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4 **STATE OF NEVADA**

5 **BEFORE THE NEVADA GAMING COMMISSION**

6 STATE GAMING CONTROL BOARD,)
7)
8 Complainant,)
9 vs.)
10 DESERT PALACE, INC., dba)
11 CAESARS PALACE)
Respondent.)

COMPLAINT

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

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

21 2. Respondent, DESERT PALACE, INC., dba CAESARS PALACE (CAESARS),
22 located at 3570 South Las Vegas Boulevard, Las Vegas, Nevada is a Nonrestricted Group I
23 licensee and is licensed to operate gaming in Nevada.

24 **RELEVANT LAW**

25 3. The Nevada Legislature has declared under NRS 463.0129(1) that:

- 26 (a) The gaming industry is vitally important to the economy
of the State and the general welfare of the inhabitants.
27 (b) The continued growth and success of gaming is
28 dependent upon public confidence and trust that licensed gaming

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1 and the manufacture, sale and distribution of gaming devices and
2 associated equipment are conducted honestly and competitively,
3 that establishments which hold restricted and nonrestricted
4 licenses where gaming is conducted and where gambling devices
5 are operated do not unduly impact the quality of life enjoyed by
6 residents of the surrounding neighborhoods, that the rights of the
7 creditors of licensees are protected and that gaming is free from
8 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 inter-
casino linked systems.

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

9 4. The Nevada Gaming Commission has full and absolute power and authority to limit,
10 condition, restrict, revoke or suspend any license, or fine any person licensed, for any cause
11 deemed reasonable. See NRS 463.1405(4).

12 5. The BOARD is authorized to observe the conduct of licensees in order to ensure
13 that the gaming operations are not being conducted in an unsuitable manner. See NRS
14 463.1405(1).

15 6. This continuing obligation is repeated in Nevada Gaming Commission
16 Regulation 5.040, which provides as follows:

17 A gaming license is a revocable privilege, and no holder
18 thereof shall be deemed to have acquired any vested rights therein
19 or thereunder. The burden of proving his qualifications to hold any
20 license rests at all times on the licensee. The board is charged by
21 law with the duty of observing the conduct of all licensees to the
22 end that licenses shall not be held by unqualified or disqualified
23 persons or unsuitable persons or persons whose operations are
24 conducted in an unsuitable manner.

22 Nev. Gaming Comm'n Reg. 5.040.

23 7. Nevada Gaming Commission Regulation 5.010(2) further provides that
24 "[r]esponsibility for the employment and maintenance of suitable methods of operation rests
25 with the licensee, and willful or persistent use or toleration of methods of operation deemed
26 unsuitable will constitute grounds for license revocation or other disciplinary action."

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

2 The board and the commission deem any activity on the
3 part of any licensee, his agents or employees, that is inimical to the
4 public health, safety, morals, good order and general welfare of the
5 people of the State of Nevada, or that would reflect or tend to
6 reflect discredit upon the State of Nevada or the gaming industry,
7 to be an unsuitable method of operation and shall be grounds for
8 disciplinary action by the board and the commission in accordance
9 with the Nevada Gaming Control Act and the regulations of the
10 board and the commission. Without limiting the generality of the
11 foregoing, the following acts or omissions may be determined to be
12 unsuitable methods of operation:

13 1. Failure to exercise discretion and sound judgment to
14 prevent incidents which might reflect on the repute of the State of
15 Nevada and act as a detriment to the development of the industry.

16

17 10. Failure to conduct gaming operations in accordance
18 with proper standards of custom, decorum and decency, or permit
19 any type of conduct in the gaming establishment which reflects or
20 tends to reflect on the repute of the State of Nevada and act as a
21 detriment to the gaming industry.

22

23 Nev. Gaming Comm'n Regs. 5.011(1) and (10).

24 9. Nevada Gaming Commission Regulation 5.030 provides as follows:

25 ***Violation of any provision of the Nevada Gaming***
26 ***Control Act or of these regulations by a licensee***, his agent or
27 employee ***shall be deemed*** contrary to the public health, safety,
28 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.

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

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

31 (d) Fine each person or entity or both, who was licensed,
32 registered or found suitable pursuant to this chapter or chapter 464
33 of NRS or who previously obtained approval for any act or

1 transaction for which Commission approval was required or
2 permitted under the provisions of this chapter or chapter 464 of
3 NRS:

4

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

13

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

15 **BACKGROUND**

16 11. On October 10, 2009, a CAESARS patron was playing baccarat in the high limit
17 baccarat room at CAESARS, which is a room approved to be used as a private gaming salon
18 but was being utilized for public gaming.

19 12. Over the course of an approximate forty-five minute period, the following occurred
20 while wagering was taking place at the baccarat table:

21 a. The CAESARS patron climbed onto the baccarat table from his chair, walked
22 on the baccarat table and placed baccarat wagers before returning to stand on his chair and
23 eventually sitting in his chair.

24 b. The CAESARS patron climbed onto the baccarat table a second time, walked
25 on the baccarat table, danced on the baccarat table and placed baccarat wagers before
26 climbing off of the baccarat table.

27 c. The CAESARS patron stood on a chair at the baccarat table.

28 d. The CAESARS patron climbed onto the baccarat table a third time and
29 walked on the baccarat table before climbing off of the baccarat table onto a chair and
30 eventually climbing off of the chair.

31 13. At no point during the above-described behavior did CAESARS personnel stop the
32 behavior engaged in by the CAESARS patron.

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COUNT ONE

VIOLATION OF NEVADA GAMING COMMISSION REGULATIONS 5.011(1) AND (10)

14. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 13 above.

15. CAESARS failed to immediately recognize a potential compromise to game protection and patron safety and failed to immediately take any remedial action.

16. CAESARS' failure take action to prevent its patrons from engaging in the above-described behavior constitutes a violation of Nevada Gaming Commission Regulations 5.011(1) and/or (10).

17. CAESARS' failure to comply with Nevada Gaming Commission Regulations 5.011(1) and/or (10) is an unsuitable method of operation and is grounds for disciplinary action. 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 CAESARS, 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 CAESARS pursuant to NRS 463.312(2);

2. That the Nevada Gaming Commission fine CAESARS 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;

3. That the Nevada Gaming Commission take action against CAESARS' license 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 17TH day of AUGUST, 2010.

5 STATE GAMING CONTROL BOARD

6 
7 DENNIS K. NEILANDER, Chairman


8 
9 RANDALL E. SAYRE, Member

10 
11 MARK A. LIPPARELLI, Member

12 Submitted by:

13 CATHERINE CORTEZ MASTO
14 Attorney General

15 By:

16 
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