NGC 25-03

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NEVADA GAMING COMMISSION
CARSON CITY, NEVADA

STATE OF NEVADA

BEFORE THE NEVADA GAMING COMMISSION

NEVADA GAMING CONTROL BOARD, Complainant, vs. CAESARS ENTERTAINMENT, INC. (PTC), And DESERT PALACE, LLC, dba CAESARS PALACE, Respondents.	**STIPULATION FOR SETTLEMENT AND ORDER**

The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD (BOARD), Complainant herein, filed a Complaint (Complaint) in NGC Case No. 25-03, against CAESARS ENTERTAINMENT, INC. (PTC) (CAESARS), and DESERT PALACE, LLC, dba CAESARS PALACE (CAESARS PALACE), RESPONDENTS herein, alleging certain violations of the Nevada Gaming Control Act and Regulations of the Nevada Gaming Commission.

IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENTS that the Complaint, NGC Case No. 25-03, filed against RESPONDENTS in the above-entitled case, shall be settled on the following terms and conditions:

1. RESPONDENTS do not admit or deny the allegations set forth in the Complaint, NGC Case No. 25-03.

2. RESPONDENTS fully understand and voluntarily waive the right to a public hearing on the charges and allegations set forth in the Complaint, the right to present and cross-examine witnesses, the right to a written decision on the merits of the Complaint,

which must contain findings of fact and a determination of the issues presented, and the right to obtain judicial review of the Nevada Gaming Commission's (Commission) decision.

3. RESPONDENTS agree to pay a fine in the total amount of SEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS and NO CENTS ($7,800,000.00) electronically transferred to the State of Nevada–Nevada Gaming Commission within two business days of the date this Stipulation for Settlement is accepted by the Commission. Interest on the fine shall accrue in accordance with NRS 17.130 on any unpaid balance computed from the date payment is due until payment is made in full.

4. **CONDITIONS** – CAESAR's registration as a publicly traded corporation, and the license of CAESARS PALACE shall be conditioned as follows:

a. CAESARS and CAESARS PALACE shall: (1) maintain their Anti-Money Laundering Policy and Program, including policies and procedures (AML Program), in its form as of the Commission approval of the Stipulation for Settlement in Case No. 25-03, provided that the AML Program shall be revised and enhanced as appropriate and in compliance with applicable laws and regulations; and (2) at least annually, review and update the AML Program as appropriate based on applicable laws and regulations. Any changes or updates to CAESARS' AML Program shall promptly be provided to the Board Chair.

b. At the request of a Board member, but no more often than quarterly, CAESARS' Chief Legal Officer and/or Chief Compliance Officer shall meet with one or more of the Board members to review and discuss CAESARS' operations regarding compliance, including anti-money laundering and Bank Secrecy Act compliance.

c. As allowed under Section 314(b) of the U.S.A. Patriot Act, CAESARS' and CAESARS PALACE's Anti-Money Laundering Policy and Program shall include provisions to ensure information is sought from and shared with financial institutions in any situation where activities occur that may involve money laundering.

d. Within sixty (60) days of Commission approval of the Stipulation for Settlement in NGC Case No. 25-03, and annually thereafter, CAESARS and CAESARS

PALACE shall conduct, or cause to be conducted, a comprehensive, in-person training program for i) all independent agents having agreements with CAESARS or its subsidiary gaming establishments, ii) all casino hosts, iii) all player development executives, iv) all executives and support staff in the marketing department, and v) all those with credit authority of $50,000 or greater. Such training shall be focused on anti-money laundering and Bank Secrecy Act compliance obligations under CAESARS' and CAESARS PALACE's Anti-Money Laundering Policy and Program.

e. Within 60 days of Commission approval of the Stipulation for Settlement in NGC Case No. 25-03, CAESARS shall designate a person having primary responsibility for oversight of CAESARS' and CAESARS PALACE's Anti-Money Laundering Policy and Program including oversight of decisions to suspend or ban a customer, or decisions to reinstate or lift a ban or suspension, of any customer. Any such person shall file an application for finding of suitability or licensure, as appropriate, within 30 days of assuming their responsibilities and thereafter an application shall be refiled within 60 days of any change in the person occupying that position.

f. CAESARS and CAESARS PALACE shall at least annually conduct in-person training for CAESARS' Board of Directors, CAESARS' senior management, and senior management of CAESARS' subsidiary gaming establishments on CAESARS' and CAESARS PALACE's Anti-Money Laundering Policy and Program.

g. Within 60 days of Nevada Gaming Commission approval of the Stipulation for Settlement in NGC Case No. 25-03, CAESARS and CAESARS PALACE shall initiate and implement a comprehensive awareness campaign aimed at line-level employees who interact with casino customers on the casino floor, such as cage cashiers, table games dealers, and marketing personnel, to encourage reporting to CAESARS' Corporate Compliance of any suspicious customer activity, including becoming aware of information that suggests a customer may have unlawful sources of funds. CAESARS and CAESARS PALACE shall re-implement this awareness program at least annually.

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h. CAESARS and CAESARS PALACE shall retain an outside, independent person or entity with experience and expertise with anti-money laundering policies and compliance programs in the gaming industry and that is approved by the Chair of the Board, or the Chair's designee, to review, evaluate, and report on CAESARS' and CAESARS PALACE's compliance with their Anti-Money Laundering Policy and Program. The review and evaluation must commence upon the two-year anniversary of the Commission accepting the Stipulation for Settlement in NGC Case No. 25-03 and encompass the preceding two-year period. Further, the report prepared by the outside, independent person or entity must be provided to the Board concurrently to when it is provided to CAESARS and CAESARS PALACE.

i. CAESARS and CAESARS PALACE shall maintain at least their current staffing level of employees dedicated to anti-money laundering and Bank Secrecy Act compliance. In the event of any change in the composition of such employees, CAESARS and CAESARS PALACE will seek to fill the position with a qualified replacement as soon as practicable.

j. CAESARS and CAESARS PALACE shall ensure that no casino host or marketing personnel attends or participates in any property-level anti-money laundering committee meeting except as otherwise requested on a case-by-case basis by CAESARS' Chief Legal Officer.

5. **MITIGATION** - To assist the Commission in its evaluation of the matters encompassed by this Stipulation for Settlement, RESPONDENTS offer the following overview of their anti-money laundering efforts in sections (a) – (d). Despite these efforts, the AML Program was ineffective in identifying a customer's source of funds and accurately assessing allegations of illegal activity. A list of key remediation efforts and enhancements to address those weaknesses is set forth below in paragraph 6.

a. RESPONDENTS have operated in Nevada for more than 50 years and in July 2020, completed a strategic merger with Caesars Entertainment Corporation. As a result of this merger, RESPONDENTS experienced a period of change and transition in the consolidated company. These changes and transitions included: (i) appointing a new suite of corporate officers and many leaders in administrative functions; (ii) transitioning the AML departments as well as many other departments to new leadership teams; (iii) completing significant post-merger integrations, communications with all stakeholders, alignment of operational systems, culture and talent and reporting structures within the merged company in Nevada and across the 18 states in which RESPONDENTS currently operate. Accordingly, many of the matters and timelines set forth within the Complaint occurred under the direction of prior management and ownership of RESPONDENTS.

b. Throughout its history RESPONDENTS have endeavored to represent the highest standards of integrity and compliance. These efforts have included clear direction from the senior management team and corporate officers that profitability goals should never take precedence over compliance. This clear tone at the top is distributed throughout the organization through annual trainings and regular reminders about the importance of compliance within the organization. This training and tone at the top include focus on the following topics:

i. Anti-Money Laundering principles and the Bank Secrecy Act – the training educates team members on the Bank Secrecy Act, how the Company endeavors to prevent money laundering and each team member's responsibilities in this area, including the consequences of non-compliance.

ii. Suspicious Activity Reporting – the training program teaches team members about how to identify and report potentially suspicious activities.

iii. Currency Transaction Reporting – the training program describes the steps by which Currency Transaction Reports are filed and the purpose and importance of these documents.

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iv. Know Your Customer Program – the training program teaches its team members about the need for customer due diligence and how this information is used to support a robust AML program.

c. RESPONDENTS also focus on continually improving their AML and KYC functions. RESPONDENTS more than doubled the number of team members in the AML function since merging with Caesars Entertainment Corporation in 2020, raised the compensation levels of the AML team, and invested millions of dollars in software and third-party resources to assist in the deployment of AML controls and programs.

d. RESPONDENTS continued to evolve their program in response to changing industry trends. RESPONDENTS have modified their AML Program to include the expanded use of 314(b) inquiries to allow for information sharing with competitors, substantially revised its KYC methodology to better identify potentially similar situations to the matter described herein and reached out to industry experts to obtain third-party guidance to continue to improve its KYC program.

6. **REMEDIATION** – When RESPONDENTS became aware that, notwithstanding their efforts, their AML Program was ineffective in identifying a customer's source of funds and accurately assessing allegations of illegal activity, RESPONDENTS initiated many remedial actions and compliance enhancements, including:

a. RESPONDENTS, as noted herein, made and will continue to make material changes to their AML program to bolster the effectiveness of its customer due diligence and enhanced due diligence procedures.

b. RESPONDENTS redesigned the Company's organizational structure to elevate the AML Compliance program to the direct supervision of the Company's Executive Vice President and Chief Legal Officer and are actively searching for an industry expert to lead the AML team.

c. RESPONDENTS initiated a comprehensive investigation and evaluation of the Company's Know Your Customer Program, related policies and procedures, and the implementation of such, which includes the independent assessment and recommendations from external counsel with expertise in AML. The Company has also requested input on recommendations to improve the overall AML Program and Compliance.

d. RESPONDENTS will further incorporate data analytics into the AML Program to assist with the decision to bar/ban/suspend patrons for AML reasons. To this end, RESPONDENTS are initiating additional queries into the customer database to better identify customers according to updated risk-rating methods.

e. RESPONDENTS lowered the threshold to obtain supporting documentation for large currency transactions performed at their properties. These records are then maintained in the patron's file and are subject to review by compliance team members.

f. RESPONDENTS modified multiple AML Policies and Standard Operating Procedures since 2024, to continually improve the Company's AML and KYC Programs.

7. RESPONDENTS acknowledge and agree that, in the event any federal agency, including the U.S. Department of Justice or the U.S. Department of the Treasury, takes any criminal, civil, or administrative action against any of the RESPONDENTS, for facts not contained in the Complaint, NGC Case No. 25-03, the BOARD reserves the right to file a complaint against RESPONDENTS based on such action, and the Commission shall have the authority to impose discipline, in accordance with NRS 463.310 et. seq.

8. RESPONDENTS, for themselves, their heirs, executors, administrators, successors, and assigns, hereby completely release, dismiss, and forever discharge the State of Nevada, the Nevada Gaming Commission, the Nevada Gaming Control Board, the Nevada Attorney General and each of their members, agents, and employees in their individual, official, and representative capacities from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims, obligations, losses, liens, damages, and demands whatsoever known or unknown, fixed or contingent, liquidated or

unliquidated, suspected or claimed in law and equity, that RESPONDENTS have ever had, now have, may have, or claim to have against any and all of the persons or entities named in this paragraph arising out of, or by reason of, this disciplinary case, NGC Case No. 25-03, or any other matter relating thereto.

9. RESPONDENTS, for themselves, their heirs, executors, administrators, successors, and assigns, hereby defend, indemnify, and hold harmless the State of Nevada, the Nevada Gaming Commission, the Nevada Gaming Control Board, the Nevada Attorney General, and each of their members, agents, and employees in their official, individual, and representative capacities from and against any and all claims, suits, actions, debts, damages, costs, charges, and expenses, including court costs and attorney's fees, and against all liability, losses, demands, and damages of any nature whatsoever that the persons and entities named in this paragraph shall, or may have at any time, sustain or be put to by reason of this disciplinary case, NGC Case No. 25-03, or any other matter relating thereto.

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

11. RESPONDENTS affirmatively represent that if RESPONDENTS, this Stipulation for Settlement, and/or any amounts distributed under this Stipulation for Settlement are subject to, or become subject to, the jurisdiction of any bankruptcy court, the bankruptcy court's approval is not necessary for this Stipulation for Settlement and Order to become effective or that the bankruptcy court has already approved this Stipulation for Settlement.

12. RESPONDENTS and the BOARD acknowledge that this Stipulation for Settlement is made to avoid litigation and economize resources. The parties agree and understand that this Stipulation for Settlement is intended to operate as full and final

settlement of the Complaint filed against RESPONDENTS in the above-entitled disciplinary case, NGC Case No. 25-03.

13. RESPONDENTS and the BOARD recognize and agree that the Commission has the sole and absolute discretion to determine whether to accept this Stipulation for Settlement. RESPONDENTS and the BOARD hereby waive any right they may have to challenge the impartiality of the Commission to hear the above-entitled case on the matters embraced in the Complaint if the Commission determines not to accept this Stipulation for Settlement. If the Commission does not accept the Stipulation for Settlement, it shall be withdrawn as null and void and RESPONDENTS' admissions, if any, that certain violations of the Nevada Gaming Control Act and the Regulations of the Commission occurred shall be withdrawn.

14. RESPONDENTS and the BOARD agree and understand that this Stipulation for Settlement is intended to operate as full and final settlement of the Complaint filed in NGC Case No. 25-03. The parties further agree and understand that any oral representations are superseded by this Stipulation for Settlement and that only those terms memorialized in writing herein shall be effective.

15. RESPONDENTS agree and understand that, although this Stipulation for Settlement, if approved by the Commission, will settle the Complaint filed in NGC Case No. 24-03, the allegations contained in the Complaint filed in NGC Case No. 25-03 and the terms of this Stipulation for Settlement may be considered by the BOARD and/or the Commission, with regard to any and all applications by RESPONDENTS that are currently pending before the BOARD or the Commission, or that are filed in the future with the BOARD.

16. RESPONDENTS and the BOARD shall each bear their own costs incurred in this disciplinary action, NGC Case No. 25-03.

17. RESPONDENTS, by executing this Stipulation for Settlement, affirmatively waive all notices required by law for this matter including, but not limited to, notices concerning consideration of the character or misconduct of a person (NRS 241.033), notices

concerning consideration of administrative action against a person (NRS 241.034), and notices concerning hearings before the Commission (NRS 463.312). Regardless of the waiver of legal notice requirements, the BOARD and Commission will attempt to provide reasonable notice of the time and place of the hearing. RESPONDENTS shall provide any electronic mail addresses to the Executive Secretary (nrupert@gcb.nv.gov) at which RESPONDENTS would like to receive such reasonable notice. Further, in negotiating this Stipulation for Settlement, RESPONDENTS acknowledge that the BOARD has provided RESPONDENTS with the date and time of the Commission hearing during which the BOARD anticipates the Commission will consider approving this settlement.

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18. This Stipulation for Settlement shall become effective immediately upon approval by the Commission.

DATED this 10th day of November, 2025.

CAESARS ENTERTAINMENT, INC., And DESERT PALACE, LLC, dba CAESARS PALACE

By: ______________________
THOMAS R. REEG
Chief Executive Officer
Caesars Entertainment, Inc.

NEVADA GAMING CONTROL BOARD

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MIKE DREITZER, Chair

____
HON. GEORGE ASSAD (RET.), Member

____
CHANDENI K. SENDALL, Member

ALONSO LAW, LTD.

By: Michael Alonso
MICHAEL G. ALONSO, Esq.
Attorney for Respondents

Submitted by:

AARON D. FORD
Attorney General

By: ______________________
MICHAEL P. SOMPS
Senior Deputy Attorney General
NONA ML LAWRENCE
Deputy Attorney General
Attorneys for the Board

ORDER

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

DATED this 20th day of November, 2025.

NEVADA GAMING COMMISSION

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Jennifer P. Togliatti, Chairwoman