

1 NGC 10-10

2 STATE OF NEVADA

3 BEFORE THE NEVADA GAMING COMMISSION

4 STATE GAMING CONTROL BOARD,)
 5 Complainant,)
 6 vs.)
 7 C & T, INC., dba CHAMPAGNES CAFÉ;)
 8 ESTATE OF CHARLES GUARINO;)
 9 RALPH LOUIS GUARINO;)
 10 THOMAS FRANCIS RIDOLFI,)
 Respondents.

COMPLAINT

11 The State of Nevada, on relation of its State Gaming Control Board (BOARD),
 12 Complainant herein, by and through its counsel, CATHERINE CORTEZ MASTO, Attorney
 13 General, by JOHN S. MICHELA, Deputy Attorney General, hereby files this Complaint for
 14 disciplinary action against RESPONDENTS pursuant to Nevada Revised Statute (NRS)
 15 463.310(2) and alleges as follows:

16 1. Complainant, BOARD, is an administrative agency of the State of Nevada duly
 17 organized and existing under and by virtue of chapter 463 of NRS and is charged with the
 18 administration and enforcement of the gaming laws of this state as set forth in Title 41 of NRS
 19 and the Regulations of the Nevada Gaming Commission.

20 2. C & T, INC., dba CHAMPAGNES CAFE (CHAMPAGNES), holds a restricted
 21 gaming license and is located at 3557 South Maryland Parkway, Las Vegas, Nevada.

22 3. The ESTATE OF CHARLES GUARINO holds a 37.5 percent interest in
 23 CHAMPAGNES. The Nevada Gaming Commission granted RALPH LOUIS GUARINO, as
 24 personal representative of the ESTATE OF CHARLES GUARINO, a temporary license to hold
 25 an interest in CHAMPAGNES on March 23, 2006, March 22, 2007, March 20, 2008, and
 26 March 19, 2009. RALPH LOUIS GUARINO, as personal representative of the ESTATE OF
 27 CHARLES GUARINO, is not presently licensed to hold any interest in CHAMPAGNES.

1 4. RALPH LOUIS GUARINO, in his individual capacity, is licensed as the vice
2 president and director of and to hold a 37.5 percent ownership interest in CHAMPAGNES.
3 RALPH LOUIS GUARINO was licensed as the administrator of the ESTATE OF CHARLES
4 GUARINO while it was temporarily licensed to hold an interest in CHAMPAGNES.

5 5. THOMAS FRANCIS RIDOLFI is licensed as the president, secretary, treasurer, and
6 director of and to hold a 25 percent ownership interest in CHAMPAGNES.

7 **RELEVANT LAW**

8 6. The Nevada Legislature has declared under NRS 463.0129(1) that:

9 (a) The gaming industry is vitally important to the economy of the
10 State and the general welfare of the inhabitants.

11 (b) The continued growth and success of gaming is dependent
12 upon public confidence and trust that licensed gaming and the
13 manufacture, sale and distribution of gaming devices and associated
14 equipment are conducted honestly and competitively, that
15 establishments which hold restricted and nonrestricted licenses where
16 gaming is conducted and where gambling devices are operated do not
17 unduly impact the quality of life enjoyed by residents of the surrounding
18 neighborhoods, that the rights of the creditors of licensees are protected
19 and that gaming is free from criminal and corruptive elements.

20 (c) Public confidence and trust can only be maintained by strict
21 regulation of all persons, locations, practices, associations and activities
22 related to the operation of licensed gaming establishments, the
23 manufacture, sale or distribution of gaming devices and associated
24 equipment and the operation of inter-casino linked systems.

25 NRS 463.0129(1)(a), (b) and (c).

26 7. The BOARD is authorized to observe the conduct of licensees in order to ensure
27 that the gaming operations are not being conducted in an unsuitable manner. See NRS
28 463.1405(1).

29 8. This continuing obligation is repeated in Nevada Gaming Commission Regulation
30 5.040, which provides as follows:

31 A gaming license is a revocable privilege, and no holder thereof
32 shall be deemed to have acquired any vested rights therein or
33 thereunder. The burden of proving his qualifications to hold any license
34 rests at all times on the licensee. The board is charged by law with the
35 duty of observing the conduct of all licensees to the end that licenses
36 shall not be held by unqualified or disqualified persons or unsuitable
37

1 persons or persons whose operations are conducted in an unsuitable
2 manner.

3 Nev. Gaming Comm'n Reg. 5.040.

4 9. Nevada Gaming Commission Regulation 5.010 provides as follows:

5 1. It is the policy of the commission and the board to require that
6 all establishments wherein gaming is conducted in this state be
7 operated in a manner suitable to protect the public health, safety,
8 morals, good order and general welfare of the inhabitants of the State of
9 Nevada.

10 2. Responsibility for the employment and maintenance of suitable
11 methods of operation rests with the licensee, and willful or persistent
12 use or toleration of methods of operation deemed
13 unsuitable will constitute grounds for license revocation or other
14 disciplinary action.

15 Nev. Gaming Comm'n Reg. 5.010.

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

17 The board and the commission deem any activity on the part of
18 any licensee, his agents or employees, that is inimical to the public
19 health, safety, morals, good order and general welfare of the people of
20 the State of Nevada, or that would reflect or tend to reflect discredit
21 upon the State of Nevada or the gaming industry, to be an unsuitable
22 method of operation and shall be grounds for disciplinary action by the
23 board and the commission in accordance with the Nevada Gaming
24 Control Act and the regulations of the board and the commission.
25 Without limiting the generality of the foregoing, the following acts or
26 omissions may be determined to be unsuitable methods of operation:

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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 Reg. 5.011 (8).

11. Nevada Revised Statute 463.530 provides as follows:

All officers and directors of a corporation, other than a publicly
traded corporation, which holds or applies for a state gaming license
must be licensed individually, according to the provisions of this
chapter, and if, in the judgment of the Commission, the public interest

1 will be served by requiring any or all of the corporation's individual
2 stockholders, lenders, holders of evidence of indebtedness,
3 underwriters, key executives, agents or employees to be licensed, the
4 corporation shall require those persons to apply for a license in
5 accordance with the laws and requirements in effect at the time the
6 Commission requires the licensing. A person who is required to be
7 licensed by this section shall apply for a license within 30 days after
8 the person becomes an officer or director. A person who is required to
9 be licensed pursuant to a decision of the Commission shall apply for a
10 license within 30 days after the Commission requests the person to do
11 so.

12 NRS 463.530.

13 12. Nevada Gaming Commission Regulation 15.530-1 provides, in relevant part, as
14 follows:

- 15 1. Except as provided in subsection 2, each individual must be
16 licensed before they may:
- 17 (a) Own an equity security issued by a corporate licensee, or
 - 18 (b) Hold any security issued by a corporate licensee which
19 gives the holder voting rights in the corporation.

20 Nev. Gaming Comm'n Reg. 15.530-1(1).

21 13. Nevada Gaming Commission Regulation 9.020 provides as follows:

22 1. In the event of the death or judicially established disability
23 of a licensee or a stockholder of a corporate licensee, the spouse,
24 next of kin, personal representative or guardian of such deceased or
25 disabled person or the person in charge of the licensed establishment,
26 or, in the case of a corporate licensee, a managing officer of such
27 corporation, shall notify the board immediately of the fact of such
death or disability.

2. In case such deceased or disabled person is the sole
licensee for an establishment, the board chairman may in his sole and
absolute discretion, authorize the spouse, next of kin, personal
representative or guardian of such person to continue the operation of
such establishment pending action on an application by such spouse,
next of kin, personal representative or guardian for a license to
operate such establishment.

3. In any case in which the interest held by such deceased or
disabled person in any licensed establishment would pass by
operation of law or otherwise to his estate or to any person other than
a co-licensee, such person or the personal representative or guardian
of the deceased or disabled person shall, within 30 days after the date
of death or disability, make application to the board for a temporary
license as successor in interest, representative or guardian,
whichever is appropriate.

1 4. The board may, in its discretion and if satisfied of the
2 necessity of such action, recommend to the commission that a
3 temporary license be issued to the applicant for such period of time as
4 it may deem necessary. Such temporary license will entitle the
5 person named therein to take part in the operation of such
6 establishment and to receive profits therefrom as successor in
7 interest, representative or guardian of the deceased or disabled
8 person. Such temporary license may not be assigned in whole or in
9 part.

5 5. No licensee shall permit any spouse, heir, next of kin, personal
6 representative or guardian to take part in the operation of the licensed
7 establishment, nor pay over to such person any part of the profits of
8 such operation which accrue after the date of death or disability,
9 unless such person is either a co-licensee or the holder of a
10 temporary license as successor in interest, representative or guardian.

10 Nev. Gaming Comm'n Reg. 9.020.

11 14. Nevada Revised Statute 78.150 provides as follows:

12 1. A corporation organized pursuant to the laws of this State
13 shall, on or before the last day of the first month after the filing of its
14 articles of incorporation with the Secretary of State, file with the
15 Secretary of State a list, on a form furnished by the Secretary of State,
16 containing:

- 15 (a) The name of the corporation;
16 (b) The file number of the corporation, if known;
17 (c) The names and titles of the president, secretary and
18 treasurer, or the equivalent thereof, and of all the directors of the
19 corporation;
20 (d) The address, either residence or business, of each officer
21 and director listed, following the name of the officer or director;
22 (e) The information required pursuant to NRS 77.310; and
23 (f) The signature of an officer of the corporation certifying that
24 the list is true, complete and accurate.

21 2. The corporation shall annually thereafter, on or before the
22 last day of the month in which the anniversary date of incorporation
23 occurs in each year, file with the Secretary of State, on a form
24 furnished by the Secretary of State, an annual list containing all of the
25 information required in subsection 1.

24 3. Each list required by subsection 1 or 2 must be
25 accompanied by:

- 25 (a) A declaration under penalty of perjury that the corporation:
26 (1) Has complied with the provisions of chapter 76 of
27 NRS; and
28 (2) Acknowledges that pursuant to NRS 239.330, it is a
29 category C felony to knowingly offer any false or forged instrument for
30 filing with the Office of the Secretary of State.

1 (b) A statement as to whether the corporation is a publicly
2 traded company. If the corporation is a publicly traded company, the
3 corporation must list its Central Index Key. The Secretary of State
4 shall include on the Secretary of State's Internet website the Central
5 Index Key of a corporation provided pursuant to this paragraph and
6 instructions describing the manner in which a member of the public
7 may obtain information concerning the corporation from the Securities
8 and Exchange Commission.

4. Upon filing the list required by:

6 (a) Subsection 1, the corporation shall pay to the Secretary of
State a fee of \$125.

7 (b) Subsection 2, the corporation shall pay to the Secretary of
State, if the amount represented by the total number of shares
8 provided for in the articles is:

\$75,000 or less.....	\$125
Over \$75,000 and not over \$200,000.....	175
Over \$200,000 and not over \$500,000.....	275
Over \$500,000 and not over \$1,000,000.....	375
Over \$1,000,000:	
For the first \$1,000,000.....	375
For each additional \$500,000 or fraction thereof.....	275

→ The maximum fee which may be charged pursuant to
paragraph (b) for filing the annual list is \$11,100.

5. If a director or officer of a corporation resigns and the
resignation is not reflected on the annual or amended list of directors
and officers, the corporation or the resigning director or officer shall
pay to the Secretary of State a fee of \$75 to file the resignation.

6. The Secretary of State shall, 90 days before the last day for
filing each annual list required by subsection 2, provide to each
corporation which is required to comply with the provisions of NRS
78.150 to 78.185, inclusive, and which has not become delinquent, a
notice of the fee due pursuant to subsection 4 and a reminder to file
the annual list required by subsection 2. Failure of any corporation to
receive a notice does not excuse it from the penalty imposed by law.

7. If the list to be filed pursuant to the provisions of subsection
1 or 2 is defective in any respect or the fee required by subsection 4 is
not paid, the Secretary of State may return the list for correction or
payment.

8. An annual list for a corporation not in default which is
received by the Secretary of State more than 90 days before its due
date shall be deemed an amended list for the previous year and must
be accompanied by the appropriate fee as provided in subsection 4
for filing. A payment submitted pursuant to this subsection does not
satisfy the requirements of subsection 2 for the year to which the due
date is applicable.

1 15. Nevada Revised Statute 78.170 provides, in relevant part, as follows:
2 "1. Each corporation which is required to make a filing and pay the fee
3 prescribed in NRS 78.150 to 78.185, inclusive, and which refuses or neglects to
4 do so within the time provided shall be deemed in default." NRS 78.170(1).

5 16. Nevada Revised Statute 78.175 provides, in relevant part, as follows:

6 1. The Secretary of State shall notify, by providing written
7 notice to its registered agent, each corporation deemed in default
pursuant to NRS 78.170. The written notice:

8 (a) Must include a statement indicating the amount of the
9 filing fee, penalties incurred and costs remaining unpaid.

10 (b) At the request of the registered agent, may be provided
electronically.

11 2. On the first day of the first anniversary of the month
following the month in which the filing was required, the charter of the
corporation is revoked and its right to transact business is forfeited.

12 3. The Secretary of State shall compile a complete list
13 containing the names of all corporations whose right to transact
business has been forfeited.

14 4. The Secretary of State shall forthwith notify, by providing
written notice to its registered agent, each corporation specified in
15 subsection 3 of the forfeiture of its charter. The written notice:

16 (a) Must include a statement indicating the amount of the
filing fee, penalties incurred and costs remaining unpaid.

17 (b) At the request of the registered agent, may be provided
electronically.

18 NRS 78.175 (1), (2), (3), and (4).

19 17. Nevada Revised Statute 463.160 provides, in relevant part, as follows:

20 1. Except as otherwise provided in subsection 4 and NRS
21 463.172, it is unlawful for any person, either as owner, lessee or
employee, whether for hire or not, either solely or in conjunction with
22 others:

23 (a) To deal, operate, carry on, conduct, maintain or expose for
play in the State of Nevada any gambling game, gaming device, inter-
casino linked system, mobile gaming system, slot machine, race book
24 or sports pool;

25 (b) To provide or maintain any information service;

26 (c) To operate a gaming salon; or

27 (d) To receive, directly or indirectly, any compensation or
reward or any percentage or share of the money or property played,
for keeping, running or carrying on any gambling game, slot machine,
gaming device, mobile gaming system, race book or sports pool,

1 → without having first procured, and thereafter maintaining in effect,
2 all federal, state, county and municipal gaming licenses as required by
3 statute, regulation or ordinance or by the governing board of any
unincorporated town.

4 NRS 463.160(1).

5 18. Nevada Gaming Commission Regulation 5.030 provides as follows:

6 ***Violation of any provision of the Nevada Gaming Control***
7 ***Act or of these regulations by a licensee***, his agent or employee
8 ***shall be deemed*** contrary to the public health, safety, morals, good
9 order and general welfare of the inhabitants of the State of Nevada and
10 ***grounds for suspension or revocation of a license***. Acceptance of a
11 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.

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

13 **COUNT ONE**

14 **VIOLATION OF NEVADA REVISED STATUTE 463.530 and/or NEVADA GAMING**
15 **COMMISSION REGULATION 15.530-1 and/or NEVADA GAMING COMMISSION**
16 **REGULATION 9.020**

17 19. Complainant BOARD realleges and incorporates by reference as though set forth
18 in full herein paragraphs 1 through 18 above.

19 20. The Nevada Gaming Commission temporarily licensed RALPH LOUIS GUARINO
20 as the personal representative of the ESTATE OF CHARLES GUARINO on March 23, 2006,
21 expiring March 22, 2007, on March 22, 2007, expiring March 20, 2008, on March 20, 2008,
22 expiring March 19, 2009, and on March 19, 2009, expiring March 18, 2010.

23 21. As a matter of background, relevant portions of Board transcripts from March 8,
24 2007 (Exhibit A), March 6, 2008 (Exhibit B), and March 5, 2009 (Exhibit C), and Nevada
25 Gaming Commission transcripts from March 22, 2007 (Exhibit D), and March 19, 2009 (Exhibit
26 E), are attached and made a part hereof as if fully set forth herein.

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1 22. RALPH LOUIS GUARINO has been unlicensed as the personal representative of
2 the ESTATE OF CHARLES GUARINO since March 18, 2010. Thus, since March 18, 2010,
3 the ESTATE OF CHARLES GUARINO's interest in CHAMPAGNES has been an unlicensed
4 interest.

5 23. The BOARD notified RALPH LOUIS GUARINO in writing of the impending
6 expiration of his temporary licensure as the personal representative of the ESTATE OF
7 CHARLES GUARINO on September 2, 2009, October 2, 2009, November 2, 2009, January
8 13, 2010, February 3, 2010, and February 17, 2010. The Board sent the November 2, 2009,
9 correspondence via certified mail, and RALPH LOUIS GUARINO signed for it.

10 24. The Board has also attempted to work through RALPH LOUIS GUARINO's
11 attorney to make sure the ESTATE OF CHARLES GUARINO's interest in CHAMPAGNES did
12 not become an unlicensed interest. This did not induce RALPH LOUIS GUARINO to file a
13 new application for temporary licensure as the personal representative of the ESTATE OF
14 CHARLES GUARINO. In addition, RALPH LOUIS GUARINO's attorney has ceased
15 representing him based on RALPH LOUIS GUARINO's refusal to communicate with his
16 attorney.

17 25. RALPH LOUIS GUARINO remains licensed to hold a 37.5 percent interest in
18 CHAMPAGNES separate from his role as the personal representative of the ESTATE OF
19 CHARLES GUARINO.

20 26. RALPH LOUIS GUARINO's willful non-responsiveness to the Board makes him
21 unsuitable to be a gaming licensee in the State of Nevada.

22 27. CHAMPAGNES, as it presently exists, has an unlicensed interest in the amount of
23 37.5 percent of its ownership.

24 28. RESPONDENTS' actions as set out above are a violation of NRS 463.530 and/or
25 Nevada Gaming Commission Regulation 15.530-1 and/or Nevada Gaming Commission
26 Regulation 9.020. This constitutes an unsuitable method of operation, and, as
27

1 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011(8)
2 and 5.030.

3 **COUNT TWO**

4 **VIOLATION OF NEVADA REVISED STATUTE 78.150**

5 29. Complainant BOARD realleges and incorporates by reference as though set forth
6 in full herein paragraphs 1 through 28 above.

7 30. On or about December 31, 2008, CHAMPAGNES was required by statute to make
8 its annual filing with the State of Nevada, Secretary of State.

9 31. CHAMPAGNES failed to make its annual filing with the Secretary of State and was
10 deemed to be in default on or about January 1, 2009.

11 32. CHAMPAGNES did not make its annual filing with the Secretary of State by
12 January 1, 2010, and, accordingly, the Secretary of State revoked CHAMPAGNES' charter
13 and its right to transact business in Nevada.

14 33. As of June 15, 2010, CHAMPAGNES had not reinstated its right to do business in
15 Nevada.

16 34. Regardless of having its right to do business in Nevada revoked, CHAMPAGNES
17 has continued to do business in Nevada, including exposing games for play.

18 35. RESPONDENTS' actions as set out above are a violation of NRS 78.150. This
19 constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action.
20 See Nev. Gaming Comm'n Regs. 5.010(2), 5.011(8) and 5.030.

21 **COUNT THREE**

22 **VIOLATION OF NEVADA REVISED STATUTE 463.160**

23 **(PLED IN THE ALTERNATIVE TO COUNT TWO)**

24 36. Complainant BOARD realleges and incorporates by reference as though set forth
25 in full herein paragraphs 1 through 35 above.

26 37. CHAMPAGNES has ceased to exist (except for winding up its affairs). Operating
27 at the former CHAMPAGNES location is some form of sole proprietorship or partnership which

1 includes THOMAS FRANCIS RIDOLFI, RALPH LOUIS GUARINO, and/or the ESTATE OF
2 CHARLES GUARINO.

3 38. The entity operating at the former CHAMPAGNES location is exposing games for
4 play.

5 39. The entity exposing games for play at the former CHAMPAGNES location is not
6 licensed by the Nevada Gaming Commission and has not applied for licensure with the
7 BOARD.

8 40. RESPONDENTS' actions as set out above are a violation of NRS 463.160. This
9 constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action.
10 See Nev. Gaming Comm'n Regs. 5.010(2), 5.011(8) and 5.030.

11 WHEREFORE, based upon the allegations contained herein which constitute
12 reasonable cause for disciplinary action against RESPONDENTS, pursuant to NRS 463.310,
13 and Nevada Gaming Commission Regulations 5.010 and 5.030 the STATE GAMING
14 CONTROL BOARD prays for the relief as follows:

15 1. That the Nevada Gaming Commission serve a copy of this Complaint on the
16 RESPONDENTS pursuant to NRS 463.312(2);

17 2. That the Nevada Gaming Commission fine RESPONDENTS a monetary sum
18 pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the
19 provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming
20 Commission;

21 3. That the Nevada Gaming Commission take action against RESPONDENTS' license
22 or licenses pursuant to the parameters defined in NRS 463.310(4); and

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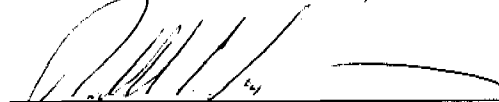
1 4. For such other and further relief as the Nevada Gaming Commission may deem just
2 and proper.

3 DATED this _____ day of _____, 2010.

4 STATE GAMING CONTROL BOARD

5 

6 DENNIS K. NEILANDER, Chairman

7 

8 RANDALL E. SAYRE, Member

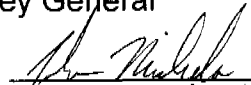
9 

10 MARK A. LIPPARELLI, Member

Submitted by:

11 CATHERINE CORTEZ MASTO
12 Attorney General

By:

13 
14 JOHN S. MICHELA
15 Deputy Attorney General
16 Gaming Division
17 (775) 850-4154