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STATE OF NEVADA

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BEFORE THE NEVADA GAMING COMMISSION

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STATE GAMING CONTROL BOARD,)

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Complainant,

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vs.

COMPLAINT

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BEST BET PRODUCTS, INC., dba
STAGESTOP CASINO,

10

and

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SHAWN PAUL HOLMES,
President,

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Respondents.

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

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

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2. Respondent, BEST BET PRODUCTS, INC., dba STAGESTOP CASINO,
(STAGESTOP) located at 100 West Stagecoach Road, Pahrump, Nevada is a nonrestricted
licensee and is licensed to operate gaming in Nevada. Respondent, SHAWN PAUL HOLMES,
is licensed as the President of STAGESTOP and is also licensed as a shareholder and a
director of STAGESTOP.

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

RELEVANT LAW

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

(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, that establishments which hold restricted and nonrestricted licenses where gaming is conducted and where gambling devices are operated do not unduly impact the quality of life enjoyed by residents of the surrounding neighborhoods, that the rights of the creditors of licensees are protected and that gaming is free from 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.

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

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

5. 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. See NRS 463.1405(1).

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

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

Nev. Gaming Comm'n Reg. 5.040.

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

5 8. NRS 463.335(2) provides the following:

6 A person may not be employed as a gaming employee
7 unless the person is temporarily registered or registered as a
8 gaming employee pursuant to this section. An applicant for
9 registration or renewal of registration as a gaming employee must
10 file an application for registration or renewal of registration with the
11 Board. Whenever a registered gaming employee, whose
12 registration has not expired, has not been objected to by the Board,
13 or has not been suspended or revoked becomes employed as a
14 gaming employee at another or additional gaming establishment,
15 the registered gaming employee must file a change of employment
16 notice within 10 calendar days with the Board. The application for
17 registration and change of employment notice must be filed through
18 the licensee for whom the applicant will commence or continue
19 working as a gaming employee, unless otherwise filed with the
20 Board as prescribed by regulation of the Commission.

21 NRS 463.335(2).

22 9. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as follows:

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

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1 withholding any payroll taxes, liquor and entertainment taxes and
2 antitrust and monopoly statutes.

3 Nev. Gaming Comm'n Regs. 5.011(8).

4 10. Nevada Gaming Commission Regulation 5.101 states that "[n]o person shall be
5 employed as a gaming employee unless such person is temporarily registered or registered as
6 a gaming employee in accordance with NRS 463.335 and these regulations.

7 11. Nevada Gaming Commission Regulation 5.105 provides in relevant part the
8 following:

9 1. A nonrestricted licensee shall not knowingly employ any person
10 as a gaming employee unless such person is temporarily registered
11 or registered as a gaming employee. A licensee shall check, and
12 may rely on, the system of records maintained by the board to
13 verify the temporary registration, registration or eligibility of a
14 person seeking employment as a gaming employee with such
15 licensee.

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15 11. On or before the fifteenth (15th) day of each month,
16 each licensee shall submit a written report to the board containing
17 the name, social security number, position held, and date of hire of
18 each gaming employee hired during the previous month.

18 Nev. Gaming Comm'n Reg. 5.105(1) and (11).

19 12. Nevada Gaming Commission Regulation 5.106 provides in relevant part the
20 following:

21 1. Whenever a registered gaming employee becomes
22 employed as a gaming employee with another or additional
23 licensee, he shall file a change of employment notice by submitting
24 it to such licensee for submission to the board within 10 days of the
25 employee becoming employed with such licensee, unless otherwise
26 prescribed by the chairman.

25 Nev. Gaming Comm'n Reg. 5.106(1).

26 13. Nevada Gaming Commission Regulation 5.030 provides as follows:

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

1 morals, good order and general welfare of the inhabitants of the
2 State of Nevada and *grounds for suspension or revocation of a*
3 *license*. Acceptance of a state gaming license or renewal thereof
4 by a licensee constitutes an agreement on the part of the licensee
5 to be bound by all of the regulations of the commission as the same
6 now are or may hereafter be amended or promulgated. *It is the*
7 *responsibility of the licensee to keep himself informed of the*
8 *content of all such regulations, and ignorance thereof will not*
9 *excuse violations.*

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

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

8 (d) Fine each person or entity or both, who was licensed,
9 registered or found suitable pursuant to this chapter or chapter 464
10 of NRS or who previously obtained approval for any act or
11 transaction for which Commission approval was required or
12 permitted under the provisions of this chapter or chapter 464 of
13 NRS:

14 (2) Except as otherwise provided in subparagraph
15 (1), not more than \$100,000 for each separate violation of the
16 provisions of this chapter or chapter 464 or 465 of NRS or of the
17 regulations of the Commission which is the subject of an initial
18 complaint and not more than \$250,000 for each separate violation
19 of the provisions of this chapter or chapter 464 or 465 of NRS or of
20 the regulations of the Commission which is the subject of any
21 subsequent complaint.

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

19 **FACTUAL ALLEGATIONS**

20 15. Commencing on June 30, 2013, the BOARD conducted a compliance review of the
21 STAGESTOP.

22 16. During the BOARD'S compliance review, the BOARD discovered that seven out of
23 nine current bartenders were not properly registered as gaming employees. The length of time
24 such gaming employees were not properly registered ranged from two weeks to approximately
25 three and one half years.

26 17. During the BOARD'S compliance review, the BOARD also determined that two of
27 the seven improperly registered bartenders, although registered gaming employees, were not

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1 registered gaming employees at the STAGESTOP. A change of location notification had not
2 been submitted to the BOARD for the bartenders for their employment at the STAGESTOP.

3 18. During the BOARD'S compliance review, the BOARD also discovered that three
4 prior gaming employees had not been properly registered as gaming employees.

5 19. During the BOARD'S compliance review, the BOARD also discovered that the
6 STAGESTOP had failed to submit its hire reports since October 2010.

7 20. On July 8, 2013, a BOARD agent spoke with Mr. HOLMES regarding the
8 STAGESTOP'S failure to properly register its gaming employees. Mr. HOLMES
9 acknowledged that the STAGESTOP had not been tracking gaming employee registrations for
10 several years.

11 **COUNT ONE**
12 **VIOLATION OF NRS 463.335 and NEVADA GAMING**
COMMISSION REGS. 5.101, 5.105(1), 5.106(1) and/or 5.011(8)

13 21. Complainant BOARD realleges and incorporates by reference as though set forth in
14 full herein paragraphs 1 through 20 above.

15 22. Respondents employed gaming employees who were not temporarily registered or
16 registered as gaming employees.

17 23. Respondents employed gaming employees who, although registered gaming
18 employees, were not registered gaming employees at the STAGESTOP.

19 24. Respondents' actions, as set forth herein, are in violation of NRS 463.335 and/or
20 Nev. Gaming Comm'n Regs. 5.101, Reg. 5.105(1) and/or 5.106(1).

21 25. Respondents' actions, as set forth herein constitute a failure to comply with or
22 make provision for compliance with all federal, state and local laws and regulations pertaining
23 to the operations of a licensed establishment in violation of Nev. Gaming Comm'n Reg.
24 5.011(8).

25 26. The failure to comply with NRS 463.335 and/or Nev. Gaming Comm'n Regs. 5.101,
26 5.105(1), 5.106(1) and/or 5.011(8) is an unsuitable method of operation and is grounds for
27 disciplinary action against Respondents. See Nev. Gaming Comm'n Regs. 5.010(2) and
28 5.030.

COUNT TWO
VIOLATION OF NEVADA GAMING
COMMISSION REGS. 5.105(11) and/or 5.011(8)

27. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 26 above.

28. Since October 2010, Respondents have failed to submit to the BOARD required hire reports.

29. Respondents' failure to submit to the BOARD hire reports constitutes a violation of Nev. Gaming Comm'n Reg. 5.105(11).

30. The actions of Respondents, as set forth herein, constitute a 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 in violation of Nev. Gaming Comm'n Reg. 5.011(8).

31. The failure to comply with Nev. Gaming Comm'n Regs. 5.105(11) and/or 5.011(8) is an unsuitable method of operation and is grounds for disciplinary action against Respondents. 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 Respondent, 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 Respondents pursuant to NRS 463.312(2);
2. That the Nevada Gaming Commission fine Respondents 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 Respondents' 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 23rd day of October, 2013.

4 STATE GAMING CONTROL BOARD

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6 _____
A.G. BURNETT, Chairman

7 
8 _____
SHAWN R. REID, Member

9 
10 _____
TERRY JOHNSON, Member

11 Submitted by:

12 CATHERINE CORTEZ MASTO
13 Attorney General

14 By:

15 
MICHAEL P. SOMPS
16 Senior Deputy Attorney General
Gaming Division
(775) 850-4152