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STATE OF NEVADA

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BEFORE THE NEVADA GAMING COMMISSION

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NEVADA GAMING CONTROL BOARD,

6

Complainant,

7

vs.

COMPLAINT

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DROCK GAMING, LLC, dba THE D;  
GOLDEN GATE CASINO, LLC dba GOLDEN  
9 GATE HOTEL & CASINO; and DEREK  
10 JOHN STEVENS in his capacity of having  
been:

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1) Licensed as sole manager of DROCK  
GAMING, LLC, dba THE D;

12

2) Found suitable as sole manager of  
Desert Rock Enterprises II, LLC;

13

3) Licensed as Chief Executive Officer and  
Manager of GOLDEN GATE CASINO,  
14 LLC, dba GOLDEN GATE HOTEL &  
15 CASINO;

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4) Found suitable as sole manager of  
Golden Gate Casino Acquisitions, LLC;  
and

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5) Found suitable as the trustee and sole  
beneficiary of The Derek J. Stevens  
Trust,

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Respondents.

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The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD  
23 ("BOARD"), Complainant herein, by and through its counsel, ADAM PAUL LAXALT, Attorney  
24 General, and EDWARD L. MAGAW, Deputy Attorney General, hereby files this Complaint for  
25 disciplinary action against DROCK GAMING, LLC, dba THE D ("THE D"), GOLDEN GATE  
26 CASINO, LLC, dba GOLDEN GATE HOTEL & CASINO ("GOLDEN GATE"), and DEREK  
27 JOHN STEVENS ("STEVENS"), Respondents herein, pursuant to Nevada Revised Statute  
28 ("NRS") 463.310(2) and alleges as follows:

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1 1. Complainant, BOARD, is an administrative agency of the State of Nevada duly  
2 organized and existing under and by virtue of chapter 463 of NRS and is charged with the  
3 administration and enforcement of the gaming laws of this State as set forth in Title 41 of NRS  
4 (Nevada Gaming Control Act) and the Regulations of the Nevada Gaming Commission  
5 ("Commission" or "NGC").

6 2. Respondent THE D, located at 301 Fremont Street, Las Vegas, Nevada, holds a  
7 nonrestricted gaming license, and, as such, is charged with the responsibility of complying  
8 with all of the provisions of the Nevada Gaming Control Act and the Regulations of the  
9 Commission.

10 3. Respondent GOLDEN GATE, located at 1 Fremont Street, Las Vegas, Nevada, holds  
11 a nonrestricted gaming license, and, as such, is charged with the responsibility of complying  
12 with all of the provisions of the Nevada Gaming Control Act and the Regulations of the  
13 Commission.

14 4. Respondent STEVENS has been licensed and/or found suitable by the Commission in  
15 the following capacities relevant to this Complaint, and, as such, is charged with the  
16 responsibility of complying with all of the provisions of the Nevada Gaming Control Act and the  
17 Regulations of the Commission:

18 a. Licensed as sole manager of Respondent THE D;

19 b. Found suitable as sole manager of Desert Rock Enterprises II, LLC, which is the sole  
20 member and/or owner of Respondent THE D;

21 c. Licensed as Chief Executive Officer and Manager of Respondent GOLDEN GATE;

22 d. Found suitable as sole manager of Golden Gate Casino Acquisitions, LLC, which is  
23 the sole member and/or owner of Respondent GOLDEN GATE; and

24 e. Found suitable as the trustee and sole beneficiary of The Derek J. Stevens Trust,  
25 which owns seventy-eight percent (78%) of Desert Rock Enterprises II, LLC, and seventy-  
26 eight percent (78%) of Golden Gate Casino Acquisitions, LLC.

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RELEVANT LAW

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

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

NRS 463.0129(1)(a)-(d).

6. The 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).

7. 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).

8. 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

1 licensees to the end that licenses shall not be held by unqualified  
2 or disqualified persons or unsuitable persons or persons whose  
operations are conducted in an unsuitable manner.

3 Nev. Gaming Comm'n Reg. 5.040.

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

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

8 2. Responsibility for the employment and maintenance of  
9 suitable methods of operation rests with the licensee, and willful or  
10 persistent use or toleration of methods of operation deemed  
disciplinatory action.

11 Nev. Gaming Comm'n Reg. 5.010.

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

13 The board and the commission deem any activity on the  
14 part of any licensee, his agents or employees, that is inimical to the  
15 public health, safety, morals, good order and general welfare of the  
16 people of the State of Nevada, or that would reflect or tend to  
17 reflect discredit upon the State of Nevada or the gaming industry,  
18 to be an unsuitable method of operation and shall be grounds for  
disciplinatory 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:

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

21 . . . .

22 8. Failure to comply with or make provision for compliance  
23 with all federal, state and local laws and regulations and with all  
24 commission approved conditions and limitations pertaining to 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.

25 The Nevada gaming commission in the exercise of its sound  
26 discretion can make its own determination of whether or not the  
licensee has failed to comply with the aforementioned, but any  
27 such determination shall make use of the established precedents  
in interpreting the language of the applicable statutes. Nothing in  
this section shall be deemed to affect any right to judicial review.

28 . . . .

1           10. Failure to conduct gaming operations in accordance  
2 with proper standards of custom, decorum and decency, or permit  
3 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.

4 Nev. Gaming Comm'n Reg. 5.011(1), (8) and (10).

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

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

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

14           12. Nevada Revised Statutes 463.310 states in relevant part as follows:

15                   1. The Board shall make appropriate investigations:

16                   (a) To determine whether there has been any violation of  
this chapter or chapter 462, 464, 465 or 466 of NRS or any  
17 regulations adopted thereunder.

18                   (b) To determine any facts, conditions, practices or matters  
which it may deem necessary or proper to aid in the enforcement  
of any such law or regulation.

19                   . . . .

20                   2. If, after any investigation the Board is satisfied that

21                   (a) A license, registration, finding of suitability, preliminary  
finding of suitability, pari-mutuel license or prior approval by the  
22 Commission of any transaction for which the approval was  
required or permitted under the provisions of this chapter or  
23 chapter 462, 464 or 466 of NRS should be limited, conditioned,  
suspended or revoked; or

24                   (b) A person or entity which is licensed, registered, found  
suitable or found preliminarily suitable pursuant to this chapter or  
25 chapter 464 of NRS or which previously obtained approval for any  
act or transaction for which Commission approval was required or  
26 permitted under the provisions of this chapter or chapter 464 of  
NRS should be fined,

27                   the Board shall initiate a hearing before the Commission by filing  
a complaint with the Commission in accordance with NRS 463.312  
28 and transmit therewith a summary of evidence in its possession

1 bearing on the matter and the transcript of testimony at any  
2 investigative hearing conducted by or on behalf of the Board.

3 NRS 463.310(1)(a) and (b), and (2).

4 13. In response to a Complaint brought by the Board, NRS 463.310(4) provides in relevant  
5 part that the Commission may:

6 (a) Limit, condition, suspend or revoke the license of any  
7 licensed gaming establishment or the individual license of any  
8 licensee without affecting the license of the establishment;

9 . . . .

10 (d) Fine each person or entity, or both, which is licensed,  
11 registered or found suitable . . . pursuant to this chapter or chapter  
12 464 of NRS . . .

13 . . . .

14 (2) . . . not more than \$100,000 for each separate  
15 violation of the provisions of this chapter or chapter 464 or 465 of  
16 NRS or of the regulations of the Commission which is the subject  
17 of an initial complaint and not more than \$250,000 for each  
18 separate violation of the provisions of this chapter or chapter 464  
19 or 465 of NRS or of the regulations of the Commission which is the  
20 subject of any subsequent complaint.

21 NRS 463.310(4)(a) and (d)(2).

22 14. Nevada Gaming Commission Regulation 6.040 sets forth, among others, the following  
23 accounting recordkeeping requirements, which are relevant to this Complaint:

24 **6.040 Accounting records.**

25 1. Each licensee, in such manner as the chairman may  
26 approve or require, **shall keep accurate, complete**, legible, and  
27 permanent **records of all transactions pertaining to revenue**  
28 **that is taxable or subject to fees** under chapters 463 and 464 of  
NRS. Each licensee that keeps permanent records in a  
computerized or microfiche fashion shall provide the audit division,  
or the tax and license division, upon request, with a detailed index  
to the microfiche or computer record that is indexed by casino  
department and date.

2. Each nonrestricted licensee shall keep general  
accounting records on a double entry system of accounting,  
maintaining detailed, supporting, subsidiary records, including:

(a) Detailed records identifying revenues, expenses,  
assets, liabilities, and equity for each establishment;

(b) **Detailed records of all markers, IOU's, returned  
checks, hold checks, or other similar credit instruments;**

.....

1 (c) Individual and statistical game records to reflect  
2 statistical drop, statistical win, and the percentage of statistical win  
3 to statistical drop *by table* for each table game, and to reflect  
4 statistical drop, statistical win, and the percentage of statistical win  
5 to statistical drop for each type of table game, either by each shift  
6 or other accounting period approved by the chairman, and  
7 individual and statistical game records reflecting similar information  
8 for all other games;

9 . . . .

10 (e) For Group I licensees, the records required either by  
11 the minimum standards for internal control systems or by the  
12 licensee's system of internal control.

13 Nev. Gaming Comm'n Reg. 6.040(1) and (2)(a), (b) and (e) (emphasis added).

14 15. The requirements for the treatment of credit for purposes of computing gross revenue  
15 are found under NGC Regulation 6.120, which reads in relevant part as follows:

16 **6.120 Treatment of credit for purposes of computing  
17 gross revenue.**

18 1. Gross revenue does not include credit extended or  
19 collected by the licensee for purposes other than gaming. *Gross  
20 revenue included [sic] the amount of gaming credit extended  
21 to a patron that is not documented in a credit instrument.*

22 2. *Each licensee shall:*

23 (a) *Document, prior to extending credit,* that it:

24 (1) Has received information from a bona fide credit-  
25 reporting agency that the patron has an established credit history  
26 that is not entirely derogatory; or

27 (2) Has received information from a legal business that  
28 has extended credit to the patron that the patron has an  
established credit history that is not entirely derogatory; or

(3) Has received information from a financial institution  
at which the patron maintains an account that the patron has an  
established credit history that is not entirely derogatory; or

(4) Has examined records of its previous credit  
transactions with the patron showing that the patron has paid  
substantially all of his credit instruments and otherwise documents  
that it has a reasonable basis for placing the amount or sum  
placed at the patron's disposal; or

(5) Was informed by another licensee that extended  
gaming credit to the patron that the patron has previously paid  
substantially all of the debt to the other licensee and the licensee  
otherwise documents that it has a reasonable basis for placing the  
amount or sum placed at the patron's disposal; or

(6) If no credit information was available from any of the  
sources listed in subparagraphs (1) through (5) for a patron who is  
not a resident of the United States, the licensee has received, in  
writing, information from an agent or employee of the licensee who  
has personal knowledge of the patron's credit reputation or

1 financial resources that there is a reasonable basis for extending  
2 credit in the amount or sum placed at the patron's disposal;

3 (7) In the case of personal checks, has examined and  
4 has recorded the patron's valid driver's license or, if a driver's  
5 license cannot be obtained, some other document normally  
6 acceptable as a means of identification when cashing checks, and  
7 has recorded a bank check guarantee card number or credit card  
8 number or has documented one of the credit checks set forth in  
9 subparagraphs (1) through (6);

10 (8) In the case of third party checks for which cash,  
11 chips, or tokens have been issued to the patron or which were  
12 accepted in payment of another credit instrument, has examined  
13 and has recorded the patron's valid driver's license, or if a driver's  
14 license cannot be obtained, some other document normally  
15 acceptable as a means of identification when cashing checks and  
16 has, for the check's maker or drawer, performed and documented  
17 one of the credit checks set forth in subparagraphs (1) through (6);

18 (9) In the case of guaranteed drafts, has complied with  
19 the issuance and acceptance procedures prescribed by the issuer.

20 (b) Ensure that the patron to whom the credit is extended  
21 either signs the credit instrument when credit is extended or,  
22 unless the requirements of subsection 5 and 6 have been met,  
23 acknowledges the debt and the instrument's validity in a signed,  
24 written statement within 30 days of the audit division's request;

25 (c) Obtain and record the patron's address before  
26 extending the credit, or, unless the requirements of subsections  
27 5 and 6 have been met, furnish the patron's current address within  
28 30 days of the audit division's request.

16 Nev. Gaming Comm'n Reg. 6.120(1) and (2) (emphasis added).

17 16. Pursuant to NGC Regulation 6.090, Group I licensees must comply with the following  
18 requirements, among others:

19 **6.090 Internal control for Group I licensees.** As used in  
20 this section, "licensee" means a Group I licensee and "chairman"  
21 means the chairman or other member of the state gaming control  
22 board.

23 1. Each licensee shall establish administrative and  
24 accounting procedures for the purpose of determining the  
25 licensee's liability for taxes and fees under chapters 463 and 464  
26 of NRS and for the purpose of exercising effective control over the  
27 licensee's internal fiscal affairs. The procedures must be designed  
28 to reasonably ensure that:

(a) Assets are safeguarded;

(b) Financial records are accurate and reliable;

(c) Transactions are performed only in accordance with  
management's general or specific authorization;

(d) Transactions are recorded adequately to permit proper  
reporting of gaming revenue and of fees and taxes, and to  
maintain accountability for assets;

(e) Access to assets is permitted only in accordance with  
management's specific authorization;



1 (f) Recorded accountability for assets is compared with  
2 actual assets at reasonable intervals and appropriate action is  
3 taken with respect to any discrepancies; and

4 (g) Functions, duties, and responsibilities are appropriately  
5 segregated and performed in accordance with sound practices by  
6 competent, qualified personnel.

7 2. Each licensee and each applicant for a nonrestricted  
8 license shall describe, in such manner as the chairman may  
9 approve or require, its administrative and accounting procedures in  
10 detail in a written system of internal control. Each licensee and  
11 applicant for a license shall submit a copy of its written system to  
12 the board. Each written system must include:

13 (a) An organizational chart depicting segregation of  
14 functions and responsibilities;

15 (b) A description of the duties and responsibilities of each  
16 position shown on the organizational chart;

17 (c) A detailed, narrative description of the administrative  
18 and accounting procedures designed to satisfy the requirements of  
19 subsection 1;

20 (d) A written statement signed by the licensee's chief  
21 financial officer and either the licensee's chief executive officer or a  
22 licensed owner attesting that the system satisfies the requirements  
23 of this section;

24 (e) If the written system is submitted by an applicant, a  
25 letter from an independent accountant stating that the applicant's  
26 written system has been reviewed by the accountant and complies  
27 with the requirements of this section; and

28 (f) Such other items as the chairman may require.

3. The chairman shall adopt and publish minimum  
standards for internal control procedures that in the chairman's  
opinion satisfy subsection 1. . . .

. . . .

8. The licensee may not implement a system of internal  
control procedures that does not satisfy the minimum standards  
unless the chairman, in his sole discretion, determines that the  
licensee's proposed system satisfies subsection 1, and approves  
the system in writing. Within 30 days after a licensee receives  
notice of the chairman's approval of procedures that satisfy the  
requirements of subsection 1, but that do not satisfy the minimum  
standards, the licensee shall comply with the approved  
procedures, amend its written system accordingly, and submit to  
the board a copy of the written system as amended and a written  
description of the variations signed by the licensee's chief financial  
officer and either the licensee's chief executive officer or a licensed  
owner.

. . . .

13. Each licensee shall comply with its written system of  
internal control submitted pursuant to subsection 2 as it relates to  
compliance with the minimum standards, variations from the  
minimum standards approved pursuant to subsection 8, and  
Regulation 14 associated equipment approvals.

1                   14. ***Failure to comply with subsection 13 is an***  
2                   ***unsuitable method of operation.***

3 Nev. Gaming Comm'n Reg. 6.090(1)-(2), (8), and (13)-(14) (emphasis added).

4           17. The Minimum Internal Control Standards ("MICS") for Table Games, Version 7, which  
5 became effective on January 1, 2015, addressing the issuance of credit at a table game state,  
6 in relevant part, the following:

7                   ***Marker Credit Play (Exclusive of rim credit and call***  
8                   ***bets)***

9                   1. Prior to the issuance of gaming credit in the pit to a  
10 patron, the employee issuing the credit:

11                   a. Determines whether the credit limit has been  
12 established.

13                   b. Determines the amount of available credit and whether  
14 the available credit is sufficient to cover the issuance.

15                   c. Verifies the patron's identity by examining the patron's  
16 identification credential or other reasonable method to ensure the  
17 patron's identity (e.g., review of scan of driver's license on file).

18                   Note 1: A patron's driver's license is the preferred  
19 method for verifying the patron's identity. A passport, non-resident  
20 alien identification card, other government issued identification  
21 credential or other picture identification credential normally  
22 acceptable as a means of identification when cashing checks, may  
23 also be used.

24                   Note 2: It is recommended, but not mandatory, that in  
25 order to mitigate identity theft, the identification credential  
26 presented when issuing credit and the patron's signature on the  
27 marker be compared to a copy (or computer scan) of the patron's  
28 picture identification (if copy or scan was retained) and signature  
that were obtained when the patron's credit account was  
established.

2. Proper authorization of credit issuances in excess of the  
previously established limit is documented.

3. The amount of credit issued is communicated to the  
cage or another independent source and the amount documented  
within a reasonable time subsequent to each issuance.

4. The marker form is in at least triplicate form (triplicate  
form being defined as three parts performing the functions  
delineated in MICS #5), with a preprinted or concurrently-printed  
marker number, and utilized in numerical sequence.

Note: This requirement does not preclude the distribution of  
batches of markers to various pits.

5. At least three parts of each separately numbered marker  
form are utilized in the pit as follows:

a. Original (i.e., negotiable credit instrument) - Maintained  
in the pit until paid or transferred to the cage.

b. Payment Slip - Maintained in the pit until the marker is  
paid or transferred to the cage. If paid in the pit, the slip is inserted  
in the table game drop box. If not paid, the slip is transferred to the  
cage with the original.

1 Note: A payment slip is not required when a marker is  
2 immediately transferred to the cage upon issuance (e.g., name  
3 credits) resulting in marker payments being only accepted in the  
4 cage.

5 c. Issue Slip - Inserted into the appropriate table game  
6 drop box when credit is issued.

7 6. When marker documentation (e.g., issue slip and  
8 payment slip) is inserted in the table game drop box, such action is  
9 performed by the dealer at the table.

10 7. A record of credit activity (i.e., patron's credit account  
11 records) is maintained that details the following:

12 a. The name or other identifier of the individual(s) issuing  
13 the credit.

14 b. The legible name of the individual receiving the credit.

15 c. The date and time the credit was issued.

16 d. The table number where the credit was issued.

17 e. The amount of credit issued.

18 f. The marker number.

19 g. The current amount of available credit.

20 h. The amount of payment received and nature of  
21 payment (e.g., cash, chips, etc.) or if transferred to the cage, the  
22 marker credit slip or mass marker transfer form number.

23 i. The name or other identifier of the individual receiving  
24 payment.

25 8. The above credit activity records (MICS #7) are  
26 safeguarded, and adequate procedures are employed to control  
27 the distribution, use, and access to these records. All portions of  
28 markers, both issued and unissued, are safeguarded and  
procedures are employed to control the distribution, use and  
access to the forms.

9. All credit issuances are initially evidenced by lammer  
buttons that are displayed on the table in public view and placed  
there by supervisory personnel.

Note: If the layout of the midi-baccarat, mini-baccarat and  
baccarat tables physically makes it difficult for a supervisor to  
place the lammer buttons to the correct position on a table, then  
the supervisor may place a lammer (kept at the pit podium) in a  
neutral area of the table and authorize the dealer to move the  
lammer to the appropriate player position.

10. Marker preparation is initiated and other records  
updated within approximately one hand of play following the initial  
issuance of credit to the patron. Marker preparation is completed  
(i.e., the dealer signs and drops the issue slip) no later than thirty  
minutes after the chips are given to the patron unless the reason  
for exceeding this time period is documented.

11. Only the dealer moves lammer buttons from the table  
into the table tray, or moves lammer buttons to a neutral area for  
subsequent removal by pit supervisory personnel. This procedure  
is performed when the marker issue slip is placed in the table  
game drop box.

12. The original marker contains at least the following  
information: marker number, patron's name and signature, and  
amount of credit issued (both alpha and numeric).

13. The issue slip includes the same marker number as the  
original, the table number, date and time of issuance, and amount

1 of credit issued. The issue slip also includes the signature of the  
2 individual issuing the credit, and the signature of the dealer at the  
applicable table, unless this information is included on another  
document.

3 14. The payment slip includes the same marker number as  
4 the original. When the marker is paid in full in the pit, it will also  
5 include the table number where paid, date and time of payment,  
6 nature of payment (cash, chips, etc.) and amount of payment. The  
payment slip also includes the signature of a pit supervisor  
acknowledging payment, and the signature of the dealer receiving  
payment, unless this information is included on another document.

7 . . . .

8 25. All outstanding pit markers must be transferred to the  
9 cage within 24 hours of issuance.

10 MICS for Group I Licensees, Table Games, Nos. 1-14, and 25 (Version 7, effective January 1,  
11 2015).

12 18. The MICS for Table Games, Version 6, were effective January 1, 2009 through  
13 December 31, 2014, addressing the issuance of credit at a table game state, in relevant part,  
14 the following:

15 ***Marker Credit Play (Exclusive of rim credit and call  
16 bets)***

17 1. Prior to the issuance of gaming credit in the pit to a  
patron, the employee issuing the credit:

18 a. Determines whether the credit limit has been  
established.

19 b. Determines the amount of available credit and whether  
the available credit is sufficient to cover the issuance.

20 c. Verifies the patron's identity by examining the patron's  
identification credential or other reasonable method to ensure the  
patron's identity (e.g., review of scan of driver's license on file).

21 Note 1: A patron's driver's license is the preferred  
method for verifying the patron's identity. A passport, non-resident  
22 alien identification card, other government issued identification  
credential or other picture identification credential normally  
23 acceptable as a means of identification when cashing checks, may  
also be used.

24 Note 2: It is recommended, but not mandatory, that in  
order to mitigate identity theft, the identification credential  
presented when issuing credit and the patron's signature on the  
25 marker be compared to a copy (or computer scan) of the patron's  
picture identification (if copy or scan was retained) and signature  
26 that were obtained when the patron's credit account was  
established.

27 2. Proper authorization of credit issuances in excess of the  
28 previously established limit is documented.

1 3. The amount of credit issued is communicated to the  
2 cage or another independent source and the amount documented  
3 within a reasonable time subsequent to each issuance.

4 4. The marker form is in at least triplicate form (triplicate  
5 form being defined as three parts performing the functions  
6 delineated in MICS #5), with a preprinted or concurrently-printed  
7 marker number, and utilized in numerical sequence.

8 Note: This requirement does not preclude the distribution of  
9 batches of markers to various pits.

10 5. At least three parts of each separately numbered  
11 marker form are utilized in the pit as follows:

12 a. Original (i.e., negotiable credit instrument) - Maintained  
13 in the pit until paid or transferred to the cage.

14 b. Payment Slip - Maintained in the pit until the marker is  
15 paid or transferred to the cage. If paid in the pit, the slip is inserted  
16 in the table game drop box. If not paid, the slip is transferred to the  
17 cage with the original.

18 Note: A payment slip is not required when a marker is  
19 immediately transferred to the cage upon issuance (e.g., name  
20 credits) resulting in marker payments being only accepted in the  
21 cage.

22 c. Issue Slip - Inserted into the appropriate table game  
23 drop box when credit is issued.

24 6. When marker documentation (e.g., issue slip and  
25 payment slip) is inserted in the table game drop box, such action is  
26 performed by the dealer at the table.

27 7. A record of credit activity (i.e., patron's credit account  
28 records) is maintained that details the following:

a. The name or other identifier of the individual(s) issuing  
the credit.

b. The legible name of the individual receiving the credit.

c. The date and time the credit was issued.

d. The table number where the credit was issued.

e. The amount of credit issued.

f. The marker number.

g. The current amount of available credit.

h. The amount of payment received and nature of  
payment (e.g., cash, chips, etc.) or if transferred to the cage, the  
marker credit slip or mass marker transfer form number.

i. The name or other identifier of the individual receiving  
payment.

8. The above credit activity records (MICS #7) are  
safeguarded, and adequate procedures are employed to control  
the distribution, use, and access to these records. All portions of  
markers, both issued and unissued, are safeguarded and  
procedures are employed to control the distribution, use and  
access to the forms.

9. All credit issuances are initially evidenced by lammer  
buttons that are displayed on the table in public view and placed  
there by supervisory personnel.

10. Marker preparation is initiated and other records  
updated within approximately one hand of play following the initial  
issuance of credit to the patron. Marker preparation is completed  
(i.e., the dealer signs and drops the issue slip) no later than thirty

1 minutes after the chips are given to the patron unless the reason  
2 for exceeding this time period is documented.

3 11. Only the dealer moves lammer buttons from the table  
4 into the table tray, or moves lammer buttons to a neutral area for  
5 subsequent removal by pit supervisory personnel. This procedure  
6 is performed when the marker issue slip is placed in the table  
7 game drop box.

8 12. The original marker contains at least the following  
9 information: marker number, patron's name and signature, and  
10 amount of credit issued (both alpha and numeric).

11 13. The issue slip includes the same marker number as the  
12 original, the table number, date and time of issuance, and amount  
13 of credit issued. The issue slip also includes the signature of the  
14 individual issuing the credit, and the signature of the dealer at the  
15 applicable table, unless this information is included on another  
16 document.

17 14. The payment slip includes the same marker number as  
18 the original. When the marker is paid in full in the pit, it will also  
19 include the table number where paid, date and time of payment,  
20 nature of payment (cash, chips, etc.) and amount of payment. The  
21 payment slip also includes the signature of a pit supervisor  
22 acknowledging payment, and the signature of the dealer receiving  
23 payment, unless this information is included on another document.

24 . . . .

25 25. All outstanding pit markers must be transferred to the  
26 cage within 24 hours of issuance.

27 MICS for Group I Licensees, Table Games, Nos. 1-14, and 25 (Version 6, effective January 1,  
28 2009 through December 31, 2014).

19 19. The MICS for Cage and Credit, Version 7, No. 1, which became effective starting  
20 January 1, 2015, and Version 6, which was effective from January 1, 2009 through December  
21 31, 2014, addresses the requirements for the establishment of a credit account as follows:

22 ***Establishing Credit Account***

23 1. At least the following information is recorded and  
24 maintained for patrons who have established credit limits or are  
25 issued credit of any amount (credit issuances include the issuance  
26 of markers and the use of counter checks, but excludes personal  
27 checks, payroll checks, cashier's checks and traveler's checks):

28 Note: A counter check is a form (similar to a marker form)  
provided by the licensee that is completed as is necessary for the  
instrument to be presented to the patron's bank for payment.

a. Patron's name, current address, and signature.

b. Type of identification credential, credential number,  
expiration date of credential, and date credential was examined.

Note: A patron's driver's license is the preferred method for  
verifying the patron's identity. A passport, non-resident alien

1 identification card, other government issued identification  
2 credential or another picture identification credential normally  
3 acceptable as a means of identification when cashing checks, may  
4 also be used.

5 c. Documentation of credit worthiness using a method  
6 permissible under Regulation 6.120(2)(a).

7 d. Authorized credit limit.

8 e. Signature of the individual(s) designated by  
9 management to approve credit limits. For computerized systems, a  
10 credit limit approval controlled through system passwords is  
11 adequate.

12 MICS for Group I Licensees, Cage and Credit, No. 1 (Version 7, effective January 1, 2015,  
13 and Version 6, effective January 1, 2009 – December 31, 2014).

14 **COUNT ONE**  
15 **VIOLATION OF NGC REGULATIONS**  
16 **5.011, 5.011(1), (8), AND (10), 6.040, 6.090(13), 6.120(2)(a)(1)-(9), (b) AND (c),**  
17 **MICS CAGE AND CREDIT 1(a)-(c), AND**  
18 **MICS TABLE GAMES 1(a)-(c), 2-4, 5(a)-(c), 6, 7(a)-(i), AND 8-14**

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

21 21. On or about January 26, 2015, the following activities occurred on the premises of  
22 Respondent GOLDEN GATE during the swing shift:

23 a. A patron (hereinafter "Patron #1") entered the premises and met Respondent  
24 STEVENS at the establishment's bar;

25 b. While Respondent STEVENS and Patron #1 were at the establishment's bar, a  
26 Casino Host (hereinafter "Casino Host #1") approached the Casino Shift Manager on duty  
27 (hereinafter "Casino Shift Manager") and stated that Respondent STEVENS wanted Patron #1  
28 to have \$5,000 and that Respondent STEVENS had told him "no paper trail";

29 c. Sometime during the same shift, Casino Host #1 approached the boxman  
30 (hereinafter "Boxman") working at craps table 01 and informed the Boxman that Respondent  
31 Stevens wanted to give Patron #1 \$5,000 from craps table 01;

32 d. Casino Host #1 further informed the Boxman that the transfer to Patron #1 would be  
33 "like a marker but with a lot less paperwork, as in no paperwork";

34 e. In response, the Boxman informed Casino Host #1 that Patron #1 had no marker  
35 account and no play history justifying the amount of money that was to be given to Patron #1;

1 f. The Boxman further informed Casino Host #1 that he or she would not hand some  
2 person \$5,000 out of his or her table bank without any paperwork or cash drop;

3 g. Casino Host #1 reassured the Boxman that the method of the transfer of money to  
4 Patron #1 had been discussed with the casino shift manager (hereinafter "Casino Shift  
5 Manager") and that the Casino Shift Manager would come speak with the Boxman;

6 h. The Boxman refused to cooperate and returned to his or her duties at craps table 01;

7 i. Shortly thereafter, the Casino Shift Manager approached the Boxman at craps table  
8 01 and instructed him or her to go close the Big Six Wheel table, which was located across  
9 the casino floor from craps table 01;

10 j. The Casino Shift Manager then sat down in the boxman position at craps table 01;

11 k. Once seated, the Casino Shift Manager removed \$5,000 in \$100 black gaming chips  
12 from crap table 01's bank and set them out on the table;

13 l. Shortly thereafter, the Casino Shift Manager pushed the casino chips to the dealer  
14 stationed at second base on the table, who then pushed the casino chips to an area on the  
15 table that was near where Respondent STEVENS was standing with Patron #1;

16 m. After receiving the chips, Respondent STEVENS and/or Patron #1 examined the  
17 casino chips and then pushed them back toward the dealer at second base on the table who  
18 then pushed the casino chips back to the Casino Shift Manager sitting in the boxman position;

19 n. The Casino Shift Manager proceeded to replace the \$5,000 in \$100 black gaming  
20 chips with \$5,000 in \$500 purple gaming chips, setting the purple casino chips on the table in  
21 front of the table's bank;

22 o. After the casino chips were switched out, the Casino Shift Manager pushed them to  
23 the dealer in the second base position on the table who then pushed them to an area on the  
24 table that was near where Respondent STEVENS and Patron #1 were standing;

25 p. Respondent STEVENS proceeded to pick the casino chips off the table and place  
26 them in the player chip holder in front of Patron #1;

27 q. Patron #1 then picked up the chips and both Patron #1 and Respondent STEVENS  
28 walked away from craps table 01;



1 r. To account for the issuance of the casino chips, the Casino Shift Manager performed  
2 a rack adjustment by typing the word "marker" in the comment section of the computer system  
3 to indicate that \$5,000 in gaming chips had been removed from craps table 01's bank;

4 s. When the Boxman returned to craps table 01 after having closed down the Big Six  
5 Wheel table, he or she replaced the Casino Shift Manager in the boxman position at the table;

6 t. Upon sitting in the boxman position, the Boxman observed that \$5,000 in \$500  
7 purple gaming chips were missing from the table's bank;

8 u. The Boxman further noticed that no paperwork had been initiated, no marker had  
9 been issued, and no new money drop had occurred;

10 v. As Respondent STEVENS had requested, no paperwork was created to document  
11 the issuance of the \$5,000 in casino chips to Patron #1.

12 22. At no time during the above course of events were the procedures required in order to  
13 issue credit to a patron at a table game followed, nor was a marker or any other required  
14 paperwork prepared.

15 23. An examination of the Respondent GOLDEN GATE's marker logs confirmed that no  
16 markers had been issued to any patrons of Respondent GOLDEN GATE on January 26,  
17 2015.

18 24. An examination of Respondent GOLDEN GATE's records revealed that as of January  
19 26, 2015, no credit account had been established for Patron #1 at the location.

20 25. An examination on or about March 9, 2015 of Respondent GOLDEN GATE's "Markers  
21 Issued Report from January 1, 2015 to March 9, 2015" revealed no record of a \$5,000 marker  
22 being issued to anyone at any time on January 26, 2015.

23 26. An examination on or about March 9, 2015 of Respondent GOLDEN GATE's "Soft  
24 Count Master Gaming Detail Report, swing shift, January 25, 2015" revealed a gross gaming  
25 loss of \$5,254 on Craps Table 01 and no record of a \$5,000 marker being forwarded to the  
26 table on January 26, 2015.

27 . . . .

28 . . . .

1 27. It is clear from the evidence gathered that Respondent STEVENS had directed the  
2 payment of the \$5,000 in casino chips to Patron #1 and had directed staff to not prepare any  
3 of the paperwork that is required by law to document the transaction.

4 28. Based on the above, Respondents GOLDEN GATE and/or STEVENS violated the  
5 following Regulations and/or MICS:

- 6 a. Nevada Gaming Commission Regulation 5.011, 5.011(1), (8) and (10);
- 7 b. Nevada Gaming Commission Regulation 6.040;
- 8 c. Nevada Gaming Commission Regulation 6.090(13);
- 9 d. Nevada Gaming Commission Regulation 6.120(2)(a)(1)-(9), (b) and (c);
- 10 e. Cage and Credit MICS #1(a)-(e) (version 7); and/or
- 11 f. Table Games MICS #'s 1(a)-(c), 2-4, 5(a)-(c), 6, 7(a)-(i), and 8-14 (version 7).

12 29. The above violation or violations by Respondent GOLDEN GATE and/or Respondent  
13 STEVENS constitute an unsuitable method of operation, and, as such, provide grounds for  
14 disciplinary action by the BOARD. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and  
15 5.030.

16 **COUNT TWO**  
17 **VIOLATION OF NGC**  
18 **REGULATIONS 5.011, 5.011(8), 6.040(1) AND (2)(b), AND 6.120(1)**

19 30. Complainant BOARD realleges and incorporates by reference as though set forth in  
20 full herein paragraphs 1 through 29 above.

21 31. As detailed in Count 1 above, \$5,000 in chips were given to Patron #1 by Respondent  
22 GOLDEN GATE at the direction of Respondent STEVENS, yet, as per Respondent STEVENS  
23 direction, none of the procedures required for the issuance of credit were performed nor was  
24 any credit account established for Patron #1 at Respondent GOLDEN GATE.

25 32. In addition, an examination on or about March 9, 2015 of Respondent GOLDEN  
26 GATE's "Soft Count Master Gaming Detail Report, swing shift, January 25, 2015" revealed a  
27 gross gaming loss of \$5,254 on craps table 01 but showed no record of a \$5,000 marker  
28 being forwarded to the table on January 26, 2015.

.....

1 33. As a result of the above, erroneous information was used to complete the "Monthly  
2 Gross Revenue Report" submitted to the BOARD for February 2015.

3 34. Such erroneous information resulted an underreporting of gross gaming revenue to  
4 the BOARD for February 2015, of \$5,000 in violation of NGC Regulations 5.011, 5.011(8),  
5 6.040(1) and (2)(b), and/or 6.120(1).

6 35. The above violation or violations by Respondent GOLDEN GATE and/or Respondent  
7 STEVENS constitute an unsuitable method of operation, and, as such, provide grounds for  
8 disciplinary action by the BOARD. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011  
9 and 5.030.

10 **COUNT THREE**  
11 **VIOLATION OF NGC REGULATIONS 5.011, 5.011(1), 5.011(8), 5.011(10), AND 6.090(13),**  
**AND MICS CAGE AND CREDIT 22(a)-(b) AND (e)**

12 36. Complainant BOARD realleges and incorporates by reference as though set forth in  
13 full herein paragraphs 1 through 35 above.

14 37. An examination of the Respondent GOLDEN GATE's daily cage and credit audit  
15 documentation revealed that on February 7, 2015, \$5,000 was received as payment on a  
16 marker issued to Patron #1 on January 25, 2015, but was not recorded in Patron #1's credit  
17 records.

18 38. However, as indicated in Count 1 above, an examination of the Respondent GOLDEN  
19 GATE's marker logs revealed that no markers had been issued to any patrons of Respondent  
20 GOLDEN GATE on January 26, 2015, let alone Patron #1.

21 39. In addition, as indicated in Count 1 above, an examination of Respondent GOLDEN  
22 GATE's records revealed that as of January 26, 2015, no credit account had been established  
23 for Patron #1 at the location.

24 40. Further, the payment slip evidencing the above referenced payment did not indicate  
25 the following:

- 26 a. Marker number;
- 27 b. Time of payment; and
- 28 c. The nature of payment.

1 41. Such deficiencies constitute a violation by Respondent GOLDEN GATE and/or  
2 Respondent STEVENS of MICS Cage and Credit #22(a), (b), and (e) and a violation of  
3 NGC Regulation 5.011, 5.011(1), 5.011(8), 5.011(10), and 6.090(13) by the same.

4 42. The above violation or violations by Respondent GOLDEN GATE and/or Respondent  
5 STEVENS constitute an unsuitable method of operation, and, as such, provide grounds for  
6 disciplinary action by the BOARD. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and  
7 5.030.

8 **COUNT FOUR**  
9 **VIOLATION OF NGC**  
10 **REGULATIONS 5.011, 5.011(8), 6.040(1) AND (2)(b)-(c)**

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

13 44. An examination of Respondent GOLDEN GATE's Monthly Gross Revenue Statistical  
14 Report (hereinafter "NGC-31") for March 2015 revealed that the \$5,000 in casino chips issued  
15 as credit to Patron #1 was reported to the BOARD as has having been issued at blackjack  
16 table 07 rather than at craps table 01, where the casino chips were actually issued.

17 45. By failing to properly report the \$5,000 credit issuance to the BOARD on the  
18 applicable NGC-31, Respondent GOLDEN GATE and/or Respondent STEVENS misreported  
19 information used to calculate individual and statistical game records, and as a result violated  
20 NGC Regulations 5.011, 5.011(8), 6.040(1) and (2)(b)-(c).

21 46. The above violation or violations by Respondent GOLDEN GATE and/or Respondent  
22 STEVENS constitute an unsuitable method of operation, and, as such, provide grounds for  
23 disciplinary action by the BOARD. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011  
24 and 5.030.

25 **COUNT FIVE**  
26 **VIOLATION OF NGC**  
27 **REGULATIONS 5.011, 5.011(1), 5.011(10), AND 6.120(2)(a)**

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

.....

1 48. On or about January 23, 2014, the Director of Hosts at the Respondent THE D  
2 authorized and issued a \$10,000 marker to a patron (hereinafter "Patron #9").

3 49. No credit check on Patron #9 was conducted prior to the issuance of the marker.

4 50. A review of Patron #9's credit documentation revealed that the documentation was  
5 incomplete and/or the markers were issued prior to a credit check being performed, which is a  
6 violation of NGC Regulations 5.011, 5.011(1), 5.011(8), 5.011(10), and/or 6.120(2)(a).

7 51. The above violation or violations by an employee of Respondent THE D and/or  
8 Respondent STEVENS constitute an unsuitable method of operation, and, as such, provide  
9 grounds for disciplinary action by the BOARD. See Nev. Gaming Comm'n Regs. 5.010(2),  
10 5.011 and 5.030.

11  
12 **COUNT SIX**  
**VIOLATION OF NGC**  
**REGULATIONS 5.011, 5.011(1), 5.011(10), AND 6.120(2)(a)**

13 52. Complainant BOARD realleges and incorporates by reference as though set forth in  
14 full herein paragraphs 1 through 51 above.

15 53. On or about January 24, 2014, the Chief Operating Officer of the Respondent THE D  
16 authorized and issued a \$15,000 marker to Patron #9.

17 54. No credit check on Patron #9 was conducted prior to the issuance of the marker.

18 55. A review of Patron #9's credit documentation revealed that the documentation was  
19 incomplete and/or the markers were issued prior to a credit check being performed, which is a  
20 violation of NGC Regulations 5.011, 5.011(1), 5.011(8), 5.011(10), and/or 6.120(2)(a).

21 56. The above violation or violations by an employee of Respondent THE D and/or  
22 Respondent STEVENS constitute an unsuitable method of operation, and, as such, provide  
23 grounds for disciplinary action by the BOARD. See Nev. Gaming Comm'n Regs. 5.010(2),  
24 5.011 and 5.030.

25 **PRAYER FOR RELIEF**

26 WHEREFORE, based upon the allegations contained herein, which constitute reasonable  
27 cause for disciplinary action against the Respondents, pursuant to NRS 463.310, and  
28 NGC Regulations 5.010, 5.011 and 5.030, the BOARD prays for the relief set forth as follows:

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

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

7 3. That the Nevada Gaming Commission take action against each of the Respondents  
8 licenses or findings of suitability pursuant to the parameters defined at NRS 463.310(4); and


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

11 DATED this 23<sup>RD</sup> day of August, 2016.


12 NEVADA GAMING CONTROL BOARD

13   
14 \_\_\_\_\_  
15 A.G. BURNETT, Chairman

16   
17 \_\_\_\_\_  
18 SHAWN R. REID, Member

19   
20 \_\_\_\_\_  
21 TERRY JOHNSON, Member

22 Submitted by:  
23 ADAM PAUL LAXALT  
24 Attorney General

25 By:   
26 \_\_\_\_\_  
27 EDWARD L. MAGAW  
28 Deputy Attorney General  
Gaming Division  
(702) 486-3224