



1 NGC 15-04

2

3

STATE OF NEVADA

4

BEFORE THE NEVADA GAMING COMMISSION

5

NEVADA GAMING CONTROL BOARD,

6

Complainant,

7

vs.

STIPULATION FOR SETTLEMENT
AND ORDER

8

CAESARS ENTERTAINMENT
CORPORATION (PTC); CAESARS
ENTERTAINMENT OPERATING
COMPANY (PTC);
DESERT PALACE, INC., dba
CAESARS PALACE,

9

10

11

Respondents.

12

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

13

The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD (BOARD), Complainant herein, filed and served a Complaint, NGC Case No. 15-04, against the above-captioned RESPONDENTS alleging certain violations of the Nevada Gaming Control Act and Regulations of the Nevada Gaming Commission.

17

IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENTS that the Complaint, NGC Case No. 15-04, filed against RESPONDENTS in the above-entitled case shall be settled on the following terms and conditions:

20

1. RESPONDENTS admit they willfully, as that term is used in civil enforcement of the Bank Secrecy Act (the "BSA") under 31 U.S.C. Sec. 5321(a)(1)¹, violated the BSA's anti-money laundering program and suspicious activity reporting requirements and that this constitutes a violation of Nevada Gaming Commission Regulation 5.011.

24

2. Respondent CAESARS ENTERTAINMENT CORPORATION has updated and will resubmit its compliance system as it relates to its, its subsidiaries', and its affiliates', anti-money laundering measures and compliance with Title 31 of the United States Code to the

27

¹ In civil enforcement of the BSA under 31 U.S.C. Sec. 5321(a)(1) to establish that a financial institution or individual acted willfully, the government need only show that the financial institution or individual acted with either reckless disregard or willful blindness. The government need not show that the entity or individual had knowledge that the conduct violated the BSA, or that the entity or individual otherwise acted with an improper motive or bad purpose.

28

1 BOARD within 60 days of the date this Stipulation for Settlement is accepted by the Nevada
2 Gaming Commission.

3 3. Respondent DESERT PALACE, INC., dba CAESARS PALACE agrees to provide,
4 or cause to be provided, to the BOARD all reports and materials it provides, or causes to be
5 provided, to the United States Department of the Treasury, Financial Crimes Enforcement
6 Network (FinCEN) and/or the IRS concerning improvements it has made or will make to its
7 Bank Secrecy Act/Anti-Money Laundering Program (BSA/AML Program). Respondent
8 DESERT PALACE, INC., dba CAESARS PALACE agrees it will provide these reports and
9 materials, or cause these reports and materials to be provided, at the same time it provides
10 them, or causes them to be provided, to FinCEN and/or the IRS. These reports and materials
11 include, but are not limited to, reports from external independent reviewers; reports advising
12 FinCEN and/or the IRS of remedial steps taken in response to reports from external
13 independent reviewers; BSA/AML reports; BSA/AML Program employee training materials,
14 training attendance records, and testing results; and suspicious activity reports filed based on
15 a review of all transactions conducted through Respondent DESERT PALACE, INC., dba
16 CAESARS PALACE's branch offices in Asia and in Monterey Park, California for the period of
17 January 1, 2012, through December 31, 2014. Respondents CAESARS ENTERTAINMENT
18 CORPORATION and CAESARS ENTERTAINMENT OPERATING COMPANY agree this
19 paragraph constitutes a lawful request to provide documents within their control to the BOARD
20 pursuant to Nevada Gaming Commission Regulation 16.330(6) and any failure of DESERT
21 PALACE, INC., dba CAESARS PALACE to provide, or cause to be provided, the reports and
22 materials specified in this paragraph on the timing specified herein is a violation of Nevada
23 Gaming Commission 16.330 by CAESARS ENTERTAINMENT CORPORATION and
24 CAESARS ENTERTAINMENT OPERATING COMPANY.

25 4. Respondent CAESARS ENTERTAINMENT CORPORATION, pursuant to
26 NRS 463.641, agrees to pay a fine in the amount of ONE MILLION FIVE HUNDRED
27 THOUSAND DOLLARS and NO CENTS (\$1,500,000.00) electronically transferred to the
28 *State of Nevada-Nevada Gaming Commission* within two business days of the date this

1 stipulation for settlement is accepted by the Nevada Gaming Commission. Said payment
2 shall be made by a method of electronic payment approved by the Tax and License Division
3 of the BOARD pursuant to NRS 353.1467. Interest on the fine shall accrue pursuant to
4 NRS 17.130 on any unpaid balance computed from the date payment is due until payment is
5 made in full. This fine is levied solely against CAESARS ENTERTAINMENT CORPORATION
6 and not against CAESARS ENTERTAINMENT OPERATING COMPANY or DESERT
7 PALACE, INC., dba CAESARS PALACE.

8 5. RESPONDENTS fully understand and voluntarily waive the right to a public hearing
9 on the charges and allegations set forth in the Complaint, the right to present and cross-
10 examine witnesses, the right to a written decision on the merits of the Complaint, which must
11 contain findings of fact and a determination of the issues presented, and the right to obtain
12 judicial review of the Nevada Gaming Commission's decision.

13 6. In consideration for the execution of this Stipulation for Settlement,
14 RESPONDENTS, for themselves, their heirs, executors, administrators, successors, and
15 assigns, hereby release and forever discharge the State of Nevada, the Nevada Gaming
16 Commission, the BOARD, the Nevada Attorney General and each of their members, agents,
17 and employees in their individual and representative capacities, from any and all manner of
18 actions, causes of action, suits, debts, judgments, executions, claims, and demands
19 whatsoever known or unknown, in law and equity, that RESPONDENTS ever had, now have,
20 may have, or claim to have against any and all of the persons or entities named in this
21 paragraph arising out of, or by reason of, the investigation of the allegations in the Complaint
22 and this disciplinary action, NGC Case No. 15-04, or any other matter relating thereto.

23 7. In consideration for the execution of this settlement agreement, RESPONDENTS
24 hereby indemnify and hold harmless the State of Nevada, the Nevada Gaming Commission,
25 the BOARD, the Nevada Attorney General, and each of their members, agents, and
26 employees in their individual and representative capacities against any and all claims, suits
27 and actions, brought against the persons named in this paragraph by reason of the
28 investigation of the allegations in the Complaint, filed in this disciplinary action, NGC Case

1 No. 15-04, and all other matters relating thereto, and against any and all expenses, damages,
2 charges and costs, including court costs and attorney fees, which may be sustained by the
3 persons and entities named in this paragraph as a result of said claims, suits and actions.

4 8. RESPONDENTS enter into this Stipulation for Settlement freely and voluntarily and
5 with the assistance of legal counsel. RESPONDENTS further acknowledge that this
6 Stipulation for Settlement is not the product of force, threats, or any other form of coercion or
7 duress, but is the product of discussions between legal counsel for RESPONDENTS and the
8 attorney for the BOARD.

9 9. Respondent CAESARS ENTERTAINMENT CORPORATION affirmatively
10 represents that, solely as to Respondent CAESARS ENTERTAINMENT CORPORATION, this
11 Stipulation for Settlement and Order and any amounts distributed under this Stipulation for
12 Settlement and Order are not subject to the bankruptcy court's approval for this Stipulation for
13 Settlement and Order to become effective and this Stipulation for Settlement and Order is
14 effective as of the date hereof. This Stipulation for Settlement and Order will become effective
15 and binding upon Respondents CAESARS ENTERTAINMENT OPERATING COMPANY and
16 DESERT PALACE, INC., dba CAESARS PALACE upon approval by the bankruptcy court
17 overseeing their jointly administered chapter 11 cases in the United States Bankruptcy Court
18 for the Northern District of Illinois, captioned In re Caesars Entertainment Operating Company,
19 Inc., et al., No. 15-01145 (ABG) (Bankr. N.D. Ill.), including pursuant to any settlement
20 procedures approved by such bankruptcy court in such bankruptcy cases, and CAESARS
21 ENTERTAINMENT OPERATING COMPANY and DESERT PALACE, INC., dba CAESARS
22 PALACE agree to obtain such approval as soon as possible.

23 10. RESPONDENTS and the BOARD recognize and agree that the Nevada Gaming
24 Commission has the sole and absolute discretion to determine whether to accept this
25 Stipulation for Settlement. RESPONDENTS and the BOARD hereby waive any right they may
26 have to challenge the impartiality of the Nevada Gaming Commission to hear the above-
27 entitled case on the matters embraced in the Complaint if the Nevada Gaming Commission
28 determines not to accept this Stipulation for Settlement. If the Nevada Gaming Commission

1 does not accept this Stipulation for Settlement, it shall be withdrawn as null and void and
2 RESPONDENTS' admissions, if any, that certain violations of the Nevada Gaming Control Act
3 and the Regulations of the Nevada Gaming Commission occurred shall be withdrawn.

4 11. RESPONDENTS and the BOARD acknowledge that this settlement is made to
5 avoid litigation and economize resources. RESPONDENTS and the BOARD agree and
6 understand that this Stipulation for Settlement is intended to operate as full and final
7 settlement of the Complaint filed in NGC Case No. 15-04. The parties further agree and
8 understand that any oral representations are superseded by this Stipulation for Settlement
9 and that only those terms memorialized in writing herein shall be effective.

10 12. RESPONDENTS agree and understand that although this settlement, if approved
11 by the Nevada Gaming Commission, will settle the Complaint filed in NGC Case No. 15-04,
12 the allegations contained in the Complaint filed in NGC Case No. 15-04 and the terms of this
13 Stipulation for Settlement may be considered by the BOARD and/or the Nevada Gaming
14 Commission with regards to any and all applications by RESPONDENTS that are currently
15 pending before the BOARD or the Nevada Gaming Commission, or that are filed in the future
16 with the BOARD.

17 13. RESPONDENTS and the BOARD shall each bear their own costs incurred in this
18 disciplinary action, NGC Case No. 15-04.

19 14. RESPONDENTS, by executing this stipulation affirmatively waive all notices
20 required by law for this matter including, but not limited to, notices concerning consideration of
21 the character or misconduct of a person (NRS 241.033), notices concerning consideration of
22 administrative action against a person (NRS 241.034), and notices concerning hearings
23 before the Nevada Gaming Commission (NRS 463.312). Regardless of the waiver of legal
24 notice requirements, the BOARD and Nevada Gaming Commission will attempt to provide
25 reasonable notice of the time and place of the hearing. Further, in negotiating this settlement,
26 RESPONDENTS acknowledge that the BOARD has provided RESPONDENTS with the date
27 and time of the Nevada Gaming Commission hearing during which the BOARD anticipates the
28 Nevada Gaming Commission will consider approving this settlement.

1 15. This stipulated settlement agreement shall become effective immediately upon
2 approval by the Nevada Gaming Commission.

3 DATED this 17th day of September, 2015.

4 CAESARS ENTERTAINMENT
5 CORPORATION (PTC);

NEVADA GAMING CONTROL BOARD

6 
A.G. BURNETT, Chairman

7 Name:
8 Title:

9 
SHAWN R. REID, Member

10 CAESARS ENTERTAINMENT
11 OPERATING COMPANY (PTC)

12 
TERRY JOHNSON, Member

13 Name:
14 Title:

Submitted by:
ADAM PAUL LAXALT
Attorney General

15 DESERT PALACE, INC.,
16 CAESARS PALACE

By: _____
JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
Attorneys for Nevada Gaming Control Board

17 Name:
18 Title:

19 GREENBERG TRAURIG, LLP

20 _____
21 MARK CLAYTON
22 Attorney for Respondents

23 **ORDER**

24 IT IS SO ORDERED in NGC Case No. 15-04.

25 DATED this 17th day of September, 2015.

26 NEVADA GAMING COMMISSION

27 
28 TONY ALAMO, M.D., Chairman

1 15. This stipulated settlement agreement shall become effective immediately upon
2 approval by the Nevada Gaming Commission.

3 DATED this _____ day of _____, 2015.

4 CAESARS ENTERTAINMENT
5 CORPORATION (PTC);

NEVADA GAMING CONTROL BOARD

6 _____
7 Name:
8 Title:

A.G. BURNETT, Chairman

8 CAESARS ENTERTAINMENT
9 OPERATING COMPANY (PTC)

SHAWN R. REID, Member

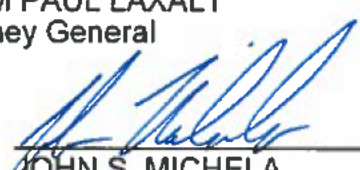
10 _____
11 Name:
12 Title:

TERRY JOHNSON, Member

13 DESERT PALACE, INC.,
14 CAESARS PALACE

Submitted by:
ADAM PAUL LAXALT
Attorney General

15 _____
16 Name:
17 Title:

By: 
JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
Attorneys for Nevada Gaming Control Board

18 GREENBERG TRAURIG, LLP

19 _____
20 MARK CLAYTON
21 Attorney for Respondents

22
23 **ORDER**

24 IT IS SO ORDERED in NGC Case No. 15-04.

25 DATED this _____ day of _____, 2015.

26 NEVADA GAMING COMMISSION

27 _____
28 TONY ALAMO, M.D., Chairman

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

1 15. This stipulated settlement agreement shall become effective immediately upon
2 approval by the Nevada Gaming Commission.

3 DATED this _____ day of _____, 2015.

4 CAESARS ENTERTAINMENT CORPORATION (PTC); NEVADA GAMING CONTROL BOARD

5
6 _____
7 Name: A.G. BURNETT, Chairman
8 Title:

9 CAESARS ENTERTAINMENT OPERATING COMPANY (PTC) SHAWN R. REID, Member

10 _____
11 Name: TERRY JOHNSON, Member
12 Title:

13 DESERT PALACE, INC., CAESARS PALACE
14 Submitted by:
15 ADAM PAUL LAXALT
16 Attorney General

17 _____
18 Name: JOHN S. MICHELA
19 Title: Senior Deputy Attorney General
20 Gaming Division
21 Attorneys for Nevada Gaming Control Board

22 GREENBERG TRAURIG, LLP

23
24 
25 _____
26 MARK CLAYTON
27 Attorney for Respondents

28 **ORDER**

IT IS SO ORDERED in NGC Case No. 15-04.

DATED this _____ day of _____, 2015.

NEVADA GAMING COMMISSION

TONY ALAMO, M.D., Chairman

1 15. This stipulated settlement agreement shall become effective immediately upon
2 approval by the Nevada Gaming Commission.

3 DATED this _____ day of _____, 2015.

4 CAESARS ENTERTAINMENT
5 CORPORATION (PTC);

NEVADA GAMING CONTROL BOARD

6 _____
7 Name:
8 Title:

A.G. BURNETT, Chairman

8 CAESARS ENTERTAINMENT
9 OPERATING COMPANY (PTC)


SHAWN R. REID, Member

10 
11 Name: *Mary G. Haggan*
12 Title: *CEO*

TERRY JOHNSON, Member

13 DESERT PALACE, INC.,
14 CAESARS PALACE

Submitted by:
ADAM PAUL LAXALT
Attorney General

15 
16 Name: *Mary G. Haggan*
17 Title: *CEO*

By: _____
JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
Attorneys for Nevada Gaming Control Board

18 GREENBERG TRAURIG, LLP

19 
20 MARK CLAYTON
21 Attorney for Respondents

22
23 ORDER

24 IT IS SO ORDERED in NGC Case No. 15-04.

25 DATED this _____ day of _____, 2015.

26 NEVADA GAMING COMMISSION


27 _____
28 TONY ALAMO, M.D., Chairman

1 15. This stipulated settlement agreement shall become effective immediately upon
2 approval by the Nevada Gaming Commission.

3 DATED this _____ day of _____, 2015.

4 CAESARS ENTERTAINMENT
5 CORPORATION (PTC);

NEVADA GAMING CONTROL BOARD

6 

_____ A.G. BURNETT, Chairman

7 Name: Eric Hesson
8 Title: CFO

9 CAESARS ENTERTAINMENT
10 OPERATING COMPANY (PTC)

_____ SHAWN R. REID, Member

11 Name: _____
12 Title: _____

_____ TERRY JOHNSON, Member

13 DESERT PALACE, INC.,
14 CAESARS PALACE

Submitted by:
ADAM PAUL LAXALT
Attorney General

15 Name: _____
16 Title: _____

By: _____
JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
Attorneys for Nevada Gaming Control Board

17 GREENBERG TRAURIG, LLP

18 MARK CLAYTON
19 Attorney for Respondents

20 **ORDER**

21 IT IS SO ORDERED in NGC Case No. 15-04.

22 DATED this _____ day of _____, 2015.

23 NEVADA GAMING COMMISSION

24 _____
25 TONY ALAMO, M.D., Chairman