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**STATE OF NEVADA**

**BEFORE THE NEVADA GAMING COMMISSION**

STATE GAMING CONTROL BOARD, )  
Complainant, )  
vs. )  
LUCKY LUCY D, LLC, dba )  
LUCKY CLUB CASINO AND HOTEL, )  
Respondent. )

**COMPLAINT**

The State of Nevada, on relation of its State Gaming Control Board (BOARD), Complainant herein, by and through its counsel, CATHERINE CORTEZ MASTO, Attorney General, and MICHAEL P. SOMPS, Senior Deputy Attorney General, hereby files this Complaint for disciplinary action against Respondent pursuant to Nevada Revised Statute (NRS) 463.310(2) and alleges as follows:

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

2. Respondent, LUCKY LUCY D, LLC, dba LUCKY CLUB CASINO AND HOTEL (LUCKY CLUB) located at 3227 Civic Center Drive, North Las Vegas, Nevada is a nonrestricted licensee and is licensed to operate gaming in Nevada.

**RELEVANT LAW**

3. The Nevada Legislature has declared under NRS 463.0129(1) that:
- (a) The gaming industry is vitally important to the economy of the State and the general welfare of the inhabitants.
  - (b) The continued growth and success of gaming is dependent upon public confidence and trust that licensed gaming and the manufacture, sale and distribution of gaming devices and

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

1 associated equipment are conducted honestly and competitively,  
2 that establishments which hold restricted and nonrestricted licenses  
3 where gaming is conducted and where gambling devices are  
4 operated do not unduly impact the quality of life enjoyed by  
5 residents of the surrounding neighborhoods, that the rights of the  
6 creditors of licensees are protected and that gaming is free from  
7 criminal and corruptive elements.

(c) Public confidence and trust can only be maintained by  
8 strict regulation of all persons, locations, practices, associations  
9 and activities related to the operation of licensed gaming  
10 establishments, the manufacture, sale or distribution of gaming  
11 devices and associated equipment and the operation of inter-  
12 casino linked systems.

8 NRS 463.0129(1)(a), (b) and (c).

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

12 5. The BOARD is authorized to observe the conduct of licensees in order to ensure that  
13 the gaming operations are not being conducted in an unsuitable manner. See NRS  
14 463.1405(1).

15 6. This continuing obligation is repeated in Nevada Gaming Commission Regulation  
16 5.040, which provides as follows:

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

22 Nev. Gaming Comm'n Reg. 5.040.

23 7. Nevada Gaming Commission Regulation 5.010(2) further provides that  
24 "[r]esponsibility for the employment and maintenance of suitable methods of operation rests  
25 with the licensee, and willful or persistent use or toleration of methods of operation deemed  
26 unsuitable will constitute grounds for license revocation or other disciplinary action."

27 .....

28 .....

1 8. NRS 463.170 provides in relevant part the following:

2 . . . .

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

- 6 (a) A person of good character, honesty and integrity;
- 7 (b) A person whose prior activities, criminal record, if any,

8 reputation, habits and associations do not pose a threat to the  
9 public interest of this State or to the effective regulation and control  
10 of gaming or charitable lotteries, or create or enhance the dangers  
11 of unsuitable, unfair or illegal practices, methods and activities in  
12 the conduct of gaming or charitable lotteries or in the carrying on of  
13 the business and financial arrangements incidental thereto; and

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

16 . . . .

17 8. Any person granted a license or found suitable by the  
18 Commission shall continue to meet the applicable standards and  
19 qualifications set forth in this section and any other qualifications  
20 established by the Commission by regulation. The failure to  
21 continue to meet such standards and qualifications constitutes  
22 grounds for disciplinary action.

23 NRS 463.170(2) and (8).

24 9. NRS 463.335 provides in relevant part as follows:

25 2. A person may not be employed as a gaming employee  
26 unless the person is temporarily registered or registered as a  
27 gaming employee pursuant to this section.

28 . . . .

10. If the Board, within the 120-day period prescribed in  
subsection 8, notifies:

- (a) The applicable licensee; and
- (b) The applicant,

that the Board suspends or objects to the temporary registration of  
an applicant as a gaming employee, the licensee shall immediately  
terminate the applicant from employment or reassign the applicant  
to a position that does not require registration as a gaming  
employee. The notice of suspension or objection by the Board  
which is sent to the applicant must include a statement of the facts  
upon which the Board relied in making its suspension or objection.

NRS 463.335(2) and (10).

1 10. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as follows:

2 The board and the commission deem any activity on the part  
3 of any licensee, his agents or employees, that is inimical to the  
4 public health, safety, morals, good order and general welfare of the  
5 people of the State of Nevada, or that would reflect or tend to  
6 reflect discredit upon the State of Nevada or the gaming industry, to  
7 be an unsuitable method of operation and shall be grounds for  
8 disciplinary action by the board and the commission in accordance  
9 with the Nevada Gaming Control Act and the regulations of the  
10 board and the commission. Without limiting the generality of the  
11 foregoing, the following acts or omissions may be determined to be  
12 unsuitable methods of operation:

13 . . . .

14 8. Failure to comply with or make provision for compliance  
15 with all federal, state and local laws and regulations pertaining to  
16 the operations of a licensed establishment including, without  
17 limiting the generality of the foregoing, payment of all license fees,  
18 withholding any payroll taxes, liquor and entertainment taxes and  
19 antitrust and monopoly statutes.

20 . . . .

21 Nev. Gaming Comm'n Regs. 5.011(8).

22 11. Nev. Gaming Comm'n Reg. 5.060(1) provides:

23 No applicant, licensee or enrolled person shall neglect or  
24 refuse to produce records or evidence or to give information upon  
25 proper and lawful demand by a board or commission member or  
26 any agent of the board, or shall otherwise interfere, or attempt to  
27 interfere, with any proper and lawful efforts by the commission, the  
28 board, or any agent to produce such information.

Nev. Gaming Comm'n Reg. 5.060(1).

12. Nevada Gaming Commission Regulation 5.101 states that "[n]o person shall be  
employed as a gaming employee unless such person is temporarily registered or registered as  
a gaming employee in accordance with NRS 463.335 and these regulations.

13. Nevada Gaming Commission Regulation 5.105(10) provides as follows:

A licensee shall immediately terminate a person it has  
employed or contracted with as a gaming employee, or reassign  
him to a position that does not require registration as a gaming  
employee, if the board notifies a licensee that the temporary

1 registration or registration of the person it has employed as a  
2 gaming employee has been objected to by the board, or otherwise  
suspended or revoked.

3 Nev. Gaming Comm'n Reg. 5.105(10).

4 14. Nevada Gaming Commission Regulation 5.030 provides as follows:

5 *Violation of any provision of the Nevada Gaming Control Act*  
6 *or of these regulations by a licensee, his agent or employee shall*  
7 *be deemed contrary to the public health, safety, morals, good order*  
8 *and general welfare of the inhabitants of the State of Nevada and*  
9 *grounds for suspension or revocation of a license. Acceptance of a*  
10 *state gaming license or renewal thereof by a licensee constitutes*  
11 *an agreement on the part of the licensee to be bound by all of the*  
12 *regulations of the commission as the same now are or may*  
13 *hereafter be amended or promulgated. It is the responsibility of the*  
14 *licensee to keep himself informed of the content of all such*  
15 *regulations, and ignorance thereof will not excuse violations.*

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

17 15. NRS 463.310(4)(d)(2) states in relevant part that the Commission may:

18 (d) Fine each person or entity or both, who was licensed,  
19 registered or found suitable pursuant to this chapter or chapter 464  
20 of NRS or who previously obtained approval for any act or  
21 transaction for which Commission approval was required or  
22 permitted under the provisions of this chapter or chapter 464 of  
23 NRS:

24 . . . .

25 (2) Except as otherwise provided in subparagraph  
26 (1), not more than \$100,000 for each separate violation of the  
27 provisions of this chapter or chapter 464 or 465 of NRS or of the  
28 regulations of the Commission which is the subject of an initial  
complaint and not more than \$250,000 for each separate violation  
of the provisions of this chapter or chapter 464 or 465 of NRS or of  
the regulations of the Commission which is the subject of any  
subsequent complaint.

.....

NRS 463.310(4)(d)(2).

**FACTUAL ALLEGATIONS**

16. On August 3, 2011, the BOARD objected to the gaming employee registration of  
Kristen Heiselmann, a LUCKY CLUB employee, pursuant to NRS 463.335. Notification of the  
BOARD'S objection was sent to the LUCKY CLUB and Ms. Heiselmann on August 3, 2011.

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1 17. On September 17, 2012, the BOARD discovered that Ms. Heiselmann was still  
2 employed by the LUCKY CLUB and had not been reassigned to a position at the LUCKY  
3 CLUB that did not require her to be registered as a gaming employee.

4 18. The BOARD conducted an investigation pertaining to the LUCKY CLUB'S  
5 continued employment of Ms. Heiselmann as a gaming employee.

6 19. During the course of the BOARD'S investigation, a LUCKY CLUB employee made  
7 misleading and/or false representations to a BOARD Enforcement Division agent including, but  
8 not limited to, the following:

9 a. The LUCKY CLUB presented to a BOARD agent documents representing efforts  
10 made by the LUCKY CLUB in August 2011 to comply with the BOARD'S objection to Ms.  
11 Heiselmann as a gaming employee. A LUCKY CLUB employee asserted that the documents  
12 were not obtained from records maintained by the LUCKY CLUB, but were BOARD records  
13 obtained from an employee of the BOARD. In fact, no BOARD employee had ever provided  
14 such documents to the LUCKY CLUB and the documents, as presented, were not in the  
15 BOARD'S system of records.

16 b. A LUCKY CLUB employee represented to a BOARD agent that another LUCKY  
17 CLUB employee made a false statement to the BOARD agent.

18 **COUNT ONE**  
19 **VIOLATION OF NRS 463.335 and NEVADA GAMING**  
20 **COMMISSION REGS. 5.101, 5.105(10) and/or 5.011(8)**

21 20. Complainant BOARD realleges and incorporates by reference as though set forth in  
22 full herein paragraphs 1 through 19 above.

23 21. The BOARD objected to the gaming employee registration of Kristen Heiselmann, a  
24 LUCKY CLUB gaming employee.

25 22. The LUCKY CLUB and Ms. Heiselmann were notified of the BOARD'S objection to  
26 Ms. Heiselmann as a gaming employee.

27 23. Despite the fact the LUCKY CLUB was notified of the BOARD'S objection to Ms.  
28 Heiselmann as a gaming employee, the LUCKY CLUB continued to employ Ms. Heiselmann  
as a gaming employee.



1 32. The failure to comply with NRS 463.170 and/or Nev. Gaming Comm'n Regs.  
2 5.060(1) and/or 5.011(8) is an unsuitable method of operation and is grounds for disciplinary  
3 action against the LUCKY CLUB. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

4 WHEREFORE, based upon the allegations contained herein which constitute  
5 reasonable cause for disciplinary action against Respondent, pursuant to NRS 463.310, and  
6 Nevada Gaming Commission Regulations 5.010, 5.011 and 5.030, the STATE GAMING  
7 CONTROL BOARD prays for the relief as follows:

8 1. That the Nevada Gaming Commission serve a copy of this Complaint on  
9 Respondent pursuant to NRS 463.312(2);

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

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

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

17 DATED this 28<sup>th</sup> day of March, 2013.

18 STATE GAMING CONTROL BOARD

19   
20 \_\_\_\_\_  
A.G. BURNETT, Chairman

21   
22 \_\_\_\_\_  
SHAWN R. REID, Member

23   
24 \_\_\_\_\_  
TERRY JOHNSON, Member

25 Submitted by:

26 CATHERINE CORTEZ MASTO  
Attorney General

27 By:   
MICHAEL P. SOMPS  
Senior Deputy Attorney General  
Gaming Division  
28 (775) 850-4152