



1 NGC 17-03

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4 STATE OF NEVADA

5 BEFORE THE NEVADA GAMING COMMISSION

6 NEVADA GAMING CONTROL BOARD,)
7 Complainant,
8 v.
9 GOLDEN ROUTE OPERATIONS, LLC,
10 SARTINI GAMING, LLC,
11 Respondents.

STIPULATION FOR SETTLEMENT AND ORDER

12 The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD
13 (BOARD), Complainant herein, filed and served a Complaint, NGC Case No. 17-03, against
14 the above-captioned RESPONDENTS alleging certain violations of the Nevada Gaming
15 Control Act and Regulations of the Nevada Gaming Commission.

16 IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENTS
17 that the Complaint, NGC Case No. 17-03, filed against RESPONDENTS in the above-entitled
18 case shall be settled on the following terms and conditions:

19 1. RESPONDENTS admit each and every allegation set forth in the Complaint, NGC
20 Case No. 17-03.

21 2. RESPONDENTS fully understand and voluntarily waive the right to a public hearing
22 on the charges and allegations set forth in the Complaint, the right to present and cross-
23 examine witnesses, the right to a written decision on the merits of the Complaint, which must
24 contain findings of fact and a determination of the issues presented, and the right to obtain
25 judicial review of the Nevada Gaming Commission's decision.

26 3. RESPONDENTS agree to pay SEVENTY-FIVE THOUSAND DOLLARS and NO
27 CENTS (\$75,000.00), electronically transferred to the *State of Nevada-Nevada Gaming*
28 *Commission*, on or before the date this Stipulated Settlement agreement is accepted by the

Office of the Attorney General
Gaming Division
6420 Kietzke Lane, Suite 202
Reno, Nevada 89511

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**NEVADA GAMING COMMISSION
CARSON CITY, NEVADA**

1 Nevada Gaming Commission. Said payment shall be made by a method of electronic
2 payment approved by the Tax and License Division of the BOARD pursuant to Nevada
3 Revised Statutes (NRS) 353.1467. Interest on the fine shall accrue pursuant to NRS 17.130
4 on any unpaid balance computed from the date payment is due until payment is made in full.
5 In addition, RESPONDENTS agree to have the following conditions placed on their gaming
6 licenses:

7 a) RESPONDENTS shall have written procedures in place
8 governing locations where it is not the gaming licensee which provide for,
9 at a minimum, that no gaming devices will be installed by RESPONDENTS
10 at a location until RESPONDENTS have verified within the thirty (30) day
11 period prior to installation: (i) that the operator of the primary business at
12 the location is a gaming licensee in good standing with the Commission
13 and the appropriate local governing bodies; (ii) that all requisite fees and
14 taxes for the operation of gaming devices at the location have been paid;
15 (iii) that the current diagram of the gaming area has been approved by the
16 Nevada Gaming Control Board; (iv) that the licensee entity exists and is in
17 good standing with the Nevada Secretary of State; (v) that the licensee's
18 fictitious firm name is on file with the appropriate local governing body;
19 and, (vi) that the licensee has the required business and liquor licenses
20 from the appropriate local governing body. RESPONDENTS shall re-verify
21 this information at least every five (5) years. RESPONDENTS shall
22 provide a copy of the written procedures to the Nevada Gaming Control
23 Board and shall provide a new copy to the Nevada Gaming Control Board
24 upon any amendment of the written procedures.

25 b) Within thirty (30) days after entering into a space lease
26 agreement and every five (5) years thereafter, RESPONDENTS shall
27 perform due diligence concerning the landlord with which RESPONDENTS
28 entered the space lease. Due diligence, shall, at a minimum, require a

1 review of the landlord's criminal background and basic financial
2 background. Notwithstanding the foregoing, RESPONDENTS shall not be
3 required to perform due diligence: (i) on a landlord that consists of one of
4 the RESPONDENTS or an affiliate of RESPONDENTS; or, (ii) if
5 RESPONDENTS have and maintain written evidence of landlord's good
6 reputation and suitability which includes: (a) the licensing or approval of
7 such landlord by the Nevada Gaming Commission; (b) that the landlord is
8 a publicly traded company or international, national, or regional chain of
9 grocery stores or drug stores; (c) favorable information generally available
10 to RESPONDENTS from the business or professional community; or, (d)
11 information derived from prior due diligence performed within the previous
12 five (5) years.

13 c) Within three (3) business days after receipt of any writing from
14 the operator of the primary business that indicates the operator of the
15 primary business has sold or agreed to sell all or part of the primary
16 business to a third party, RESPONDENTS shall verify the items required
17 by condition to be in its written procedures in connection with the licensed
18 operator of the primary business and the third party buyer in order to make
19 a good faith determination of whether the ownership of the primary
20 business has changed.

21 d) RESPONDENTS shall maintain records for at least five (5) years
22 that evidence the verifications or due diligence required by any condition
23 has been performed.

24 4. In consideration for the execution of this settlement agreement,
25 RESPONDENTS, for itself, its heirs, executors, administrators, successors, and
26 assigns, hereby release and forever discharge the State of Nevada, the Nevada
27 Gaming Commission, the Nevada Gaming Control Board, the Nevada Attorney
28 General and each of their members, agents, and employees in their individual

1 and representative capacities, from any and all manner of actions, causes of
2 action, suits, debts, judgments, executions, claims, and demands whatsoever
3 known or unknown, in law and equity, that RESPONDENTS ever had, now has,
4 may have, or claim to have against any and all of the persons or entities named in
5 this paragraph arising out of, or by reason of, the investigation of the allegations
6 in the Complaint and this disciplinary action, NGC Case No. 17-03, or any other
7 matter relating thereto.

8 5. In consideration for the execution of this settlement agreement, RESPONDENTS
9 hereby indemnify and hold harmless the State of Nevada, the Nevada Gaming Commission,
10 the State Gaming Control Board, the Nevada Attorney General, and each of their members,
11 agents, and employees in their individual and representative capacities against any and all
12 claims, suits and actions, brought against the persons named in this paragraph by reason of
13 the investigation of the allegations in the Complaint, filed in this disciplinary action, NGC Case
14 No. 17-03, and all other matters relating thereto, and against any and all expenses, damages,
15 charges and costs, including court costs and attorney fees, which may be sustained by the
16 persons and entities named in this paragraph as a result of said claims, suits and actions.

17 6. RESPONDENTS enter into this Stipulation for Settlement freely and voluntarily and
18 acknowledge that RESPONDENTS had an opportunity to consult with counsel prior to entering
19 into this Stipulation for Settlement. RESPONDENTS further acknowledge that this Stipulated
20 Settlement is not the product of force, threats, or any other form of coercion or duress, but is
21 the product of discussions between RESPONDENTS and the attorney for the BOARD.

22 7. RESPONDENTS and the BOARD acknowledge that this settlement is made to avoid
23 litigation and economize resources. The parties agree and understand that this Stipulation for
24 Settlement is intended to operate as full and final settlement of the Complaint filed against
25 RESPONDENTS in the above-entitled disciplinary case, NGC Case No. 17-03.

26 8. RESPONDENTS and the BOARD recognize and agree that the Nevada Gaming
27 Commission has the sole and absolute discretion to determine whether to accept this
28 Stipulated Settlement agreement. RESPONDENTS and the BOARD hereby waive any right

1 they may have to challenge the impartiality of the Nevada Gaming Commission to hear the
2 above-entitled case on the matters embraced in the Complaint if the Nevada Gaming
3 Commission determines not to accept this Stipulated Settlement agreement. If the Nevada
4 Gaming Commission does not accept the Stipulation for Settlement, it shall be withdrawn as
5 null and void and RESPONDENTS' admissions, if any, that certain violations of the Nevada
6 Gaming Control Act and the Regulations of the Nevada Gaming Commission occurred shall be
7 withdrawn.

8 9. RESPONDENTS and the BOARD agree and understand that this settlement
9 agreement is intended to operate as full and final settlement of the Complaint filed in NGC
10 Case No. 17-03. The parties further agree and understand that any oral representations are
11 superseded by this settlement agreement and that only those terms memorialized in writing
12 herein shall be effective.

13 10. RESPONDENTS agree and understand that although this settlement, if approved
14 by the Nevada Gaming Commission, will settle the Complaint filed in NGC Case No. 17-03,
15 that the allegations contained in the Complaint file in NGC Case No. 17-03 and the terms of
16 this settlement agreement may be considered by the BOARD and/or the Nevada Gaming
17 Commission, with regards to any and all applications by RESPONDENT that are currently
18 pending before the BOARD or the Nevada Gaming Commission, or that are filed in the future
19 with the BOARD.

20 11. RESPONDENTS and the BOARD shall each bear their own costs incurred in this
21 disciplinary action, NGC Case No. 17-03.

22 12. RESPONDENTS, by executing this Stipulation, affirmatively waive all notices
23 required by law for this matter including, but not limited to, notices concerning consideration of
24 the character or misconduct of a person (NRS 241.033), notices concerning consideration of
25 administrative action against a person (NRS 241.034), and notices concerning hearings before
26 the Nevada Gaming Commission (NRS 463.312). Regardless of the waiver of legal notice
27 requirements, the BOARD and Nevada Gaming Commission will attempt to provide
28 reasonable notice of the time and place of the hearing. Further, in negotiating this settlement,

1 RESPONDENTS acknowledge that the BOARD has provided RESPONDENTS with the date
2 and time of the Nevada Gaming Commission hearing during which the BOARD anticipates the
3 Nevada Gaming Commission will consider approving this settlement.

4 13. This Stipulated Settlement agreement shall become effective immediately upon
5 approval by the Nevada Gaming Commission.

6 DATED this 20th day of November, 2017.

7 GOLDEN ROUTE OPERATIONS, LLC;
8 SARTINI GAMING, LLC;

STATE GAMING CONTROL BOARD

9 Sean J. Higgins
10 SEAN HIGGINS
11 Authorized Signatory

A.G. Burnett
A.G. BURNETT, Chairman

12 LEWIS ROCA ROTHGERBER CHRISTIE

Shawn R. Reid
SHAWN R. REID, Member

13 Michael G. Alonso
14 MICHAEL G. ALONSO
15 Attorney for Respondents

Terry Johnson
TERRY JOHNSON, Member

Submitted by:

ADAM PAUL LAXALT
Attorney General

19 By: John S. Michela
20 JOHN S. MICHELA
21 Senior Deputy Attorney General
22 Gaming Division
23 Attorneys for Nevada Gaming Control
24 Board

24 **ORDER**

25 IT IS SO ORDERED in NGC Case No. 17-03.

26 DATED this 21st day of December, 2017.

27 NEVADA GAMING COMMISSION
28 Tony Alamo
TONY ALAMO, M.D., Chairman