

Case No. NGC 20-02

STATE OF NEVADA

BEFORE THE NEVADA GAMING COMMISSION

NEVADA GAMING CONTROL BOARD,

Complainant,

VS.

WALDMAN INVESTMENTS, INC., dba BOWL INCLINE,

Respondent.

STIPULATION FOR SETTLEMENT AND ORDER

The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD (the "BOARD"), filed on July 28, 2020, a Complaint, NGC Case No. 20-02 (the "Complaint"), against WALDMAN INVESTMENTS, INC. dba BOWL INCLINE (the "RESPONDENT"), alleging certain violations of the Nevada Gaming Control Act and Regulations of the Nevada Gaming Commission. The RESPONDENT filed on August 17, 2020, an Answer and Hearing Demand pursuant to Subsection 3 of Section 463.312 of the Nevada Revised Statutes (the "NRS").

IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENT that the Complaint, NGC Case No. 20-02, filed against RESPONDENT in the above-entitled case, shall be settled on the following terms and conditions:

1. RESPONDENT admits the following:

(a) On or about July 10, 2020, Governor Sisolak issued Declaration of Emergency Directive 027 (the "<u>Directive</u>"), which provides in pertinent part that the bar top and bar areas in any establishment in a county with "Elevated Disease Transmission" as determined by the Nevada Department of Health and Human Services must be closed to customers commencing at 11:59 p.m. (Pacific Daylight Time), on July 10, 2020, until otherwise ordered by the governor.

- (b) BOWL INCLINE is located within the county of Washoe, state of Nevada, which on July 11, 2020, was designated as a county with "Elevated Disease Transmission" by the Nevada Department of Health and Human Services.
- (c) From 11:59 p.m. (Pacific Daylight Time), on July 10, 2020, until approximately thirty minutes following a conversation with a BOARD agent on July 11, 2020, the RESPONDENT did not disable from play or otherwise remove from service the eight bar top slot machines licensed for operation at the restricted location known as BOWL INCLINE.
- (d) Subsection 1 of Section 5.011 of the Regulations of the Nevada Gaming Commission states in relevant part that the Nevada Gaming Commission (the "Commission"), may "deem any activity on the part of a licensee, . . . that is inimical to the public health, safety, morals, good order, or general welfare of the people of the State of Nevada, . . . to be an unsuitable method of operation . . ."
- (e) That in a well pleaded and properly presented contested case proceeding, the Commission might determine that the RESPONDENT engaged in an act deemed an unsuitable method of operation on the basis of the facts set forth in Subparagraphs (a) through (c) of this Paragraph 1.
- 2. RESPONDENT submits pursuant to Nevada Gaming Commission Regulation 7.240 the following mitigating factors for consideration by the Commission:
- (a) RESPONDENT did not have actual knowledge of the BOARD's interpretation of the Directive until a conversation with a BOARD agent on July 11, 2020.
- (b) RESPONDENT promptly took action to comply with the BOARD's interpretation of Directive in full cooperation with the BOARD.
- (c) RESPONDENT has held a state gaming license since 1988, and has not been previously disciplined by the Commission.
- (d) RESPONDENT did not realize any pecuniary gain from the operation of the licensed games in violation of the BOARD's interpretation of the Directive as demonstrated by the meter readings for the slot machines establishing there was no play

of the devices from 11:59 p.m. (Pacific Daylight Time), on July 10, 2020, until the devices were disabled on July 11, 2020.

- (e) RESPONDENT'S Answer pleads affirmative defenses which the Commission might accept in a properly presented contested case proceeding, and the RESPONDENT is compromising these defenses to facilitate a just, equitable and expeditious resolution of NGC Case No. 20-02.
- 3. RESPONDENT agrees to pay a fine of FIVE THOUSAND DOLLARS (\$5,000.00), electronically transferred to the *State of Nevada-Nevada Gaming Commission* on or before the date this Stipulation for Settlement is accepted by the Commission. Interest on the fine shall accrue in accordance with Nevada Revised Statute (NRS) 17.130 on any unpaid balance computed from the date payment is due until payment is made in full.
- 4. RESPONDENT 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 RESPONDENT in the above-entitled disciplinary case, NGC Case No. 20-02.
- 5. RESPONDENT fully understands and voluntarily waives 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 Commission's decision.
- 6. In consideration for the execution of this Stipulation for Settlement, RESPONDENT, for itself, its heirs, executors, administrators, successors, and assigns, hereby releases and forever discharges the State of Nevada, the Commission, the BOARD, the Nevada Attorney General and each of their members, agents, and employees in their individual and representative capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever known or

unknown, in law and equity, that RESPONDENT ever had, now has, 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, the investigation of the allegations in the Complaint and this disciplinary action, NGC Case No. 20-02, or any other matter relating thereto.

- 7. In consideration for the execution of this Stipulation for Settlement, RESPONDENT hereby indemnifies and holds harmless the State of Nevada, the Commission, the BOARD, the Nevada Attorney General, and each of their members, agents, and employees in their individual and representative capacities against any and all claims, suits and actions, brought against the persons named in this paragraph by reason of the investigation of the allegations in the Complaint, filed in this disciplinary action, NGC Case No. 20-02, and all other matters relating thereto, and against any and all expenses, damages, charges and costs, including court costs and attorney fees, which may be sustained by the persons and entities named in this paragraph as a result of said claims, suits and actions.
- 8. RESPONDENT enters into this Stipulation for Settlement freely and voluntarily and with the assistance of legal counsel. RESPONDENT further acknowledges 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 negotiations between legal counsel for the RESPONDENT and the attorney for the BOARD.
- 9. RESPONDENT affirmatively represents that if RESPONDENT, this Stipulation for Settlement and Order, and/or any amounts distributed under this Stipulation for Settlement and Order are subject to, or will 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 and Order.
- 10. RESPONDENT and the BOARD recognize and agree that the Commission has the sole and absolute discretion to determine whether to accept this Stipulation for Settlement. RESPONDENT 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; RESPONDENT'S admissions, if any, that certain violations of the Nevada Gaming Control Act and the Regulations of the Commission occurred shall be withdrawn; and, RESPONDENT'S rights pursuant to NRS 463.310 through 463.318 and Nevada Gaming Commission Regulation 7 shall be unaffected.

- 11. RESPONDENT 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. 20-02. 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.
- 12. RESPONDENT agrees and understands that although this Stipulation for Settlement, if approved by the Commission, will settle the Complaint filed in NGC Case No. 20-02, that the allegations contained in the Complaint filed in NGC Case No. 20-02 and the terms of this Stipulation for Settlement may be considered by the BOARD and/or the Commission, with regards to any and all applications by RESPONDENT that are currently pending before the BOARD or the Commission, or that are filed in the future with the BOARD.
- 13. RESPONDENT and the BOARD shall each bear their own costs incurred in this disciplinary action, NGC Case No. 20-02.
- 14. RESPONDENT, by executing this Stipulation for Settlement, affirmatively waives 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 provide reasonable

1	notice of the time and place of the hearing. Further, in negotiating this Stipulation for
2	Settlement, RESPONDENT acknowledges that the BOARD has provided RESPONDENT
3	with the date and time of the Commission hearing during which the BOARD anticipates
4	the Commission will consider approving this settlement.
5	15. This Stipulation for Settlement shall become effective immediately upon
6	approval by the Nevada Gaming Commission.
7	DATED this 8th day of September, 2020.
8	WALDMAN INVESTMENTS, INC., NEVADA GAMING CONTROL BOARD
9	dba BOWL INCLINE
10	WALDMAN INVESTMENTS, INC. SANDRA MORGAN, Chairwoman
11	By: CURT H. WEGENER, President
12	TERRY JOHNSON, Member
13	FENNEMORE CRAIG, PC
14	DAN R. REASER PHILIP KATSAROS, Member
15	Nevada Bar No. 1170 300 East Second Street, Suite 1510
16	Reno, Nevada 89501 Submitted by: Telephone (775) 788-2226
17	Attorneys for the RESPONDENT AARON D. FORD
18	Attorney General
19	By JOHN S. MICHELA
20	Senior Deputy Attorney General Gaming Division
21	5420 Kietzke Lane, Suite 202 Reno, Nevada 89511
22	Telephone: (775) 687-2118 Attorneys for Nevada Gaming Control Board
23	ORDER
24	IT IS SO ORDERED in NGC Case No. 20-02.
25	DATED this day of, 2020.
26	NEVADA GAMING COMMISSION
27	DA. 14 BAM ALA
28	JOHN T. MORAN, JR., Chairman