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**STATE OF NEVADA**

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**BEFORE THE NEVADA GAMING COMMISSION**

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STATE GAMING CONTROL BOARD,

7

Complainant,

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vs.

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JUDY R. NELSON, dba  
LAS VEGAS EAGLE  
(A sole proprietorship),

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11

Respondent.

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW & ORDER**

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The above-captioned matter came before the Nevada Gaming Commission (Commission) on May 16, 2013 and June 20, 2013, for an evidentiary hearing pursuant to NRS 463.310(3) and Nev. Gaming Comm'n Reg. 7.150. Respondent, being duly noticed of the hearing, appeared by and through her counsel, Robert Lueck, Esq. The State Gaming Control Board (BOARD) appeared by and through its counsel, Michael P. Soms, Senior Deputy Attorney General.

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Having carefully reviewed and considered the evidence, including the arguments of counsel, the Commission by affirmative vote of the majority of the whole Commission found that the BOARD met its burden of proving the allegations set forth in the Complaint by a preponderance of evidence pursuant to Regulation 7.230(1)<sup>1</sup>. Therefore, the Commission, believing it to be fully advised on the facts and issues before it, makes the following findings pursuant to NRS 463.310(6) and 463.3145:

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**FINDINGS OF FACT**

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1. That the Commission has jurisdiction in this matter pursuant to NRS 463.310(3) and Regulation 7.150.
2. That the Las Vegas Eagle is a sole proprietorship owned by JUDY R. NELSON located at 3430 East Tropicana Avenue, Las Vegas, Nevada.

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<sup>1</sup> Commissioner Brown was not present on June 20, 2013 and did not vote.

- 1 3. That JUDY R. NELSON, dba Las Vegas Eagle, holds a restricted gaming  
2 license issued by the Nevada Gaming Commission and has held such license  
3 since 1988.
- 4 4. That JUDY R. NELSON, dba Las Vegas Eagle, holds liquor and gaming licenses  
5 issued by Clark County and has held such licenses at all times relevant to the  
6 BOARD'S Complaint.
- 7 5. That on June 21, 2002, Ms. NELSON was issued a citation by Clark County for  
8 a violation of Clark County Code 8.20.465 for lewd, indecent displays occurring  
9 at the Las Vegas Eagle on June 5, 2002 (during an advertised promotion known  
10 as "World Famous Underwear Night") including allowing acts of sodomy, oral  
11 sex, and masturbation to occur on the premises.
- 12 6. That on June 21, 2002, Ms. NELSON was issued a citation by Clark County for  
13 a violation of Clark County Code 8.20.465 for lewd, indecent displays occurring  
14 at the Las Vegas Eagle on June 19, 2002 (during an advertised promotion  
15 known as "World Famous Underwear Night") including allowing acts of sodomy,  
16 oral sex, and masturbation to occur on the premises.
- 17 7. That Ms. NELSON did not challenge the citations issued to her in 2002 by Clark  
18 County.
- 19 8. That as a result of the citations issued to Ms. NELSON by Clark County, Ms.  
20 NELSON agreed to take whatever steps necessary to prevent a re-occurrence  
21 of the violations. In addition, the Clark County Liquor and Gaming Licensing  
22 Board imposed a number of conditions on Ms. NELSON including a requirement  
23 that Ms. NELSON acknowledge that any further violations involving lewd activity  
24 shall result in revocation of the liquor license.
- 25 9. That on July 7, 2011 The BOARD received an envelope from an anonymous  
26 individual containing a sentence printed on a piece of paper stating "I am sure  
27 this is not legal." Also in the envelope was a copy of an advertisement for the  
28 Las Vegas Eagle from the Las Vegas Night Beat that contained gaming  
promotions at the Las Vegas Eagle with advertisements for "underwear night,"  
and "locker room towel night." Also in the envelope was a copy of a Craigslist  
posting promoting the Las Vegas Eagle and containing pictures of genitalia.
10. That the BOARD conducted an investigation of the Las Vegas Eagle.
11. That during the course of the BOARD'S investigation of the Las Vegas Eagle,  
the BOARD discovered advertisements for the Las Vegas Eagle promoting  
"underwear night," "locker room towel night," "butt contest," and "locker room  
lock down night" in various editions of the Las Vegas Night Beat publication.  
The advertisements included gaming related promotions occurring at the Las  
Vegas Eagle.
12. That Ms. NELSON was aware of and approved all advertising for the Las Vegas  
Eagle in the Las Vegas Night Beat.
13. That during the course of the BOARD'S investigation of the Las Vegas Eagle,  
the BOARD discovered postings to the website Craigslist promoting the Las  
Vegas Eagle and its events and many such postings included pictures of male  
genitalia.

- 1 14. That at all times relevant to the allegations contained in the BOARD'S  
2 Complaint, the premises of the Las Vegas Eagle were divided into two areas,  
3 the west side and the east side. All of the Las Vegas Eagle's 15 gaming devices  
4 were located in the east side of the Las Vegas Eagle. The east side was  
5 separated from the west side by a wall and an interior door that could be locked.
- 6 15. That on November 19, 2011, while open for business to the public, BOARD  
7 agents conducted a covert inspection of the Las Vegas Eagle. BOARD agents  
8 observed that the Las Vegas Eagle was conducting a "great butt" competition in  
9 the east side of the Las Vegas Eagle. BOARD agents observed a number of  
10 men participate in the competition where each man, one-by-one, stood behind a  
11 cutout and placed their bare buttocks up to the cutout and began shaking their  
12 bare buttocks.
- 13 16. That on December 8, 2011, a BOARD agent received a telephone call from an  
14 individual who reported several "practically naked" men who were walking  
15 around the Las Vegas Eagle and "just about having sex." The individual  
16 believed the conduct he had witnessed was inappropriate.
- 17 17. That on February 27, 2012 while the Las Vegas Eagle was open for business to  
18 the public, BOARD agents conducted an inspection at the Las Vegas Eagle  
19 during an advertised "locker room lock down" event. BOARD agents entered the  
20 Las Vegas Eagle through the east side of the bar without having to pay an entry  
21 fee. However, an entry fee was required for patrons to gain access to the west  
22 side of the Las Vegas Eagle behind a locked door. The entry fee included drinks  
23 for the patron. BOARD agents identified themselves to a Las Vegas Eagle  
24 security guard and gained access to the west side of the Las Vegas Eagle. In  
25 the west side, BOARD agents observed the following:
- 26 a. A bartender working behind the bar.
  - 27 b. White sheets had been hung from the ceiling obstructing views in the
  - 28 c. The lighting was dim and black lights were being used.
  - d. Several patrons were in the west side of the Las Vegas Eagle.
  - e. Near the pool table, there were two naked men engaged in anal  
intercourse and a third man was watching while engaged in masturbation.
- 18 18. That on February 27, 2012, BOARD agents spoke with the Las Vegas Eagle  
night manager, Brett Franta, who explained that a Las Vegas Eagle employee  
would collect an entry fee from any patron who wanted to access the west side  
of the Las Vegas Eagle and the patron would be granted access. The Las  
Vegas Eagle night manager was the bartender in the west side of the Las Vegas  
Eagle at the time BOARD agents observed the lewd acts.
- 19 19. That Brett Franta is currently an employee of Ms. NELSON working at the Las  
Vegas Eagle.
- 20 20. That on April 4, 2012, the BOARD received an anonymous complaint concerning  
activities occurring at the Las Vegas Eagle including open displays of sex.
- 21 21. That on April 6, 2012 while the Las Vegas Eagle was open for business to the  
public, BOARD agents and Clark County Business License agents conducted a  
covert inspection of the Las Vegas Eagle. Access between the east side and

1 the west side of the Las Vegas Eagle was not restricted. In the west side of the  
2 Las Vegas Eagle, a Clark County Business License agent observed an  
individual perform fellatio on another individual while numerous people watched.

- 3 22. That on April 22, 2012 while the Las Vegas Eagle was open for business to the  
4 public, BOARD agents and Clark County Business License agents conducted a  
5 covert inspection of the Las Vegas Eagle. No entry fee was required to gain  
6 entry to the east side of the Las Vegas Eagle. However, an entry fee was  
7 required for patrons to gain access to the west side of the Las Vegas Eagle  
8 behind a locked door. The entry fee included drinks for the patron.
- 9 23. That on April 22, 2012, BOARD agents observed Las Vegas Eagle employees  
going into and out of the west side of the premises.
- 10 24. That on April 22, 2012, Clark County Business License agents paid a Las Vegas  
11 Eagle security guard the fee to enter the west side of the Las Vegas Eagle and  
12 observed the following occur:
- 13 a. Las Vegas Eagle employees present in the west side of the Las Vegas  
14 Eagle.
  - 15 b. The lighting was dim and black lights were being used.
  - 16 c. White sheeting had been hung from the ceiling.
  - 17 d. Some patrons were wearing towels, one was fully clothed, one was  
wearing underwear and the rest were completely nude.
  - 18 e. A fully nude male lying on the pool table while two individuals  
masturbated him and while several males stood by the pool table  
19 watching and masturbating.
  - 20 f. Two fully nude males engaged in anal intercourse.
  - 21 g. A male performing fellatio on another male.
  - 22 h. Two males engaged in anal intercourse while other individuals watched.
  - 23 i. Two additional males engaged in masturbation.
- 24 25. That on April 22, 2012, a BOARD agent paid a security guard the fee to enter  
the west side of the Las Vegas Eagle and observed the following:
- 25 a. White sheeting had been hung from the ceiling.
  - 26 b. Behind the white sheeting, two males were engaged in anal intercourse  
27 while another individual watched.
- 28 26. That Ms. Nelson knew, or should have known, that nudity and lewd conduct was  
occurring at the Las Vegas Eagle and she failed to prevent the conduct from  
occurring.

### CONCLUSIONS OF LAW

- 27 27. That pursuant to NRS 463.0129(1)(a), (b), (c) and (d):
- 28 (a) The gaming industry is vitally important to the economy  
of the State and the general welfare of the inhabitants.
  - (b) The continued growth and success of gaming is  
dependent upon public confidence and trust that licensed gaming  
and the manufacture, sale and distribution of gaming devices and  
associated equipment are conducted honestly and competitively,

1 that establishments which hold restricted and nonrestricted  
2 licenses where gaming is conducted and where gambling devices  
3 are operated do not unduly impact the quality of life enjoyed by  
4 residents of the surrounding neighborhoods, that the rights of the  
5 creditors of licensees are protected and that gaming is free from  
6 criminal and corruptive elements.

7 (c) Public confidence and trust can only be maintained by  
8 strict regulation of all persons, locations, practices, associations  
9 and activities related to the operation of licensed gaming  
10 establishments, the manufacture, sale or distribution of gaming  
11 devices and associated equipment and the operation of inter-  
12 casino linked systems.

13 (d) All establishments where gaming is conducted and  
14 where gaming devices are operated, and manufacturers, sellers  
15 and distributors of certain gaming devices and equipment, and  
16 operators of inter-casino linked systems must therefore be  
17 licensed, controlled and assisted to protect the public health,  
18 safety, morals, good order and general welfare of the inhabitants of  
19 the State, to foster the stability and success of gaming and to  
20 preserve the competitive economy and policies of free competition  
21 of the State of Nevada.

- 22 28. That pursuant to NRS 463.0129(2), any license issued pursuant to the  
23 provisions of NRS chapter 463 is a revocable privilege, and no holder acquires  
24 any vested right therein or thereunder.
- 25 29. That pursuant to NRS 463.1405(4), the Commission has full and absolute power  
26 and authority to limit, condition, restrict, revoke or suspend any license, or fine  
27 any person licensed, for any cause deemed reasonable by the Commission.
- 28 30. That pursuant to NRS 463.1405(1), the BOARD is authorized to observe the  
conduct of licensees in order to ensure that the gaming operations are not being  
conducted in an unsuitable manner.
31. That pursuant to Nev. Gaming' Comm'n Reg 5.010(2), the responsibility for the  
employment and maintenance of suitable methods of operation rests with the  
licensee, and willful or persistent use or toleration of methods of operation  
deemed unsuitable will constitute grounds for license revocation or other  
disciplinary action.

1           32.    That pursuant to Nev. Gaming Comm'n Reg. 5.030:

2                               Violation of any provision of the Nevada Gaming Control Act  
3                               or of these regulations by a licensee, his agent or employee shall  
4                               be deemed contrary to the public health, safety, morals, good  
5                               order and general welfare of the inhabitants of the State of Nevada  
6                               and grounds for suspension or revocation of a license.  
7                               Acceptance of a state gaming license or renewal thereof by a  
8                               licensee constitutes an agreement on the part of the licensee to be  
9                               bound by all of the regulations of the commission as the same now  
10                              are or may hereafter be amended or promulgated. It is the  
11                              responsibility of the licensee to keep himself informed of the  
12                              content of all such regulations, and ignorance thereof will not  
13                              excuse violations.

14           33.    That, as alleged by the Board in Counts 1 – 4 and Count 9 of its Complaint and  
15                               as supported by the evidence, Respondent and her employees failed to exercise  
16                               discretion and sound judgment to prevent incidents which might reflect on the  
17                               repute of the State of Nevada and act as a detriment to the development of the  
18                               industry in violation of Nev. Gaming Comm'n Reg. 5.011(1).

19           34.    That, as alleged by the Board in Counts 1 – 4 and Count 9 of its Complaint and  
20                               as supported by the evidence, Respondent and her employees failed to conduct  
21                               gaming operations in accordance with proper standards of custom, decorum and  
22                               decency, and permitted conduct in the Las Vegas Eagle that reflects or tends to  
23                               reflect on the reputation of the State of Nevada and act as a detriment to the gaming  
24                               industry in violation of Nev. Gaming Comm'n Reg. 5.011(10)

25           35.    That, as alleged by the Board in Counts 5 – 8 of its Complaint and as supported  
26                               by the evidence, Respondent and her employees failed to comply with or make  
27                               provision for compliance with all federal, state and local laws and regulations  
28                               pertaining to the operations of a licensed establishment in violation of Nev.  
29                               Gaming Comm'n Reg. 5.011(8). Specifically, Respondent and her employees  
30                               failed to comply with one or more provisions of the Clark County Code including,  
31                               but not limited to, Sections 8.04.270, 8.20.465, 8.20.570, and 30.08.

32           36.    That, as alleged by the Board in Count 9 of its Complaint and as supported by  
33                               the evidence, patrons of the Las Vegas Eagle engaged in criminal conduct in

1 violation of Nevada law including, but not limited to, NRS 201.190, NRS 201.210  
2 and NRS 201.220.

3 37. Should any of the foregoing Conclusions of Law be deemed Findings of Fact,  
4 they shall be so construed.

5 Good cause appearing:

6 **ORDER**

7 Based on the preceding and in accordance with NRS 463.310(4):

8 IT IS HEREBY ORDERED that Respondent shall pay a fine in the amount of Three  
9 Thousand Dollars (\$3,000.00) for each count contained in the Complaint for a total fine in the  
10 amount of Twenty Seven Thousand Dollars (\$27,000.00).

11 IT IS HEREBY FURTHER ORDERED that Respondent shall have ninety (90) days  
12 from the effective date of this order to pay the total fine amount of Twenty Seven Thousand  
13 Dollars (\$27,000.00). Ninety (90) days from the effective date of this order is September 19,  
14 2013. Interest shall accrue at a rate of 5.25 percent per annum on any unpaid balance  
15 computed from the date the fine amount is due.

16 IT IS HEREBY FURTHER ORDERED THAT Respondent's restricted gaming license is  
17 suspended for a period of ninety (90) days beginning on the effective date of this order  
18 through and including 12:00 p.m. on September 19, 2013.

19 IT IS HEREBY FURTHER ORDERED THAT in the event Respondent fails pay the total  
20 fine amount of Twenty Seven Thousand Dollars (\$27,000.00) by 12:00 p.m. on September 19,  
21 2013, Respondent's restricted gaming license shall be automatically revoked as of September  
22 20, 2013.

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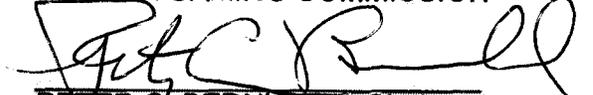
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IT IS HEREBY FURTHER ORDERED THAT the effective date of this Order is June 21, 2013<sup>2</sup>.

DATED this 30 day of June 2013.

NEVADA GAMING COMMISSION



PETER O. BERNHARD, Chairman

Submitted by:

CATHERINE CORTEZ MASTO  
Attorney General

By:



MICHAEL P. SOMPS  
Senior Deputy Attorney General

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

<sup>2</sup> Commission Chairman Bernhard voted no as to the effective date of this Order.