



1 NGC 17-05

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STATE OF NEVADA

BEFORE THE NEVADA GAMING COMMISSION

6 NEVADA GAMING CONTROL BOARD,)

7 Complainant,

8 vs.

ORDER RESOLVING NGC 17-05

9 CG TECHNOLOGY HOLDINGS, LLC,
10 CG TECHNOLOGY, LLC,
11 CG TECHNOLOGY HOLDINGS, L.P.,
and CG TECHNOLOGY, L.P.,
doing business as CG TECHNOLOGY,

12 Respondents.

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LAS VEGAS, NEVADA 89101

14 RESPONDENTS CG TECHNOLOGY HOLDINGS, LLC, CG
15 TECHNOLOGY, LLC, CG TECHNOLOGY HOLDINGS, L.P., and
16 CG TECHNOLOGY, L.P., dba CG TECHNOLOGY (Collectively "RESPONDENTS"
17 or "CGT") hereby stipulate to this order of the Nevada Gaming Commission
18 (the "Commission") as a full and final resolution of NGC Case No. 17-05:

19 1. This Order shall become binding and effective upon approval by the
20 Commission and signed by the Commission's Chairman (the "Effective Date"). If the
21 Commission does not enter this Order, then it and RESPONDENTS' stipulations
22 herein shall become null and void and no have legal effect.

23 2. By this Order, RESPONDENTS stipulate and voluntarily waive the right
24 to a public hearing on the charges and allegations set forth in the Complaint, the right
25 to present and cross-examine witnesses, the right to a written decision on the merits
26 of the Complaint which must contain findings of fact and a determination of the issues
27 presented, and the right to obtain judicial review of the Commission's decision.

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1 3. RESPONDENTS' stipulations in this Order are based on all
2 records/documents/evidence made a part of this matter, NGC Case No. 17-05.

3 4. RESPONDENTS further stipulate as part of this Order that the Board
4 was able to satisfy the standard of NGC Reg. 7.230 as to each and every allegation of
5 the Complaint in NGC Case No. 17-05.

6 5. RESPONDENTS further stipulate to pay a fine in the total amount of
7 ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS and NO CENTS
8 (\$1,750,000.00) electronically transferred to the *State of Nevada-Nevada Gaming*
9 *Commission* on the Effective Date. Interest on the fine shall accrue in accordance with
10 NRS 17.130 on any unpaid balance computed from the date payment is due until
11 payment is made in full.

12 6. RESPONDENTS further stipulate that within 60 days of the
13 Effective Date, they shall make a contribution totaling \$250,000 to the Nevada
14 Council on Problem Gambling

15 7. RESPONDENTS further stipulate to establish the position of a
16 Corporate Social Responsibility Officer (CSRO), reporting to the CEO, to enhance
17 RESPONDENTS' meaningful contributions to the Nevada gaming community and
18 employee training. The CSRO shall focus on enhancing responsible and ethical
19 gaming, employee training, identifying opportunities for philanthropy and local
20 community engagement, encouraging charitable and civic participation and
21 promoting diversity, and environmental sustainability.

22 8. RESPONDENTS further stipulate to implement semi-annual training of
23 the chief executive officer, chief financial officer, chief legal officer, chief compliance
24 officer and CSRO to ensure continued adherence and implementation of "best
25 practices" in the areas of responsible and ethical gaming, gaming policies and
26 procedures generally, and social responsibility within the gaming industry, consistent
27 with the Nevada Gaming Control Act, the Commission's Regulations and the Board's
28 and Commission's policies as articulated through "Industry Notices."

1 9. RESPONDENTS further stipulate that all of the licenses of
2 CG Technology, L.P. shall be conditioned as follows:

3 a. Within three (3) months following the Effective Date, CGT shall
4 transition to an unaffiliated third-party sports pool wagering system and CGT
5 shall permanently discontinue the use of its sports pool wagering system and
6 all of its components, collectively referred to as the "CSB," at which time the
7 CSB and its components will be deemed permanently disapproved and the
8 system or its derivatives will not be considered for future approval. Upon
9 written request by CGT, this deadline may be administratively extended by the
10 Board Chair for any cause deemed reasonable by the Board Chair, including
11 but not limited to, allowing CGT: (i) to continue to use one terminal that utilizes
12 the CSB at each of its locations in order for the public to redeem winning over
13 the counter wagers that were placed on the CSB prior to the date CGT migrates
14 to a new sports pool system; and (ii) to continue to use the CSB to track, monitor
15 and report any futures wagers that were made within the CSB prior to and as
16 of the date CGT migrates to a new sports pool system.

17 b. If the CSB is sold, transferred or conveyed to any person or entity,
18 CGT shall provide written notice to the Board Chair within ten (10) calendar
19 days of such sale, transfer or conveyance, identifying the acquiring
20 person/party. The limitations contained in paragraph 9(a) shall not apply to
21 any unaffiliated third person or entity which acquires the CSB or any derivative
22 thereof after CGT discontinues the use of the CSB.

23 c. Within sixty (60) days of the Effective Date, CGT shall establish,
24 maintain and implement additional/ internal controls, and supplement those
25 previously-existing, to further prevent and respond to foreseeable operational
26 issues that might result in violations of the Gaming Control Act and
27 Regulations of the Commission. CGT shall train all relevant staff on such
28 internal controls at least quarterly. Documentation of the training must be

1 maintained for a period of five (5) years following the training and be made
2 available to the Board on demand.

3 10. In agreeing to this Order, CGT notes the following mitigating factors that
4 the Commission further acknowledges:

- 5 • CGT has agreed to permanently discontinue the use of, and
6 completely replace, the CSB. The violations alleged in the current
7 Complaint are due, in large part, to problems associated with the
8 CSB.
- 9 • The changes that have occurred and continue to occur at CGT
10 demonstrate its cooperation with the Board and Commission, and
11 there appears to be a sincere effort by CGT to comply with the
12 Gaming Control Act and Regulations of the Commission.
- 13 • RESPONDENTS' commitments to the State of Nevada, as
14 evidenced by Paragraphs 5 to 10 inclusive, are an important part
15 of the corporate cultural shift the Board and Commission have
16 emphasized.
- 17 • All of the violations alleged in the current Complaint were
18 self-reported. While Nevada gaming licensees must be held to
19 account for violations of the Gaming Control Act and Regulations
20 of the Commission, RESPONDENTS are mindful that self-
21 reporting is the policy of the Commission.

22 11. By this Order, RESPONDENTS further stipulate that for themselves,
23 their heirs, executors, administrators, successors, and assigns, they hereby release
24 and forever discharge the State of Nevada, the Commission, the Board, the Nevada
25 Attorney General and each of their members, agents, and employees in their
26 individual and representative capacities, from any and all manner of actions, causes
27 of action, suits, debts, judgments, executions, claims, and demands whatsoever known
28 or unknown, in law and equity, that RESPONDENTS ever had, now have, may have,

1 or claim to have against any and all of the persons or entities named in this paragraph
2 arising out of, or by reason of, the investigation of the allegations in the Complaint
3 and this disciplinary action, NGC Case No. 17-05, or any other matter relating thereto.

4 12. By this Order, RESPONDENTS further stipulate to indemnify and hold
5 harmless the State of Nevada, the Commission, the Board, the Nevada Attorney
6 General, and each of their members, agents, and employees in their individual and
7 representative capacities against any and all claims, suits and actions, brought
8 against the persons named in this paragraph by reason of the investigation of the
9 allegations in the Complaint, filed in this disciplinary action, NGC Case No. 17-05,
10 and all other matters relating thereto, and against any and all expenses, damages,
11 charges and costs, including court costs and attorney fees, which may be sustained by
12 the persons and entities named in this paragraph as a result of said claims, suits and
13 actions.

14 13. RESPONDENTS' stipulations in this Order are made freely and
15 voluntarily and with the assistance of legal counsel. RESPONDENTS further
16 acknowledge that their stipulations herein are not the product of force, threats, or any
17 other form of coercion or duress.

18 14. By this Order, RESPONDENTS affirmatively represent that if
19 RESPONDENTS, this Order and/or any amounts distributed under this Order are
20 subject to, or will become subject to, the jurisdiction of any bankruptcy court, the
21 bankruptcy court's approval is not necessary for this Order to become effective, or that
22 the bankruptcy court has already approved this Order.

23 15. RESPONDENTS further stipulate that although this Order shall fully
24 and finally resolve the Complaint filed in NGC Case No. 17-05, the allegations
25 contained in the Complaint filed in NGC Case No. 17-05 and the terms of this Order
26 may be considered by the Board and/or the Commission, with regards to any and all
27 applications by RESPONDENTS that are currently pending before the Board or the
28 Commission, or that are filed in the future with the Board.

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1 16. RESPONDENTS and the Board shall each bear their own fees and costs
2 incurred in this disciplinary action, NGC Case No. 17-05.

3 17. RESPONDENTS further stipulate that they hereby waive all notices
4 required by law for this matter including, but not limited to, notices concerning
5 consideration of the character or misconduct of a person (NRS 241.033), notices
6 concerning consideration of administrative action against a person (NRS 241.034),
7 and notices concerning hearings before the Commission (NRS 463.312).

8 So Stipulated by:

9 CG TECHNOLOGY HOLDINGS, LLC,
10 CG TECHNOLOGY, LLC,
11 CG TECHNOLOGY HOLDINGS, L.P.
12 CG TECHNOLOGY, L.P.
13 dba CG TECHNOLOGY

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15 By: Parikshat Khanna, CEO

16 Date: 11/15/2018

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ORDER

Based upon the stipulations of RESPONDENTS, detailed herein, and the comments at the public hearing in this matter, the Commission hereby accepts this proposed Order Resolving NGC 17-05 as a final resolution of the Complaint filed by the Board in this matter and hereby imposes discipline against CGT pursuant to the stipulations and the terms of this Order.

IT IS SO ORDERED this day of November 15th, 2018.

NEVADA GAMING COMMISSION



TONY ALAMO, M.D., Chairman