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STATE OF NEVADA

BEFORE THE NEVADA GAMING COMMISSION

STATE GAMING CONTROL BOARD.

Complainant,

VS.

ARIA RESORT & CASINO HOLDINGS, LLC, dba ARIA RESORT & CASINO,

Respondent.

AMENDED COMPLAINT

The State of Nevada, on relation of its State Gaming Control Board (BOARD), Complainant herein, by and through its counsel, CATHERINE CORTEZ MASTO, Attorney General, and MICHAEL P. SOMPS, Senior Deputy Attorney General, hereby files this Amended Complaint for disciplinary action against Respondent pursuant to Nevada Revised Statute (NRS) 463.310(2) and alleges as follows:

- 1. Complainant, BOARD, is an administrative agency of the State of Nevada duly organized and existing under and by virtue of chapter 463 of NRS and is charged with the administration and enforcement of the gaming laws of this state as set forth in Title 41 of NRS and the Regulations of the Nevada Gaming Commission.
- 2. Respondent, ARIA RESORT & CASINO HOLDINGS, LLC, dba ARIA RESORT & CASINO (ARIA), located at 3730 South Las Vegas Boulevard, Las Vegas, Nevada is a nonrestricted licensee and is licensed to operate gaming in Nevada. ARIA is indirectly owned 50 per cent by MGM RESORTS INTERNATIONAL (PTC) (MGM) through MGM subsidiaries. Further, Aria Resort and Casino, LLC, which is a wholly owned and controlled subsidiary of MGM, is licensed as the key executive of ARIA.

Office of the Attorney General Gaming Division 5420 Kietzke Lane, Suite 202 Reno. Nevada 89511

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RELEVANT LAW

3. 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 intercasino 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.

(e) To ensure that gaming is conducted honestly, competitively and free of criminal and corruptive elements, all gaming establishments in this state must remain open to the general public and the access of the general public to gaming activities must not be restricted in any manner except as provided by the Legislature.

NRS 463.0129(1).

- 4. The Nevada Gaming 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).
- 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).
- 6. This continuing obligation is repeated in Nevada Gaming Commission Regulation 5.040, which provides as follows:

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

Nev. Gaming Comm'n Reg. 5.040.

- 7. Nevada Gaming Commission Regulation 5.010 further provides that:
 - 1. It is the policy of the commission and the board to require that all establishments wherein gaming is conducted in this 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.
 - 2. Responsibility for the employment and maintenance of suitable methods of operation rests with the licensee, and willful or persistent use or toleration of methods of operation deemed unsuitable will constitute grounds for license revocation or other disciplinary action.

Nev. Gaming Comm'n Reg. 5.010.

8. Nevada Gaming Commission Regulation 3.080 provides the following:

The commission may deny, revoke, suspend, limit, condition, or restrict any registration or finding of suitability or application therefor upon the same grounds as it may take such action with respect to licenses, licensees and licensing; without exclusion of any other grounds. The commission may take such action on the grounds that the registrant or person found suitable is associated with, or controls, or is controlled by, or is under common control with, an unsuitable person.

Nev. Gaming Comm'n Reg. 3.080.

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

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

8. Failure to comply with or make provision for compliance with all federal, state and local laws and regulations 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.

Nev. Gaming Comm'n Regs. 5.011(8).

10. Nevada Gaming Commission Regulation 5.030 provides as follows:

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

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

11. NRS 463.310(4)(d)(2) states in relevant part that the Commission may:

(d) Fine each person or entity or both, who was licensed, registered or found suitable pursuant to this chapter or chapter 464 of NRS or who previously obtained approval for any act or transaction for which Commission approval was required or permitted under the provisions of this chapter or chapter 464 of NRS:

. . . .

(2) Except as otherwise provided in subparagraph (1), not more than \$100,000 for each separate violation of the provisions of this chapter or chapter 464 or 465 of NRS or of the regulations of the Commission which is the subject of an initial complaint and not more than \$250,000 for each separate violation of the provisions of this chapter or chapter 464 or 465 of NRS or of the regulations of the Commission which is the subject of any subsequent complaint.

. . . .

NRS 463.310(4)(d)(2).

FACTUAL BACKGROUND

12. On or about October 25, 2013, two BOARD agents conducted observations of game play on a roulette table within the high limit room, known as Salon Privé, at ARIA. Salon Privé is not a "gaming salon."

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- 13. While observing the roulette table game play from a distance of approximately 5-7 feet, the BOARD agents were approached by an ARIA floor supervisor and informed that two players at the roulette table did not want to be watched playing roulette.
- 14. One of the BOARD agents inquired of the ARIA floor supervisor whether all games were open to the public, and the BOARD agent was informed by the ARIA floor supervisor that observation of the roulette game was not welcome. The ARIA floor supervisor further informed the BOARD agents that, if needed, security would be called to stand between the BOARD agents and the roulette table.
- 15. The Aria, as well as other subsidiaries of the MGM, have previously been notified by the BOARD of violations of NRS 463.0129(1)(e) observed by BOARD agents...
- 16. The BOARD sent ARIA a violation letter on March 5, 2010 for violations of NRS 463.0129(1)(e) observed on January 1, 2010.
- 17. The BOARD sent ARIA a violation letter on October 27, 2010 for violations of NRS 463.0129(1)(e) observed on July 28, 2010.
- 18. ARIA provided responses to the BOARD's two (2) violation letters wherein ARIA represented corrective action that had been taken designed to prevent future violations.
- 19. The BOARD issued an Order to Show Cause (OSC) on March 28, 2013 to the MGM and an MGM subsidiary for violations of NRS 463.0129 observed on October 10 and 12, 2012 at the MGM subsidiary. In the OSC, reference was made to the two (2) violation letters issued to ARIA.
- 20. The MGM represented in its May 9, 2013 response to the OSC that "the general counsel of each of the MGM's other luxury brands . . . has historically been aware of the need for vigilance in ensuring that the public has access to gaming." The MGM's response went on to describe the steps taken by each of the MGM's luxury properties, including ARIA, to ensure public access to gaming would not be restricted.
- 21. Despite lesser forms of discipline attempted by the BOARD, ARIA has failed to comply with NRS 463.0129(1)(e).

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COUNT ONE VIOLATION BY ARIA OF NRS 463.0129(1)(e) and/or NEVADA GAMING COMMISSION REGULATIONS 5.011, 5.011(1), 5.011(8) and/or 5.011(10)

- 22. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 21 above.
- 23. On or about October 25, 2013, ARIA restricted access to gaming in violation of NRS 463.0129(1)(e).
- 24. ARIA's actions, as described herein, constitute conduct by ARIA that is inimical to the public health, safety, morals, good order and general welfare of the people of the State of Nevada, or activity that would reflect or tend to reflect discredit upon the State of Nevada or the gaming industry in violation of Nevada Gaming Commission Regulation 5.011.
- 25. ARIA's actions, as described herein, constitute a failure to exercise discretion and sound judgment to prevent incidents which might reflect on the repute of the State of Nevada and act as a detriment to the development of the industry in violation of Nevada Gaming Commission Regulation 5.011(1).
- 26. ARIA's actions, as described herein, constitute a failure to comply with or make provision for compliance with all federal, state and local laws and regulations pertaining to the operations of a licensed establishment in violation of Nevada Gaming Commission Regulation 5.011(8).
- 27. ARIA'S actions, described herein, constitute a failure by the ARIA to conduct gaming operations in accordance with proper standards of custom, decorum and decency and/or reflect or tend to reflect on the repute of the State of Nevada and act as a detriment to the gaming industry in violation of Nevada Gaming Commission Regulation 5.011(10).
- 28. The failure to comply with NRS 463.0129(1)(e) and/or Nevada Gaming Commission Regulations 5.011, 5.011(1), 5.011(8), and/or 5.011(10) is an unsuitable method of operation and is grounds for disciplinary action against Respondent, ARIA. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

WHEREFORE, based upon the allegations contained herein which constitute reasonable cause for disciplinary action against Respondent, pursuant to NRS 463.310, and

Nevada Gaming Commission Regulations 5.010, 5.011 and 5.030, the STATE GAMING CONTROL BOARD prays for the relief as follows:

- 1. That the Nevada Gaming Commission serve a copy of this Complaint on Respondent pursuant to NRS 463.312(2);
- 2. That the Nevada Gaming Commission fine Respondent a monetary sum pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming Commission;
- That the Nevada Gaming Commission take action against Respondent's licenses, registrations and/or findings of suitability pursuant to the parameters defined in NRS 463.310(4); and
- 4. For such other and further relief as the Nevada Gaming Commission may deem just and proper.

DATED this 27th day of	<u>,</u> 2014.
	STATE GAMING CONTROL BOARD
	A.G. BURNETT, Chairman
	Am Khil
	SHAWN R. REID, Member
	TEDDY JOUNGON Member
	TERRY JOHNSON, Member

Submitted by:

23 CATHERINE CORTEZ MASTO Attorney General

25 By: MICHAEL P. SOMPS

Senior Deputy Attorney General Gaming Division

(775) 850-4152

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CONTROL BOARD prays for the relief as follows:

Nevada Gaming Commission Regulations 5.010, 5.011 and 5.030, the STATE GAMING

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- That the Nevada Gaming Commission take action against Respondent's licenses, registrations and/or findings of suitability pursuant to the parameters defined in NRS 463.310(4); and
- 4. For such other and further relief as the Nevada Gaming Commission may deem just and proper.

	DATED this	day of	, 2014.
			STATE GAMING CONTROL BOARD
			A.G. BURNETT, Chairman
			SHAWN R. REID, Member
			TERRY JOHNSON, Member
			TERRY JORNSON, Member
Subm	nitted by:		
	HERINE CORTEZ MA ney General	STO	
Ву:	MICHAEL P. SOMP Senior Deputy Attor Gaming Division (775) 850-4152	S ney General	