

1 NGC 08-18

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STATE OF NEVADA

5

BEFORE THE NEVADA GAMING COMMISSION

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STATE GAMING CONTROL BOARD,)

7

Complainant,)

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vs.)

**STIPULATION FOR SETTLEMENT
AND ORDER**

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OPBIZ, LLC, dba PLANET HOLLYWOOD)
RESORT & CASINO,)

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Respondent.)

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The State of Nevada, on relation of its STATE GAMING CONTROL BOARD (BOARD),
Complainant herein, filed and served a Complaint, NGC Case No. 08-18, against the above-
captioned RESPONDENT alleging certain violations of the Nevada Gaming Control Act and
Regulations of the Nevada Gaming Commission.

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IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENT
that the Complaint, NGC Case No. 08-18, filed against RESPONDENT in the above-entitled
case shall be settled on the following terms and conditions:

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1. RESPONDENT admits each and every allegation set forth in the Complaint,
NGC Case No. 08-18.

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2. 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 Nevada Gaming Commission's decision.

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3. RESPONDENT agrees to pay a fine in the amount of SEVEN HUNDRED FIFTY
THOUSAND DOLLARS and NO CENTS (\$750,000.00). RESPONDENT shall pay FIVE

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

1 HUNDRED THOUSAND DOLLARS and NO CENTS (\$500,000.00) electronically transferred
2 to the *State of Nevada-Nevada Gaming Commission* on or before the date this stipulated
3 settlement agreement is accepted by the Nevada Gaming Commission. Said payment due on
4 or before the date this settlement agreement is accepted by the Nevada Gaming Commission
5 shall be made by a method of electronic payment approved by the Tax and License Division
6 of the Board pursuant to NRS 353.1467. Interest on the fine shall accrue pursuant to NRS
7 17.130 on any unpaid balance computed from the date payment is due until payment is made
8 in full. RESPONDENT shall pay the remaining TWO HUNDRED FIFTY THOUSAND
9 DOLLARS and NO CENTS (\$250,000.00) as follows:

10 a. RESPONDENT shall execute a Confession of Judgment for the
11 remaining TWO HUNDRED FIFTY THOUSAND DOLLARS and NO CENTS
12 (\$250,000.00) prior to acceptance by the Nevada Gaming Commission of this
13 stipulated agreement on or about July 23, 2009. The Confession of Judgment may be
14 filed by the BOARD, upon notice as set out in the Confession of Judgment, in a court of
15 competent jurisdiction anytime after the remaining TWO HUNDRED FIFTY
16 THOUSAND DOLLARS and NO CENTS (\$250,000.00) payment, as set out below,
17 becomes due.

18 b. If the BOARD files a similar complaint against RESPONDENT based on
19 events occurring prior to July 31, 2010, the TWO HUNDRED FIFTY THOUSAND
20 DOLLARS and NO CENTS (\$250,000.00) shall be paid to the Nevada Gaming
21 Commission within 30 days of the filing of the similar complaint. Said payment shall be
22 made by a method of electronic payment approved by the Tax and License Division of
23 the Board pursuant to NRS 353.1467. Interest on the fine shall accrue pursuant to
24 NRS 17.130 on any unpaid balance computed from the date payment is due until
25 payment is made in full. A "similar complaint" means a complaint filed by the BOARD
26 against RESPONDENT with at least one count based on an act or failure to act of The
27 Opium Group, LLC, dba Privé or any other nightclub on the premises of

1 RESPONDENT. Said similar complaint must be filed no later than July 31, 2011, in
2 order to trigger the provisions of this sub-paragraph.

3 c. If the BOARD files a similar complaint, any discipline for the allegations of
4 said similar complaint shall be wholly separate and independent of the remaining TWO
5 HUNDRED FIFTY THOUSAND DOLLARS and NO CENTS (\$250,000.00) portion of
6 the fine for the complaint in this matter.

7 d. If the BOARD does not file a similar complaint prior to August 1, 2011, the
8 remaining TWO HUNDRED FIFTY THOUSAND DOLLARS and NO CENTS
9 (\$250,000.00) portion of the fine for the complaint in this matter shall be forgiven.

10 e. At any time subsequent to July 31, 2010, RESPONDENT may make a
11 written request to the Chairman of the BOARD requesting a letter indicating that
12 disciplinary action which could lead to a similar complaint is not pending for the relevant
13 period of time prior to August 1, 2010. If the Chairman, or his designee, is satisfied that
14 disciplinary action which could lead to a similar complaint is not pending, the Chairman,
15 or his designee, may issue a letter indicating this. Such letter shall satisfy paragraph
16 3(d) of this stipulated agreement and the remaining TWO HUNDRED FIFTY
17 THOUSAND DOLLARS and NO CENTS (\$250,000.00) portion of the fine for the
18 complaint in this matter shall be forgiven upon issuance of such letter.

19 4. RESPONDENT wishes to state the following with regard to the mitigating steps it
20 took once it received a draft of the complaint in this matter.

21 a. Immediately upon learning of the Board's concerns, RESPONDENT
22 advised Opium Group LLC, owners of Privé, that RESPONDENT was exercising
23 oversight authority relative to the Privé venues, including implanting RESPONDENT's
24 security.

25 b. Negotiated revisions to the lease between RESPONDENT and Opium
26 Group, LLC providing for, among other things, RESPONDENT's right to terminate the
27 lease for conduct cited in the Board's Complaint, the requirement for Privé to adopt

1 operational policies consistent with directives issued to the industry by the Board
2 together with best practices, and the RESPONDENT's right to post its employees
3 within the Privé's premises to ensure compliance with the amended lease and the
4 operational policies.

5 c. Drafted a Standard Operating Procedures Manual to be utilized by Privé
6 and instituted mandatory training of Privé employees by RESPONDENT's Security
7 Department.

8 5. In consideration for the execution of this settlement agreement, RESPONDENT,
9 for itself, its heirs, executors, administrators, successors, and assigns, hereby releases and
10 forever discharges the State of Nevada, the Nevada Gaming Commission, the Nevada
11 Gaming Control Board, the Nevada Attorney General and each of their members, agents, and
12 employees in their individual and representative capacities, from any and all manner of
13 actions, causes of action, suits, debts, judgments, executions, claims, and demands
14 whatsoever known or unknown, in law and equity, that RESPONDENT ever had, now has,
15 may have, or claim to have against any and all of the persons or entities named in this
16 paragraph arising out of, or by reason of, the investigation of the allegations in the Complaint
17 and this disciplinary action, NGC Case No. 08-18, or any other matter relating thereto.

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

1 7. RESPONDENT enters into this Stipulation for Settlement freely and voluntarily
2 and acknowledges that RESPONDENT had an opportunity to consult with counsel prior to
3 entering into this Stipulation for Settlement. RESPONDENT further acknowledges that this
4 stipulated settlement is not the product of force, threats, or any other form of coercion or
5 duress, but is the product of discussions between RESPONDENT and the attorney for the
6 BOARD.

7 8. RESPONDENT 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 is intended to operate as full and final settlement of the Complaint
10 filed against RESPONDENT in the above-entitled disciplinary case, NGC Case No. 08-18.

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

21 10. RESPONDENT and the BOARD agree and understand that this settlement
22 agreement is intended to operate as full and final settlement of the Complaint filed in NGC
23 Case No. 08-18. The parties further agree and understand that any oral representations are
24 superseded by this settlement agreement and that only those terms memorialized in writing
25 herein shall be effective.

26 11. RESPONDENT agrees and understands that although this settlement, if
27 approved by the Nevada Gaming Commission, will settle the Complaint filed in NGC Case No.

1 08-18, that the allegations contained in the Complaint file in NGC Case No. 08-18 and the
2 terms of this settlement agreement may be considered by the BOARD and/or the Nevada
3 Gaming Commission, with regards to any and all applications by RESPONDENT that are
4 currently pending before the BOARD or the Nevada Gaming Commission, or that are filed in
5 the future with the BOARD.

6 12. RESPONDENT and the BOARD shall each bear their own costs incurred in this
7 disciplinary action, NGC Case No. 08-18.

8 13. THOMAS J. McCARTNEY, by executing this stipulation on behalf of
9 RESPONDENT, affirmatively represents that he has full authority to settle this matter for
10 RESPONDENT.

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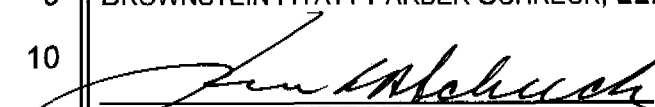
1 14. Except as otherwise specified above, this stipulated settlement agreement shall
2 become effective immediately upon approval by the Nevada Gaming Commission.

3 DATED this 9th day of July, 2009.

4 OPBIZ, LLC, dba PLANET HOLLYWOOD
5 RESORT & CASINO


6 
7 THOMAS J. McCARTNEY
8 President/CEO
9 Planet Hollywood Resort & Casino

10 BROWNSTEIN HYATT FARBER SCHRECK, LLP

11 
12 FRANK A. SCHRECK
13 Brownstein Hyatt Farber Schreck, LLP
14 Attorneys for Respondent

15 Submitted by:

16 CATHERINE CORTEZ MASTO
17 Attorney General

18 By: 
19 JOHN S. MICHELA
20 Deputy Attorney General
21 Gaming Division
22 Attorneys for State Gaming Control Board

STATE GAMING CONTROL BOARD


DENNIS K. NEILANDER, Chairman


RANDALL E. SAYRE, Member


MARK A. LIPPARELLI, Member

ORDER

IT IS SO ORDERED in NGC Case No. 08-18.

DATED this 23 day of July, 2009.

NEVADA GAMING COMMISSION

PETER C. BERNHARD, Chairman

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