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**STATE OF NEVADA**

5

**BEFORE THE NEVADA GAMING COMMISSION**

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STATE GAMING CONTROL BOARD,

7

Complainant,

8

vs.

**COMPLAINT**

9

KLONDIKE SUNSET, LLC, dba  
KLONDIKE SUNSET CASINO,

10

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Respondent.

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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:

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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.

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2. Respondent, KLONDIKE SUNSET, LLC, dba KLONDIKE SUNSET CASINO,  
(KLONDIKE) located at 444 West Sunset Road, Henderson, Nevada is a nonrestricted  
licensee and is licensed to operate gaming in Nevada.

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**RELEVANT LAW**

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

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

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(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

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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.

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

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

23 (e) To ensure that gaming is conducted honestly,  
24 competitively and free of criminal and corruptive elements, all  
25 gaming establishments in this state must remain open to the  
26 general public and the access of the general public to gaming  
27 activities must not be restricted in any manner except as provided  
28 by the Legislature.

NRS 463.0129(1).

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

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

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

A gaming license is a revocable privilege, and no holder  
thereof shall be deemed to have acquired any vested rights therein  
or thereunder. The burden of proving his qualifications to hold any  
license rests at all times on the licensee. The board is charged by  
law with the duty of observing the conduct of all licensees to the  
end that licenses shall not be held by unqualified or disqualified

1 persons or unsuitable persons or persons whose operations are  
2 conducted in an unsuitable manner.

3 Nev. Gaming Comm'n Reg. 5.040.

4 7. Nevada Gaming Commission Regulation 5.010 further provides that:

5 1. It is the policy of the commission and the board to require  
6 that all establishments wherein gaming is conducted in this state be  
7 operated in a manner suitable to protect the public health, safety,  
8 morals, good order and general welfare of the inhabitants of the  
9 State of Nevada.

10 2. Responsibility for the employment and maintenance of  
11 suitable methods of operation rests with the licensee, and willful or  
12 persistent use or toleration of methods of operation deemed  
13 unsuitable will constitute grounds for license revocation or other  
14 disciplinary action.

15 Nev. Gaming Comm'n Reg. 5.010.

16 8. NRS 463.170 states in relevant part the following:

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

- 20 (a) A person of good character, honesty and integrity;  
21 (b) A person whose prior activities, criminal record, if any,  
22 reputation, habits and associations do not pose a threat to the  
23 public interest of this State or to the effective regulation and control  
24 of gaming or charitable lotteries, or create or enhance the dangers  
25 of unsuitable, unfair or illegal practices, methods and activities in  
26 the conduct of gaming or charitable lotteries or in the carrying on of  
27 the business and financial arrangements incidental thereto; and  
28 (c) In all other respects qualified to be licensed or found  
suitable consistently with the declared policy of the State.

3. A license to operate a gaming establishment or an inter-  
casino linked system must not be granted unless the applicant has  
satisfied the Commission that:

- (a) The applicant has adequate business probity,  
competence and experience, in gaming or generally; and  
(b) The proposed financing of the entire operation is:  
(1) Adequate for the nature of the proposed operation; and  
(2) From a suitable source.

↪ Any lender or other source of money or credit which the  
Commission finds does not meet the standards set forth in  
subsection 2 may be deemed unsuitable.

4. An application to receive a license or be found suitable  
constitutes a request for a determination of the applicant's general  
character, integrity, and ability to participate or engage in, or be  
associated with gaming or the operation of a charitable lottery, as

1 appropriate. Any written or oral statement made in the course of an  
2 official proceeding of the Board or Commission by any member  
3 thereof or any witness testifying under oath which is relevant to the  
4 purpose of the proceeding is absolutely privileged and does not  
impose liability for defamation or constitute a ground for recovery in  
any civil action.

5 . . . .

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

10 NRS 463.170(2), (3), (4), and (8).

11 9. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as follows:

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

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

20 . . . .

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

24 Nev. Gaming Comm'n Regs. 5.011(1), and (8).

25 10. Nevada Gaming Commission Regulation 6.150 states in relevant part as follows:

26 1. The chairman may adopt or revise a bankroll formula that  
27 specifies the minimum bankroll requirements applicable to restricted  
28 gaming licensees, nonrestricted gaming licensees and persons  
licensed as an operator of an inter-casino linked system or as an



1 operator of a slot machine route, along with instructions for  
2 computing available bankroll.

3 . . . .

4 5. Each restricted gaming licensee, nonrestricted gaming  
5 licensee and each person licensed as an operator of an inter-casino  
6 linked system or as an operator of a slot machine route shall  
7 maintain in accordance with the bankroll formula adopted by the  
8 chairman pursuant to the requirements of this section, cash or cash  
9 equivalents in an amount sufficient to reasonably protect the  
10 licensee's or operator's patrons against defaults in gaming debts  
11 owed by the licensee or operator. If at any time the licensee's or  
12 operator's available cash or cash equivalents should be less than the  
13 amount required by this section, the licensee or operator shall  
14 immediately notify the board of this deficiency and shall also detail  
15 the means by which the licensee shall comply with the minimum  
16 bankroll requirements. Failure to maintain the minimum bankroll  
17 required by this section, or a higher bankroll as required by the  
18 chairman pursuant to this section, or failure to notify the board as  
19 required by this section, is an unsuitable method of operation.

20 Nev. Gaming Comm'n Reg. 6.150(1) and (5).

21 11. Nevada Gaming Commission Regulation 5.030 provides as follows:

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

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

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

31 (d) Fine each person or entity or both, which is licensed,  
32 registered or found suitable pursuant to this chapter or chapter 464  
33 of NRS or which previously obtained approval for any act or  
34 transaction for which Commission approval was required or  
35 permitted under the provisions of this chapter or chapter 464 of  
36 NRS:

37 . . . .

38 (2) Except as otherwise provided in subparagraph (1), not  
more than \$100,000 for each separate violation of the provisions of

1 this chapter or chapter 464 or 465 of NRS or of the regulations of  
2 the Commission which is the subject of an initial complaint and not  
3 more than \$250,000 for each separate violation of the provisions of  
4 this chapter or chapter 464 or 465 of NRS or of the regulations of  
5 the Commission which is the subject of any subsequent complaint.

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

### 7 FACTUAL BACKGROUND

8 13. Pursuant to the BOARD'S minimum bankroll formula, gaming licensees are  
9 required to maintain sufficient "Cash on Hand" and "Next Business Day" amounts.

10 14. "Cash on Hand" generally means cash readily available on the business premises  
11 for immediate use.

12 15. "Next Business Day" generally means "Cash on Hand" amounts plus items that  
13 could be converted to cash by the end of the next business day.

14 16. On or about February 26, 2013, the BOARD's Tax and License Division performed  
15 a bankroll verification at the KLONDIKE which revealed that the KLONDIKE's "Cash on Hand"  
16 and "Next Business Day" were deficient in the amounts of \$12,086 and \$25,706, respectively.

17 17. Since approximately February 26, 2013, the KLONDIKE has been required to  
18 submit weekly bankroll reports to the BOARD. The March 7, 2013 and March 15, 2013  
19 bankroll reports submitted by the KLONDIKE disclosed that the KLONDIKE's "Next Business  
20 Day" was deficient in the amounts of \$6,800 and \$5,513, respectively.

21 18. On or about March 25, 2013, the BOARD sent a violation letter to the KLONDIKE  
22 regarding its bankroll deficiencies.

23 19. Although the KLONDIKE's weekly bankroll reports submitted to the BOARD have  
24 represented sufficient "Cash on Hand" and "Next Business Day" amounts since March 22,  
25 2013, additional reviews by the BOARD's Tax and License Division revealed additional  
26 bankroll deficiencies.

27 20. On or about July 11, 2013, the BOARD'S Tax and License Division performed  
28 another bankroll verification at the KLONDIKE which revealed that the KLONDIKE's "Cash On  
Hand" and "Next Business Day" were deficient in the amounts of \$8,957 and \$10,106,  
respectively.

1           21. On or about July 12, 2013, the owner of the KLONDIKE was verbally informed by a  
2 BOARD agent of the need to maintain sufficient bankroll at the KLONDIKE and that the  
3 BOARD would likely conduct additional bankroll verifications.

4           22. On or about July 15, 2013, the BOARD's Tax and License Division performed  
5 another bankroll verification at the KLONDIKE. While BOARD agents were at the KLONDIKE,  
6 the owner of the KLONDIKE added \$11,000 in cash to the KLONDIKE safe. Prior to adding  
7 \$11,000 to the KLONDIKE safe, the KLONDIKE's "Cash On Hand" and "Next Business Day"  
8 were deficient in the amounts of \$7,772 and \$9,125, respectively.

9           23. On or about August 5, 2013, the BOARD's Tax and License Division opened a  
10 general review of the KLONDIKE which revealed that the KLONDIKE's "Cash on Hand" and  
11 "Next Business Day" were deficient in the amounts of \$8,053 and \$12,000, respectively.

12           24. On or about September 6, 2013, the BOARD issued an Order to Show Cause  
13 (OSC) to the KLONDIKE for the above-referenced minimum bankroll violations.

14           25. Despite the OSC issued to the KLONDIKE, the KLONDIKE continues to have  
15 minimum bankroll deficiencies.

16           26. On or about October 14, 2013, the BOARD's Tax and License Division conducted  
17 another bankroll verification at the KLONDIKE which again revealed that the KLONDIKE's  
18 "Cash on Hand" and "Next Business Day" were deficient in the amounts of \$11,586 and  
19 \$16,233, respectively. The KLONDIKE subsequently placed \$15,000 in the KLONDIKE's safe  
20 to cover the deficiencies, but there remained a \$1,233 "Next Business Day" deficiency.

21           27. On or about December 27, 2013, the BOARD's Tax and License Division  
22 conducted another bankroll verification at the KLONDIKE which again revealed bankroll  
23 deficiencies. Specifically, the KLONDIKE's "Next Business Day" was deficient in the amount of  
24 \$2,623.

25           28. Despite the BOARD's efforts to counsel the KLONDIKE and despite lesser forms of  
26 discipline pursued by the BOARD, the KLONDIKE continues to fail to comply with the minimum  
27 bankroll requirements.

28           . . . .

**COUNT ONE**  
**VIOLATION OF NRS 463.170 and/or**  
**NEVADA GAMING COMMISSION REGULATIONS**  
**6.150, 5.011, 5.011(1) and/or (8)**

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4 29. Complainant BOARD realleges and incorporates by reference as though set forth in  
5 full herein paragraphs 1 through 28 above.

6 30. On or about February 26, 2013, the BOARD discovered that the KLONDIKE's  
7 minimum bankroll amounts were deficient.

8 31. The KLONDIKE did not immediately notify the BOARD of the bankroll deficiencies  
9 discovered by the BOARD on or about February 26, 2013.

10 32. The actions, as described herein, constitute a failure to continue to meet the  
11 applicable standards and qualifications necessary to hold a gaming license in violation of  
12 NRS 463.170(8).

13 33. The actions, as described herein, constitute a failure to comply with Nevada  
14 Gaming Commission Regulation 6.150.

15 34. The actions, as described herein, constitute activity that is inimical to the public  
16 health, safety, morals, good order and general welfare of the people of the State of Nevada, or  
17 activity that would reflect or tend to reflect discredit upon the State of Nevada or the gaming  
18 industry in violation of Nevada Gaming Commission Regulation 5.011.

19 35. The actions, as described herein, constitute a failure to exercise discretion and  
20 sound judgment to prevent incidents which might reflect on the repute of the State of Nevada  
21 and act as a detriment to the development of the industry in violation of Nevada Gaming  
22 Commission Regulation 5.011(1).

23 36. The actions, as described herein, constitute a failure to comply with or make  
24 provision for compliance with all federal, state and local laws and regulations pertaining to the  
25 operations of a licensed establishment in violation of Nevada Gaming Commission  
26 Regulation 5.011(8).

27 37. The failure to comply with NRS 463.170(8) and/or Nevada Gaming Commission  
28 Regulations 6.150, 5.011, 5.011(1) and/or 5.011(8) is an unsuitable method of operation and is



1 grounds for disciplinary action against the KLONDIKE. See Nev. Gaming Comm'n  
2 Regs. 5.010(2) and 5.030.

3 **COUNT TWO**  
4 **VIOLATION OF NRS 463.170 and/or**  
5 **NEVADA GAMING COMMISSION REGULATIONS**  
6 **6.150, 5.011, 5.011(1) and/or (8)**

7 38. Complainant BOARD realleges and incorporates by reference as though set forth in  
8 full herein paragraphs 1 through 37 above.

9 39. On or about March 7, 2013, the KLONDIKE reported to the BOARD that its  
10 minimum bankroll amounts were deficient.

11 40. The actions, as described herein, constitute a failure to continue to meet the  
12 applicable standards and qualifications necessary to hold a gaming license in violation of  
13 NRS 463.170(8).

14 41. The actions, as described herein, constitute a failure to comply with Nevada  
15 Gaming Commission Regulation 6.150.

16 42. The actions, as described herein, constitute activity that is inimical to the public  
17 health, safety, morals, good order and general welfare of the people of the State of Nevada, or  
18 activity that would reflect or tend to reflect discredit upon the State of Nevada or the gaming  
19 industry in violation of Nevada Gaming Commission Regulation 5.011.

20 43. The actions, as described herein, constitute a failure to exercise discretion and  
21 sound judgment to prevent incidents which might reflect on the repute of the State of Nevada  
22 and act as a detriment to the development of the industry in violation of Nevada Gaming  
23 Commission Regulation 5.011(1).

24 44. The actions, as described herein, constitute a failure to comply with or make  
25 provision for compliance with all federal, state and local laws and regulations pertaining to the  
26 operations of a licensed establishment in violation of Nevada Gaming Commission  
27 Regulation 5.011(8).

28 45. The failure to comply with NRS 463.170(8) and/or Nevada Gaming Commission  
Regulations 6.150, 5.011, 5.011(1) and/or 5.011(8) is an unsuitable method of operation and is

.....

1 grounds for disciplinary action against the KLONDIKE. See Nev. Gaming Comm'n  
2 Regs. 5.010(2) and 5.030.

3 **COUNT THREE**  
4 **VIOLATION OF NRS 463.170 and/or**  
5 **NEVADA GAMING COMMISSION REGULATIONS**  
6 **6.150, 5.011, 5.011(1) and/or (8)**

7 46. Complainant BOARD realleges and incorporates by reference as though set forth in  
8 full herein paragraphs 1 through 45 above.

9 47. On or about March 15, 2013, the KLONDIKE reported to the BOARD that its  
10 minimum bankroll amounts were deficient.

11 48. The actions, as described herein, constitute a failure to continue to meet the  
12 applicable standards and qualifications necessary to hold a gaming license in violation of  
13 NRS 463.170(8).

14 49. The actions, as described herein, constitute a failure to comply with Nevada  
15 Gaming Commission Regulation 6.150.

16 50. The actions, as described herein, constitute activity that is inimical to the public  
17 health, safety, morals, good order and general welfare of the people of the State of Nevada, or  
18 activity that would reflect or tend to reflect discredit upon the State of Nevada or the gaming  
19 industry in violation of Nevada Gaming Commission Regulation 5.011.

20 51. The actions, as described herein, constitute a failure to exercise discretion and  
21 sound judgment to prevent incidents which might reflect on the repute of the State of Nevada  
22 and act as a detriment to the development of the industry in violation of Nevada Gaming  
23 Commission Regulation 5.011(1).

24 52. The actions, as described herein, constitute a failure to comply with or make  
25 provision for compliance with all federal, state and local laws and regulations pertaining to the  
26 operations of a licensed establishment in violation of Nevada Gaming Commission  
27 Regulation 5.011(8).

28 53. The failure to comply with NRS 463.170(8) and/or Nevada Gaming Commission  
Regulations 6.150, 5.011, 5.011(1) and/or 5.011(8) is an unsuitable method of operation and is

1 grounds for disciplinary action against the KLONDIKE. See Nev. Gaming Comm'n  
2 Regs. 5.010(2) and 5.030.

3 **COUNT FOUR**  
4 **VIOLATION OF NRS 463.170 and/or**  
5 **NEVADA GAMING COMMISSION REGULATIONS**  
6 **6.150, 5.011, 5.011(1) and/or (8)**

7 54. Complainant BOARD realleges and incorporates by reference as though set forth in  
8 full herein paragraphs 1 through 53 above.

9 55. On or about July 11, 2013, the BOARD discovered that the KLONDIKE's minimum  
10 bankroll amounts were deficient.

11 56. The KLONDIKE did not immediately notify the BOARD of the bankroll deficiencies  
12 discovered by the BOARD on or about July 11, 2013.

13 57. The actions, as described herein, constitute a failure to continue to meet the  
14 applicable standards and qualifications necessary to hold a gaming license in violation of  
15 NRS 463.170(8).

16 58. The actions, as described herein, constitute a failure to comply with Nevada  
17 Gaming Commission Regulation 6.150.

18 59. The actions, as described herein, constitute activity that is inimical to the public  
19 health, safety, morals, good order and general welfare of the people of the State of Nevada, or  
20 activity that would reflect or tend to reflect discredit upon the State of Nevada or the gaming  
21 industry in violation of Nevada Gaming Commission Regulation 5.011.

22 60. The actions, as described herein, constitute a failure to exercise discretion and  
23 sound judgment to prevent incidents which might reflect on the reputé of the State of Nevada  
24 and act as a detriment to the development of the industry in violation of Nevada Gaming  
25 Commission Regulation 5.011(1).

26 61. The actions, as described herein, constitute a failure to comply with or make  
27 provision for compliance with all federal, state and local laws and regulations pertaining to the  
28 operations of a licensed establishment in violation of Nevada Gaming Commission  
Regulation 5.011(8).







1 and act as a detriment to the development of the industry in violation of Nevada Gaming  
2 Commission Regulation 5.011(1).

3 79. The actions, as described herein, constitute a failure to comply with or make  
4 provision for compliance with all federal, state and local laws and regulations pertaining to the  
5 operations of a licensed establishment in violation of Nevada Gaming Commission  
6 Regulation 5.011(8).

7 80. The failure to comply with NRS 463.170(8) and/or Nevada Gaming Commission  
8 Regulations 6.150, 5.011, 5.011(1) and/or 5.011(8) is an unsuitable method of operation and is  
9 grounds for disciplinary action against the KLONDIKE. See Nev. Gaming Comm'n  
10 Regs. 5.010(2) and 5.030.

11  
12 **COUNT SEVEN**  
13 **VIOLATION OF NRS 463.170 and/or**  
14 **NEVADA GAMING COMMISSION REGULATIONS**  
15 **6.150, 5.011, 5.011(1) and/or (8)**

16 81. Complainant BOARD realleges and incorporates by reference as though set forth in  
17 full herein paragraphs 1 through 80 above.

18 82. On or about October 14, 2013, the BOARD discovered that the KLONDIKE's  
19 minimum bankroll amounts were deficient.

20 83. The KLONDIKE did not immediately notify the BOARD of the bankroll deficiencies  
21 discovered by the BOARD on or about October 14, 2013.

22 84. The actions, as described herein, constitute a failure to continue to meet the  
23 applicable standards and qualifications necessary to hold a gaming license in violation of  
24 NRS 463.170(8).

25 85. The actions, as described herein, constitute a failure to comply with Nevada  
26 Gaming Commission Regulation 6.150.

27 86. The actions, as described herein, constitute activity that is inimical to the public  
28 health, safety, morals, good order and general welfare of the people of the State of Nevada, or  
activity that would reflect or tend to reflect discredit upon the State of Nevada or the gaming  
industry in violation of Nevada Gaming Commission Regulation 5.011.

1 87. The actions, as described herein, constitute a failure to exercise discretion and  
2 sound judgment to prevent incidents which might reflect on the repute of the State of Nevada  
3 and act as a detriment to the development of the industry in violation of Nevada Gaming  
4 Commission Regulation 5.011(1).

5 88. The actions, as described herein, constitute a failure to comply with or make  
6 provision for compliance with all federal, state and local laws and regulations pertaining to the  
7 operations of a licensed establishment in violation of Nevada Gaming Commission  
8 Regulation 5.011(8).

9 89. The failure to comply with NRS 463.170(8) and/or Nevada Gaming Commission  
10 Regulations 6.150, 5.011, 5.011(1) and/or 5.011(8) is an unsuitable method of operation and is  
11 grounds for disciplinary action against the KLONDIKE. See Nev. Gaming Comm'n  
12 Regs. 5.010(2) and 5.030.

13 **COUNT EIGHT**  
14 **VIOLATION OF NRS 463.170 and/or**  
15 **NEVADA GAMING COMMISSION REGULATIONS**  
16 **6.150, 5.011, 5.011(1) and/or (8)**

17 90. Complainant BOARD realleges and incorporates by reference as though set forth in  
18 full herein paragraphs 1 through 89 above.

19 91. On or about December 27, 2013, the BOARD discovered that the KLONDIKE's  
20 minimum bankroll amounts were deficient.

21 92. The KLONDIKE did not immediately notify the BOARD of the bankroll deficiencies  
22 discovered by the BOARD on or about December 27, 2013.

23 93. The actions, as described herein, constitute a failure to continue to meet the  
24 applicable standards and qualifications necessary to hold a gaming license in violation of  
25 NRS 463.170(8).

26 94. The actions, as described herein, constitute a failure to comply with Nevada  
27 Gaming Commission Regulation 6.150.

28 95. The actions, as described herein, constitute activity that is inimical to the public  
health, safety, morals, good order and general welfare of the people of the State of Nevada, or

1 activity that would reflect or tend to reflect discredit upon the State of Nevada or the gaming  
2 industry in violation of Nevada Gaming Commission Regulation 5.011.

3 96. The actions, as described herein, constitute a failure to exercise discretion and  
4 sound judgment to prevent incidents which might reflect on the reputability of the State of Nevada  
5 and act as a detriment to the development of the industry in violation of Nevada Gaming  
6 Commission Regulation 5.011(1).

7 97. The actions, as described herein, constitute a failure to comply with or make  
8 provision for compliance with all federal, state and local laws and regulations pertaining to the  
9 operations of a licensed establishment in violation of Nevada Gaming Commission  
10 Regulation 5.011(8).

11 98. The failure to comply with NRS 463.170(8) and/or Nevada Gaming Commission  
12 Regulations 6.150, 5.011, 5.011(1) and/or 5.011(8) is an unsuitable method of operation and is  
13 grounds for disciplinary action against the KLONDIKE. See Nev. Gaming Comm'n  
14 Regs. 5.010(2) and 5.030.

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

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

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

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

26 . . . .

27 . . . .

28 . . . .



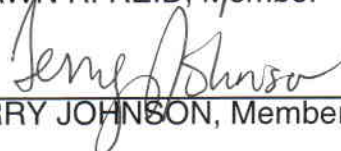
1 4. For such other and further relief as the Nevada Gaming Commission may deem just  
2 and proper.

3 DATED this 19<sup>th</sup> day of March, 2014.

4 STATE GAMING CONTROL BOARD


5   
6 \_\_\_\_\_  
7 A.G. BURNETT, Chairman

8   
9 \_\_\_\_\_  
10 SHAWN R. REID, Member

11   
12 \_\_\_\_\_  
13 TERRY JOHNSON, Member

14 Submitted by:

15 CATHERINE CORTEZ MASTO  
16 Attorney General

17 By:   
18 \_\_\_\_\_  
19 MICHAEL P. SOMPS  
20 Senior Deputy Attorney General  
21 Gaming Division  
22 (775) 850-4152