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6 **STATE OF NEVADA**

7 **BEFORE THE NEVADA GAMING COMMISSION**

8 NEVADA GAMING CONTROL BOARD

9 Complainant,

NGC 21-04

10 vs.

11 STATION CASINOS LLC;
12 NP RED ROCK LLC dba
13 RED ROCK CASINO RESORT SPA;

14 Respondents.

RESPONSE TO COMPLAINT

***HEARING REQUESTED—
NRS 463.312(3)(e)***

15 Respondents, Station Casinos LLC and NP Red Rock LLC dba Red Rock Casino Resort
16 Spa (together, “Station Casinos” or “Station” or “Respondents”), by and through their counsel, the
17 law firm of Reid Rubinstein & Bogatz, hereby submit this response to the Complaint
18 (“Complaint”) filed on September 13, 2021 by the Nevada Gaming Control Board (“Board”) in
19 accordance with Nevada Revised Statute 463.312(3), and hereby admit, deny, and allege as
20 follows:

21 **RESPONDENTS’ STATEMENT PURSUANT TO NRS 436.312(3)(a), (d)**

22 Station Casinos has been a staple of the Las Vegas local gaming ecosystem and the Las
23 Vegas community for 45 years. In that time, Station Casinos has prided itself on having a
24 compliance-first culture in order to safeguard its own integrity and that of the gaming industry.
25 During the entire period to which the Complaint relates, Station Casinos has offered mobile sports
26 wagering applications to Nevada patrons utilizing technology provided by Stadium Technology
27 Group, LLC (“Stadium”). The computerized bookmaking software platform that Station Casinos
28 licensed from Stadium included the “Stadium Live” system, for which Respondents and Stadium

1 obtained all regulatory approvals prior to its deployment. Unfortunately, despite Respondents’
2 sustained efforts to ensure compliance with all applicable laws and regulations, a technological
3 problem occurred on March 18, 2021 (the “2021 Incident”) that allowed opportunistic patrons to
4 obtain invalid betting tickets representing ostensible wagers placed on events that had already
5 concluded. When Respondents discovered this, they took immediate action to invalidate the
6 betting tickets and promptly notified the Board. None of Station, the putative bettors or the State
7 achieved any monetary gain or suffered any monetary loss as a result of the ostensible wagering
8 transactions.

9 The Complaint references three other incidents the Board presents as violations similar to
10 the 2021 Incident. Respectfully, Respondents disagree with that characterization, and will show at
11 the hearing of this disciplinary action the differences between each of the prior incidents and the
12 2021 Incident, as well as all of the factors that contributed to each of the incidents, including not
13 only Respondents’ share of responsibility but also the defect(s) in the Stadium software, the failure
14 of the Board’s Technology Division to hold Stadium accountable for same, and the bad acts of the
15 individuals who attempted to place wagers on events they knew had already concluded. Because
16 the Board’s determination that the 2021 Incident reflects a failure on the part of Station to
17 remediate prior similar incidents is misplaced, and because the Board essentially ignores the other
18 parties not named in the Complaint, each of which contributed in material ways to the 2021
19 Incident, there is a lack of foundation and no fair basis on which the Commission can justify taking
20 disciplinary action against Station. Moreover, because the Board cannot cite to a violation of any
21 specific gaming statute or regulation by Station, because Station took actions in defense of the
22 integrity of the gaming industry in order to stymie patrons seeking to game the system, and because
23 there were no economic consequences whatsoever as a result of the ostensible transactions, there
24 is no legitimate legal basis for disciplinary action against Station in this case.

25 **ANSWER TO BOARD COMPLAINT**

26 **JURISDICTION**

27 1. In answering the allegations contained in Paragraph 1 of the Complaint, Respondents are
28 without knowledge or information sufficient to form a belief as to the truth of the allegations

1 contained therein, and therefore deny same.

2 2. In answering the allegations contained in Paragraph 2 of the Complaint, Respondents
3 admit that Station Casinos LLC is located at 1505 S. Pavilion Center Drive, Las Vegas, NV and
4 that Station Casinos LLC currently holds manufacturer and distributor licenses. Respondents are
5 without knowledge or information sufficient to form a belief as to the truth of the remainder of the
6 allegations contained therein, and therefore deny same.

7 3. In answering the allegations contained in Paragraph 3 of the Complaint, Respondents
8 admit that NP Red Rock LLC, dba Red Rock Casino Resort Spa is located at 11011 W. Charleston
9 Blvd., Las Vegas, NV and that it currently holds a nonrestricted gaming license. Respondents are
10 without knowledge or information sufficient to form a belief as to the truth of the remainder of the
11 allegations contained therein, and therefore deny same.

12 **RELEVANT LAW**

13 4. The allegations contained in Paragraph 4 of the Complaint constitute a legal conclusion
14 to which no answer is required. To the extent an affirmative response is required, Respondents, in
15 an abundance of caution are without knowledge or information sufficient to form a belief as to the
16 truth of the allegations contained therein, and therefore deny same.

17 5. The allegations contained in Paragraph 5 of the Complaint constitute a legal conclusion
18 to which no answer is required. To the extent an affirmative response is required, Respondents, in
19 an abundance of caution are without knowledge or information sufficient to form a belief as to the
20 truth of the allegations contained therein, and therefore deny same.

21 6. The allegations contained in Paragraph 6 of the Complaint constitute a legal conclusion
22 to which no answer is required. To the extent an affirmative response is required, Respondents, in
23 an abundance of caution are without knowledge or information sufficient to form a belief as to the
24 truth of the allegations contained therein, and therefore deny same.

25 7. The allegations contained in Paragraph 7 of the Complaint constitute a legal conclusion
26 to which no answer is required. To the extent an affirmative response is required, Respondents, in
27 an abundance of caution are without knowledge or information sufficient to form a belief as to the
28 truth of the allegations contained therein, and therefore deny same.

1 8. The allegations contained in Paragraph 8 of the Complaint constitute a legal conclusion
2 to which no answer is required. To the extent an affirmative response is required, Respondents, in
3 an abundance of caution are without knowledge or information sufficient to form a belief as to the
4 truth of the allegations contained therein, and therefore deny same.

5 9. The allegations contained in Paragraph 9 of the Complaint constitute a legal conclusion
6 to which no answer is required. To the extent an affirmative response is required, Respondents, in
7 an abundance of caution are without knowledge or information sufficient to form a belief as to the
8 truth of the allegations contained therein, and therefore deny same.

9 10. The allegations contained in Paragraph 10 of the Complaint constitute a legal
10 conclusion to which no answer is required. To the extent an affirmative response is required,
11 Respondents, in an abundance of caution are without knowledge or information sufficient to form
12 a belief as to the truth of the allegations contained therein, and therefore deny same.

13 11. The allegations contained in Paragraph 11 of the Complaint constitute a legal
14 conclusion to which no answer is required. To the extent an affirmative response is required,
15 Respondents, in an abundance of caution are without knowledge or information sufficient to form
16 a belief as to the truth of the allegations contained therein, and therefore deny same.

17 12. The allegations contained in Paragraph 12 of the Complaint constitute a legal
18 conclusion to which no answer is required. To the extent an affirmative response is required,
19 Respondents, in an abundance of caution are without knowledge or information sufficient to form
20 a belief as to the truth of the allegations contained therein, and therefore deny same.

21 13. The allegations contained in Paragraph 13 of the Complaint constitute a legal
22 conclusion to which no answer is required. To the extent an affirmative response is required,
23 Respondents, in an abundance of caution are without knowledge or information sufficient to form
24 a belief as to the truth of the allegations contained therein, and therefore deny same.

25 14. The allegations contained in Paragraph 14 of the Complaint constitute a legal
26 conclusion to which no answer is required. To the extent an affirmative response is required,
27 Respondents, in an abundance of caution are without knowledge or information sufficient to form
28 a belief as to the truth of the allegations contained therein, and therefore deny same.

1 admit to the allegations contained therein.

2 24. In answering the allegations contained in Paragraph 24 of the Complaint, Respondents
3 admit only to the fact that the Board issued a letter on December 2, 2019. As to the remainder of
4 the allegations, the Respondents deny the same.

5 **COUNT ONE**

6 **VIOLATION OF NRS 463.170 AND/OR**
7 **NEVADA GAMING COMMISSION REGULATION 5.011 AND/OR**
8 **NEVADA GAMING COMMISSION REGULATION 5.010 AND/OR**
9 **NEVADA GAMING COMMISSION REGULATION 6.090 AND MINIMUM INTERNAL**
10 **STANDARD RACE AND SPORTS #20**

11 25. In answering the allegations contained in Paragraph 25 of the Complaint, Defendant
12 repeats and re-alleges its answers to all previous paragraphs in the Complaint as though fully set
13 forth herein.

14 26. In answering the allegations contained in Paragraph 26 of the Complaint, Respondents
15 are without knowledge or information sufficient to form a belief as to the truth of the allegations
16 contained therein, and therefore deny same.

17 27. In answering the allegations contained in Paragraph 27 of the Complaint, Respondents
18 deny the allegations contained therein.

19 28. In answering the allegations contained in Paragraph 28 of the Complaint, Respondents
20 deny the allegations contained therein.

21 29. In answering the allegations contained in Paragraph 29 of the Complaint, Respondents
22 deny the allegations contained therein.

23 30. In answering the allegations contained in Paragraph 30 of the Complaint, Respondents
24 deny the allegations contained therein.

25 31. In answering the allegations contained in Paragraph 31 of the Complaint, Respondents
26 deny the allegations contained therein.

27 32. The allegations contained in Paragraph 32 of the Complaint constitute a legal
28 conclusion to which no answer is required. To the extent an affirmative response is required,
Respondents, in an abundance of caution, deny same.

33. The allegations contained in Paragraph 33 of the Complaint constitute a legal

1 conclusion to which no answer is required. To the extent an affirmative response is required,
2 Respondents, in an abundance of caution, deny same.

3 34. The allegations contained in Paragraph 34 of the Complaint constitute a legal
4 conclusion to which no answer is required. To the extent an affirmative response is required,
5 Respondents, in an abundance of caution, deny same.

6 **COUNT TWO**
7 **VIOLATION OF NEVADA GAMING COMMISSION REGULATIONS**
8 **5.010 AND/OR 5.011**

9 35. In answering the allegations contained in Paragraph 35 of the Complaint, Defendant
10 repeats and re-alleges its answers to all previous paragraphs in the Complaint as though fully set
11 forth herein.

12 36. In answering the allegations contained in Paragraph 36 of the Complaint, Respondents
13 deny the allegations contained therein.

14 37. In answering the allegations contained in Paragraph 37 of the Complaint, Respondents
15 deny the allegations contained therein.

16 38. The allegations contained in Paragraph 38 of the Complaint constitute a legal
17 conclusion to which no answer is required. To the extent an affirmative response is required,
18 Respondents, in an abundance of caution, deny same.

19 39. The allegations contained in Paragraph 39 of the Complaint constitute a legal
20 conclusion to which no answer is required. To the extent an affirmative response is required,
21 Respondents, in an abundance of caution, deny same.

22 40. The allegations contained in Paragraph 40 of the Complaint constitute a legal
23 conclusion to which no answer is required. To the extent an affirmative response is required,
24 Respondents, in an abundance of caution, deny same.

25 41. The allegations contained in Paragraph 41 of the Complaint constitute a legal
26 conclusion to which no answer is required. To the extent an affirmative response is required,
27 Respondents, in an abundance of caution, deny same.

28 42. The allegations contained in Paragraph 42 of the Complaint constitute a legal
conclusion to which no answer is required. To the extent an affirmative response is required,

1 Respondents, in an abundance of caution, deny same.

2 **AFFIRMATIVE DEFENSES**

3 1. The Complaint should be dismissed for failure to state a claim upon which relief can be
4 granted.

5 2. The Complaint should be dismissed because it does not allege which statute or regulation
6 was allegedly violated.

7 3. The Complaint should be dismissed for failure to join Stadium, who is an indispensable
8 party.

9 4. Respondents acted in conformity with the law and with reasonableness in discharging
10 its duties, if any.

11 5. Respondents at all times herein acted reasonably and in good faith in discharging its
12 obligations and duties, if any.

13 6. Respondents' violations, if any, are excused by a force majeure event.

14 7. Respondents' violations, if any, were caused by the bad acts of third parties, over whom
15 Respondents have no control.

16 8. The Board's claims are barred by the doctrine of unclean hands.

17 9. The Board's claims are barred by the doctrine of detrimental reliance.

18 10. The Complaint seeks damages and disciplinary actions that would be inequitable,
19 arbitrary, and unjust.

20 WHEREFORE, Respondents pray for judgment on the Complaint as follows:

21 1. For a hearing in accordance with NRS 463.312(3)(e);

22 2. That the Complaint be dismissed with prejudice;

23 3. That no disciplinary actions be taken against them by reason of the Complaint on file
24 herein; and

25 4. For such other and further relief as the Commission may deem just and proper under the
26 circumstances.

27 **REQUEST FOR PREHEARING CONFERENCE**

28 Respondents hereby request the Chair of the Commission to direct the parties to participate

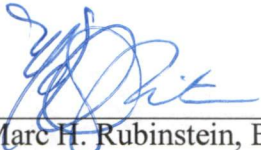
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in a conference or conferences before the hearing on the merits of the Complaint, for the purposes scheduling the hearing date(s), establishing the scope of and schedule for discovery, clarifying the nature and extent of motion practice to be permitted, and facilitating the settlement of the case, as contemplated by Commission Regulation 7.070.

Dated this 7th day of October, 2021.

By: 

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 7th day of October, 2021, our office filed and served the foregoing **RESPONSE** as follows:

By depositing the original for filing with the United States Postal Service, postage prepaid, for delivery via First Class Mail to:

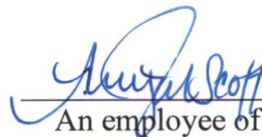
Marie Bell
Executive Secretary
Nevada Gaming Commission
P.O. Box 8003
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By emailing a copy to:

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