR GAMING's Director of
17 Compliance and its Compliance Manager. They disclosed that CANTOR GAMING was not
18 following the record keeping requirements in that CANTOR GAMING was only keeping the
19 records for seven days, and its written system of internal control only indicated a seven day
20 record retention requirement rather than the required five years.

21 103. The failure of CANTOR GAMING to maintain the required records as required is a
22 violation of Nevada Gaming Commission Regulations 22.060 and/or 22.200. This constitutes
23 an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev.
24 Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

25 **COUNT SEVEN**

26 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 22.140**

27 104. Complainant BOARD realleges and incorporates by reference as though set forth
28 in full herein paragraphs 1 through 103 above.

1 105. On January 23, 2013, the Enforcement Division of the BOARD requested the
2 account wagering application for Adam Meyer from CANTOR GAMING.

3 106. CANTOR GAMING provided the requested application on January 30, 2013.

4 107. The account wagering application for Adam Meyer shows it was completed on
5 January 29, 2013.

6 108. CANTOR GAMING has been accepting wagering communications from Adam
7 Meyer since at least 2011.

8 109. The failure of CANTOR GAMING to maintain an account wagering application for
9 Adam Meyer is a violation of Nevada Gaming Commission Regulations 22.140. This
10 constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action.
11 See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

12 **COUNT EIGHT**

13 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 22.140 and/or 22.200**

14 110. Complainant BOARD realleges and incorporates by reference as though set forth
15 in full herein paragraphs 1 through 109 above.

16 111. On April 4, 2013, the Enforcement Division of the BOARD requested account
17 wagering applications for the top 100 accounts from CANTOR GAMING. CANTOR GAMING
18 provided copies of 168 account wagering applications comprising account wagering
19 applications for approximately 94 account holders.

20 112. Eighty-eight (88) of the account wagering applications provided by CANTOR
21 GAMING were completed improperly.

22 113. Twenty-nine (29) of the account wagering applications did not include a social
23 security number for residents of the United States.

24 114. Twenty-nine (29) of the account wagering applications did not include a telephone
25 number.

26 115. Eight (8) of the account wagering applications did not include a date of birth.

27 116. Eight (8) of the account wagering applications did not include identifying
28 credential information.

1 117. Many of the applications contained multiple omissions of required information.

2 118. The failure of CANTOR GAMING to have complete account wagering applications
3 as required is a violation of Nevada Gaming Commission Regulations 22.140 and/or 22.200.
4 This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary
5 action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

6 **COUNT NINE**

7 **VIOLATION OF NEVADA REVISED STATUTE 463.335 AND**

8 **NEVADA GAMING COMMISSION REGULATIONS 5.011, 5.101, and/or 5.105**

9 119. Complainant BOARD realleges and incorporates by reference as though set forth
10 in full herein paragraphs 1 through 118 above.

11 120. CANTOR GAMING employs Roxie Lampros as a race and sports writer. Roxie
12 Lampros' gaming employee registration expired on August 27, 2012. An application for
13 renewal of gaming employee registration was not submitted until March 18, 2013. Between
14 August 27, 2012, and March 18, 2013, CANTOR GAMING continued to employ Roxie
15 Lampros as a gaming employee.

16 121. CANTOR GAMING's actions as set out above are a violation of Nevada Revised
17 Statute 463.335 and Nevada Gaming Commission Regulations 5.011, 5.101, and/or 5.105.
18 This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary
19 action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

20 **COUNT TEN**

21 **VIOLATION OF NEVADA REVISED STATUTE 463.335 AND**

22 **NEVADA GAMING COMMISSION REGULATIONS 5.011, 5.101, and/or 5.105**

23 122. Complainant BOARD realleges and incorporates by reference as though set forth
24 in full herein paragraphs 1 through 121 above.

25 123. CANTOR GAMING failed to timely submit required hire reports from September
26 of 2012 through January 2013 to the BOARD.

27 124. CANTOR GAMING's actions as set out above are a violation of Nevada Revised
28 Statute 463.335 and Nevada Gaming Commission Regulations 5.011, 5.101, and/or 5.105.

1 This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary
2 action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

3 **COUNT ELEVEN**

4 **VIOLATION OF NEVADA GAMING COMMISSION**

5 **REGULATIONS 3.100, 5.013, and/or 26.140**

6 125. Complainant BOARD realleges and incorporates by reference as though set forth
7 in full herein paragraphs 1 through 124 above.

8 126. CANTOR GAMING hired Pascal Bartoli as a Race and Sports Book Supervisor
9 for its operations at the M Race and Sports Book on February 9, 2009. Pascal Bartoli's duties
10 in this position included supervision of a sports pool; supervision of pari-mutuel operations;
11 setting betting lines, point spreads, or betting odds; authorizing the voiding of betting tickets;
12 and/or approving wagers larger than the posted limits.

13 127. CANTOR GAMING promoted Michael Miller to the position of Race and Sports
14 Book Supervisor for its operations at the M Race and Sports Book on June 8, 2009. Michael
15 Miller's duties in this position included supervision of a sports pool; supervision of pari-mutuel
16 operations; setting betting lines, point spreads, or betting odds; authorizing the voiding of
17 betting tickets; and/or approving wagers larger than the posted limits.

18 128. CANTOR GAMING did not list Pascal Bartoli or Michael Miller on the Key
19 Employee Reports it submitted for July of 2009 and July of 2010 as key employees.

20 129. CANTOR GAMING's actions as set out above are a violation of Nevada Gaming
21 Commission Regulations 3.100, 5.013, and/or 26.140. This constitutes an unsuitable method
22 of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n
23 Regs. 5.010(2), 5.011 and 5.030.

24 **COUNT TWELVE**

25 **VIOLATION OF NEVADA GAMING COMMISSION**

26 **REGULATIONS 3.100, 5.013, and/or 26.140**

27 130. Complainant BOARD realleges and incorporates by reference as though set forth
28 in full herein paragraphs 1 through 129 above.

1 131. On September 27, 2010, Race and Sports Book Supervisor Pascal Bartoli made
2 a \$10 quinella wager for Philadelphia Race 1, on horses 1 and 8 at CANTOR GAMING's M
3 Race and Sports Book.

4 132. CANTOR GAMING's failure to prevent the above is a violation of Nevada Gaming
5 Commission Regulations 3.100, 5.013, and/or 26.140. This constitutes an unsuitable method
6 of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n
7 Regs. 5.010(2), 5.011 and 5.030.

8 **COUNT THIRTEEN**

9 **VIOLATION OF NEVADA GAMING COMMISSION**

10 **REGULATIONS 3.100, 5.013, and/or 26.140**

11 133. Complainant BOARD realleges and incorporates by reference as though set forth
12 in full herein paragraphs 1 through 132 above.

13 134. On October 1, 2010, Sports Book Writer Nicholas Jordan wrote 13 pari-mutuel
14 wagers for himself while on duty at CANTOR GAMING's M Race and Sports Book.

15 135. CANTOR GAMING's failure to prevent the above is a violation of Nevada Gaming
16 Commission Regulations 3.100, 5.013, and/or 26.140. This constitutes an unsuitable method
17 of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n
18 Regs. 5.010(2), 5.011 and 5.030.

19 **COUNT FOURTEEN**

20 **VIOLATION OF NEVADA GAMING COMMISSION**

21 **REGULATIONS 3.100, 5.013, and/or 26.140**

22 136. Complainant BOARD realleges and incorporates by reference as though set forth
23 in full herein paragraphs 1 through 135 above.

24 137. On October 7, 2010, Sports Book Writer Ryan Munoz cashed a winning ticket on
25 a \$20 money line wager on the Texas Rangers for himself while on duty at CANTOR
26 GAMING's M Race and Sports Book.

27 138. CANTOR GAMING's failure to prevent the above is a violation of Nevada Gaming
28 Commission Regulations 3.100, 5.013, and/or 26.140. This constitutes an unsuitable method

1 of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n
2 Regs. 5.010(2), 5.011 and 5.030.

3 **COUNT FIFTEEN**

4 **VIOLATION OF NEVADA GAMING COMMISSION**

5 **REGULATIONS 3.100, 5.013, and/or 26.140**

6 139. Complainant BOARD realleges and incorporates by reference as though set forth
7 in full herein paragraphs 1 through 138 above.

8 140. On September 27, 2010, Race and Sports Book Supervisor Pascal Bartoli placed
9 seven wagers and cashed one wager with CANTOR GAMING's M Race and Sports Book.

10 141. CANTOR GAMING's failure to prevent the above is a violation of Nevada Gaming
11 Commission Regulations 3.100, 5.013, and/or 26.140. This constitutes an unsuitable method
12 of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n
13 Regs. 5.010(2), 5.011 and 5.030.

14 **COUNT SIXTEEN**

15 **VIOLATION OF NEVADA GAMING COMMISSION**

16 **REGULATIONS 3.100, 5.013, and/or 26.140**

17 142. Complainant BOARD realleges and incorporates by reference as though set forth
18 in full herein paragraphs 1 through 141 above.

19 143. On September 30, 2010, Race and Sports Book Supervisor Michael Miller cashed
20 five wagers with CANTOR GAMING's M Race and Sports Book.

21 144. CANTOR GAMING's failure to prevent the above is a violation of Nevada Gaming
22 Commission Regulations 3.100, 5.013, and/or 26.140. This constitutes an unsuitable method
23 of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n
24 Regs. 5.010(2), 5.011 and 5.030.

25 **COUNT SEVENTEEN**

26 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 22.061**

27 145. Complainant BOARD realleges and incorporates by reference as though set forth
28 in full herein paragraphs 1 through 144 above.

1 146. In February of 2013, CANTOR GAMING submitted approximately 47 previously
2 unsubmitted book wagering reports to the BOARD. The transactions with which these reports
3 were concerned took place between August 31, 2011, and November 1, 2012.

4 147. In October of 2013, CANTOR GAMING submitted approximately 22 previously
5 unsubmitted book wagering reports to the BOARD. The transactions with which these reports
6 were concerned took place between April 30, 2013, and September 1, 2013.

7 148. CANTOR GAMING's failure to prevent the above is a violation of Nevada Gaming
8 Commission Regulation 22.061. This constitutes an unsuitable method of operation, and, as
9 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and
10 5.030.

11 **COUNT EIGHTEEN**

12 **VIOLATION OF NEVADA REVISED STATUTE 464.070**

13 149. Complainant BOARD realleges and incorporates by reference as though set forth
14 in full herein paragraphs 1 through 148 above.

15 150. On October 24, 2013, CANTOR GAMING self-reported that, from September 27,
16 2013, through September 29, 2013, Trevor Price placed off-track pari-mutuel wagers at
17 CANTOR GAMING's M Resort Book as an agent for Mike Jelinsky and using Mike Jelinsky's
18 wagering account with CANTOR GAMING.

19 151. CANTOR GAMING's failure to prevent the above is a violation of Nevada Revised
20 Statute 464.070. This constitutes an unsuitable method of operation, and, as such, is grounds
21 for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

22 WHEREFORE, based upon the allegations contained herein which constitute
23 reasonable cause for disciplinary action against CANTOR GAMING, pursuant to NRS
24 463.310, and Nevada Gaming Commission Regulations 5.010 and 5.030 the STATE GAMING
25 CONTROL BOARD prays for the relief as follows:

26 1. That the Nevada Gaming Commission serve a copy of this Complaint on CANTOR
27 GAMING pursuant to NRS 463.312(2);

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2. That the Nevada Gaming Commission fine CANTOR GAMING a monetary sum pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming Commission;

3. That the Nevada Gaming Commission take action against CANTOR GAMING's license or licenses pursuant to the parameters defined in NRS 463.310(4); and

4. For such other and further relief as the Nevada Gaming Commission may deem just and proper.

DATED this 6th day of January, 2014.


STATE GAMING CONTROL BOARD


A.G. BURNETT, Chairman

SHAWN R. REID, Member

TERRY JOHNSON, Member

Submitted by:
CATHERINE CORTEZ MASTO
Attorney General

By: 
JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
(775) 850-4162

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2. That the Nevada Gaming Commission fine CANTOR GAMING a monetary sum pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming Commission;


3. That the Nevada Gaming Commission take action against CANTOR GAMING's license or licenses pursuant to the parameters defined in NRS 463.310(4); and

4. For such other and further relief as the Nevada Gaming Commission may deem just and proper.

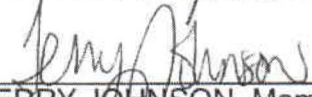
DATED this 6th day of January, 2014.

STATE GAMING CONTROL BOARD

A.G. BURNETT, Chairman



SHAWN R. REID, Member



TERRY JOHNSON, Member

Submitted by:
CATHERINE CORTEZ MASTO
Attorney General

By: _____
JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
(775) 850-4162