



1 NGC 15-08

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STATE OF NEVADA

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BEFORE THE NEVADA GAMING COMMISSION

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NEVADA GAMING CONTROL BOARD,

8

Complainant,

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vs.

STIPULATION FOR SETTLEMENT
AND ORDER

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DROCK GAMING, LLC, dba
THE D; GOLDEN GATE CASINO, LLC dba
11 GOLDEN GATE HOTEL & CASINO; and
DEREK JOHN STEVENS in his capacity of
12 having been:

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1) Licensed as sole manager of DROCK
GAMING, LLC, dba THE D;

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2) Found suitable as sole manager of
Desert Rock Enterprises II, LLC;

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3) Licensed as Chief Executive Officer and
Manager of GOLDEN GATE CASINO,
17 LLC, dba GOLDEN GATE HOTEL &
CASINO;

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4) Found suitable as sole manager of
Golden Gate Casino Acquisitions, LLC;
and

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5) Found suitable as trustee and beneficiary
of The Derek J. Stevens Trust,

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Respondents.

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The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD
(BOARD), Complainant herein, filed and served a Complaint in NGC Case No. 15-08, against
DROCK GAMING, LLC dba THE D ("THE D"), GOLDEN GATE CASINO, LLC dba GOLDEN
GATE HOTEL & CASINO ("GOLDEN GATE"), and DEREK JOHN STEVENS ("STEVENS"),
RESPONDENTS herein, alleging certain violations of the Nevada Gaming Control Act and
Regulations of the Nevada Gaming Commission (Commission or NGC).

Office of the Attorney General
Gaming Division
555 E. Washington Ave., Ste. 3900
Las Vegas, Nevada 89101

1 IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENTS
2 that the Complaint, NGC Case No. 15-08, filed against RESPONDENTS in the above-entitled
3 case shall be settled on the following terms and conditions:

4 1. Except as otherwise provided in paragraph 2 of this Stipulation for Settlement and
5 Order below, RESPONDENTS neither admit nor deny the allegations set forth in the
6 Complaint, NGC Case No. 15-08.

7 2. RESPONDENTS deny the allegations set forth in paragraphs 21(b) and (v), 27
8 and 31 of the Complaint, NGC Case No. 15-08, to the extent that those paragraphs allege that
9 Respondent STEVENS had instructed or directed any of the employees involved in incidents
10 described in the Complaint to not create any "paper trail" or other paperwork to document the
11 issuance of the gambling chips to Patron #1.

12 3. RESPONDENTS fully understand and voluntarily waive the right to a public
13 hearing on the charges and allegations set forth in the Complaint, the right to present and
14 cross-examine witnesses, the right to a written decision on the merits of the Complaint, which
15 must contain findings of fact and a determination of the issues presented, and the right to
16 obtain judicial review of the Nevada Gaming Commission's decision.

17 4. For Counts 1 through 4, RESPONDENT GOLDEN GATE agrees to pay a fine in
18 the amount of TWO HUNDRED FIFTEEN THOUSAND DOLLARS (\$215,000) and
19 RESPONDENTS THE D and GOLDEN GATE agree to collectively pay an additional amount
20 of THIRTY-FIVE THOUSAND DOLLARS (\$35,000) as reimbursement of part of the costs
21 incurred by the BOARD in connection with conducting its investigation relating to the
22 Complaint, NGC Case No. 15-08. RESPONDENTS agree to pay the above amounts via
23 electronic transfer to the *State of Nevada-Nevada Gaming Commission* on or before the date
24 this Stipulation for Settlement and Order is accepted by the Nevada Gaming Commission.
25 Interest on those amounts shall accrue pursuant to NRS 17.130 on any unpaid balance
26 computed from the date the payment is due until the payment is made in full.

27 5. For Counts 5 and 6, the BOARD and RESPONDENTS acknowledge that on or
28 about July 14, 2016, RESPONDENT THE D tendered payment in full of all gross revenue fees

1 and accrued interest owed as a result of the transactions described under Counts 5 and 6 of
2 the Complaint, NGC Case No. 15-08. The BOARD further acknowledges that the monetary
3 penalty set forth above does not apply to Counts 5 and 6 of the Complaint. In consideration
4 thereof, the BOARD agrees to dismiss with prejudice Counts 5 and 6 from the Complaint.

5 6. RESPONDENTS further agree to the placement by the Nevada Gaming
6 Commission of the following conditions on the nonrestricted gaming licenses of Respondents
7 THE D and GOLDEN GATE:

8 a. Respondents THE D and GOLDEN GATE shall establish a joint gaming
9 compliance program (Program) to review and ensure compliance by both licensees with the
10 Nevada Gaming Control Act and the NGC Regulations, the terms and provisions of which are
11 subject to the administrative approval of the Board Chairman, or the Board Chairman's
12 designee. The BOARD and RESPONDENTS agree that the Program will focus on
13 appropriate measures to ensure compliance with all applicable credit and cage regulatory
14 requirements and MICS, with the Program to describe the remedial measures taken by both
15 licensees to ensure that the events described in the Complaint do not reoccur in the future, as
16 well as to describe and provide for continued credit and cage procedures training for all
17 appropriate executives and employees of the licensees, including the maintenance of records
18 of such training.

19 b. Respondents THE D and GOLDEN GATE shall jointly fund and maintain a
20 \$25,000 revolving fund in connection with their joint gaming compliance program to fund
21 investigations conducted by the BOARD to determine the RESPONDENTS compliance with
22 the Nevada Gaming Control Act and the regulations adopted thereunder, such investigations
23 consisting of other than routine financial or compliance audits, reviews and contacts
24 performed by the BOARD and its agents and staff.

25 7. RESPONDENTS further agree that the compliance program described above shall
26 specifically address the following:

27 a. Remedial measures taken by RESPONDENTS to prevent incidents described in
28 the Complaint, NGC Case No. 15-08, from reoccurring in the future.

1 b. Description of the training the owner and employees have, or are to receive in
2 response to the incidents described in the Complaint, NGC Case No. 15-08, and any training
3 in relation to any other compliance requirements.

4 8. In consideration for the execution of this settlement agreement, RESPONDENTS,
5 for themselves, their heirs, executors, administrators, successors, and assigns, hereby
6 release and forever discharge the State of Nevada, the Nevada Gaming Commission, the
7 Nevada Gaming Control Board, the Nevada Attorney General and each of their members,
8 agents, and employees in their individual and representative capacities, from any and all
9 manner of actions, causes of action, suits, debts, judgments, executions, claims, and
10 demands whatsoever known or unknown, in law and equity, that RESPONDENTS ever had,
11 now have, may have, or claim to have against any and all of the persons or entities named in
12 this paragraph arising out of, or by reason of, the investigation of the allegations in the
13 Complaint, this disciplinary action, NGC Case No. 15-08, or any other matter relating thereto.

14 9. In consideration for the execution of this settlement agreement, RESPONDENTS
15 hereby indemnify and hold harmless the State of Nevada, the Nevada Gaming
16 Commission, the Nevada Gaming Control Board, the Nevada Attorney General, and each of
17 their members, agents, and employees in their individual and representative capacities
18 against any and all claims, suits and actions, brought against the persons named in this
19 paragraph by reason of the investigation of the allegations in the Complaint, filed in this
20 disciplinary action, NGC Case No. 15-08, and all other matters relating thereto, and against
21 any and all expenses, damages, charges and costs, including court costs and attorney fees,
22 which may be sustained by the persons and entities named in this paragraph as a result of
23 said claims, suits and actions.

24 10. RESPONDENTS enter into this Stipulation for Settlement freely and voluntarily,
25 and with the assistance of legal counsel. RESPONDENTS acknowledge that this stipulated
26 settlement is not the product of force, threats, or any other form of coercion or duress, but is
27 the product of discussions between legal counsel for RESPONDENTS and the attorney for the
28 BOARD.

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

7 12. RESPONDENTS and the BOARD acknowledge that this settlement is made to
8 avoid litigation and economize resources. The parties agree and understand that this
9 Stipulation for Settlement and Order is intended to operate as full and final settlement of the
10 Complaint filed against RESPONDENTS in the above-entitled disciplinary case, NGC Case
11 No. 15-08.

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

22 14. RESPONDENTS and the BOARD agree and understand that this settlement
23 agreement is intended to operate as full and final settlement of the Complaint filed in NGC
24 Case No. 15-08. The parties further agree and understand that any oral representations are
25 superseded by this settlement agreement and that only those terms memorialized in writing
26 herein shall be effective.

27 15. RESPONDENTS agree and understand that although this settlement, if approved
28 by the Nevada Gaming Commission, will settle the Complaint filed in NGC Case No. 15-08

1 that the allegations contained in the Complaint filed in NGC Case No. 15-08 and the terms of
2 this settlement agreement may be considered by the BOARD and/or the Nevada Gaming
3 Commission with regards to any and all applications by RESPONDENTS that are currently
4 pending before the BOARD or the Nevada Gaming Commission, or that are filed in the future
5 with the BOARD.

6 16. RESPONDENTS and the BOARD shall each bear their own costs incurred in this
7 disciplinary action, NGC Case No. 15-08, with the exception of those costs addressed in
8 paragraph 4 above.

9 17. RESPONDENTS fully understand and voluntarily waive the 21-day and the 5-day
10 notice requirements found under NRS 241.033 and 241.034, including the content
11 requirements of such notices, in relation to any hearing before the Nevada Gaming
12 Commission on this settlement agreement that may be held.

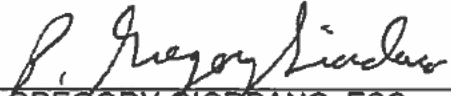
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1 18. This stipulated settlement agreement shall become effective immediately upon
2 approval by the Nevada Gaming Commission.

3 DATED this 12th day of August 2016.

4 DROCK GAMING, LLC, dba THE D;
5 GOLDEN GATE CASINO, LLC, dba
6 GOLDEN GATE HOTEL & CASINO;
and DEREK JOHN STEVENS


7 By: 
8 DEREK JOHN STEVENS
Respondents' Representative

9 MCDONALD-CARANO-WILSON, LLP
10 By: 
11 P. GREGORY GIORDANO, ESQ.
12 2300 West Sahara Avenue
Suite 1200
Las Vegas, Nevada 89102

13 Attorney for Respondents

14 Submitted by:

15 ADAM PAUL LAXALT
16 Attorney General

17 By: 
18 EDWARD L. MAGAW
19 Deputy Attorney General
Gaming Division

20 Attorneys for Nevada Gaming Control Board

DATED this 23rd day of August 2016.

NEVADA GAMING CONTROL BOARD


A.G. BURNETT, Chairman


SHAWN R. REID, Member



TERRY JOHNSON, Member

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22 ORDER

23 IT IS SO ORDERED in NGC Case No. 15-08.

24 DATED this 25th day of August 2016.

25 NEVADA GAMING COMMISSION

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27 TONY ALAMO, M.D., Chairman

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