

1 NGC 12-05

3 STATE OF NEVADA

4 BEFORE THE NEVADA GAMING COMMISSION

5 STATE GAMING CONTROL BOARD,

6 Complainant,

7 vs.

8 CANTOR G&W (NEVADA) HOLDINGS,
9 LLC, AND

10 CANTOR G&W (NEVADA) HOLDINGS,
11 LP, AND

12 CANTOR G&W (NEVADA) LLC, AND

13 CANTOR G&W (NEVADA), LP,
14 doing business as CANTOR GAMING;

15 Doing Business at:

16 -The M Race and Sports Book, Henderson;

17 -Hard Rock Hotel & Casino - Race and
18 Sports Book, Las Vegas;

19 -Tropicana Las Vegas - Race and Sports
20 Book, Las Vegas;

21 -Cosmopolitan of Las Vegas Race and
22 Sports Book, Las Vegas;

23 -Venetian Casino Resort - Race and Sports
24 Book, Las Vegas;

25 -Palms Casino Resort - Race and Sports
26 Book, Las Vegas;

27 -Silverton Casino Lodge Las Vegas, Las
28 Vegas

And

Doing Business as: an Operator of a Mobile
Gaming System; an Operator of a Slot
Machine Route; a Manufacturer; a
Distributor;

And

Doing Business as Las Vegas Sports
Consultants, Las Vegas, as an Information
Service Provider,

Respondents.

STIPULATION FOR SETTLEMENT
AND ORDER

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

1 The State of Nevada, on relation of its STATE GAMING CONTROL BOARD (BOARD),
2 Complainant herein, filed and served a Complaint, NGC Case No. 12-05, against the above-
3 captioned RESPONDENTS alleging certain violations of the Nevada Gaming Control Act and
4 Regulations of the Nevada Gaming Commission.

5 IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENTS
6 that the Complaint, NGC Case No. 12-05, filed against RESPONDENTS in the above-entitled
7 case shall be settled on the following terms and conditions:

8 1. As to the allegations set forth in Count One of the Complaint, RESPONDENTS
9 admit the BOARD could prove, by a preponderance of the evidence, that CANTOR G&W
10 (NEVADA), LP violated Nevada Revised Statute 463.170. This admission does not constitute
11 an admission or denial of the truth of the specific allegations found in Count One of the
12 Complaint.

13 2. As to the allegations set forth in Counts Two, Three, and Four of the Complaint,
14 RESPONDENTS admit Michael Colbert was an employee of CANTOR G&W (NEVADA), LP
15 and that he pleaded guilty in the United States District Court for the Eastern District of New
16 York pursuant to an indictment alleging activities in violation of Nevada Gaming Commission
17 Regulation 22.060. This admission does not constitute an admission or denial of the truth of
18 the specific allegations found in Count Two, Three, and Four of the Complaint.

19 3. RESPONDENTS admit each and every allegation set forth in Counts Five through
20 Eighteen of the Complaint.

21 4. RESPONDENTS fully understand and voluntarily waive the right to a public hearing
22 on the charges and allegations set forth in the Complaint, the right to present and cross-
23 examine witnesses, the right to a written decision on the merits of the Complaint, which must
24 contain findings of fact and a determination of the issues presented, and the right to obtain
25 judicial review of the Nevada Gaming Commission's decision.

26 5. RESPONDENTS agree to pay a fine in the amount of FIVE MILLION FIVE
27 HUNDRED THOUSAND DOLLARS and NO CENTS (\$5,500,000.00) electronically
28 transferred to the *State of Nevada-Nevada Gaming Commission* within two business days of

1 the date this stipulation for settlement is accepted by the Nevada Gaming Commission. Said
2 payment shall be made by a method of electronic payment approved by the Tax and License
3 Division of the BOARD pursuant to NRS 353.1467. Interest on the fine shall accrue pursuant
4 to NRS 17.130 on any unpaid balance computed from the date payment is due until payment
5 is made in full.

6 6. As a result of the issues that arose in connection with facts alleged in the Complaint,
7 NGC Case No. 12-05, RESPONDENTS: (a) have previously further enhanced their written
8 policies, procedures, training and requirements regarding, among others, account wagering
9 and wagering accounts, principal and agent procedures, book wagering reports, gaming
10 employee registration and the reporting of key employees; (b) are currently working with the
11 State Gaming Control Board's Audit Division regarding the record retention requirements
12 detailed in Count Six of the Complaint, NGC Case No. 12-05; (c) cooperated with the State
13 Gaming Control Board on various matters including the facts alleged in the Complaint, NGC
14 Case No. 12-05; and (d) self-reported the violations in Counts 12, 13, 14, 15, 16, 17 and 18,
15 and terminated the employees cited in Counts 12, 13, 14, 15 and 16 upon discovering such
16 conduct by the employees.

17 7. In consideration for the execution of this Stipulation for Settlement,
18 RESPONDENTS, for themselves, their heirs, executors, administrators, successors, and
19 assigns, hereby release and forever discharge the State of Nevada, the Nevada Gaming
20 Commission, the BOARD, the Nevada Attorney General and each of their members, agents,
21 and employees in their individual and representative capacities, from any and all manner of
22 actions, causes of action, suits, debts, judgments, executions, claims, and demands
23 whatsoever known or unknown, in law and equity, that RESPONDENTS ever had, now have,
24 may have, or claim to have against any and all of the persons or entities named in this
25 paragraph arising out of, or by reason of, the investigation of the allegations in the Complaint
26 and this disciplinary action, NGC Case No. 12-05, or any other matter relating thereto.

27 8. In consideration for the execution of this settlement agreement, RESPONDENTS
28 hereby indemnify and hold harmless the State of Nevada, the Nevada Gaming Commission,

1 the BOARD, the Nevada Attorney General, and each of their members, agents, and
2 employees in their individual and representative capacities against any and all claims, suits
3 and actions, brought against the persons named in this paragraph by reason of the
4 investigation of the allegations in the Complaint, filed in this disciplinary action, NGC Case No.
5 12-05, and all other matters relating thereto, and against any and all expenses, damages,
6 charges and costs, including court costs and attorney fees, which may be sustained by the
7 persons and entities named in this paragraph as a result of said claims, suits and actions.

8 9. RESPONDENTS enter into this Stipulation for Settlement freely and voluntarily and
9 with the assistance of legal counsel. RESPONDENTS further acknowledge that this
10 Stipulation for Settlement is not the product of force, threats, or any other form of coercion or
11 duress, but is the product of discussions between legal counsel for RESPONDENTS and the
12 attorney for the BOARD.

13 10. RESPONDENTS affirmatively represent that if RESPONDENTS, this Stipulation
14 for Settlement and Order, and/or any amounts distributed under this Stipulation for Settlement
15 and Order are subject to, or will become subject to, the jurisdiction of any bankruptcy court,
16 the bankruptcy court's approval is not necessary for this Stipulation for Settlement and Order
17 to become effective, or that the bankruptcy court has already approved this Stipulation for
18 Settlement and Order.

19 11. RESPONDENTS and the BOARD recognize and agree that the Nevada Gaming
20 Commission has the sole and absolute discretion to determine whether to accept this
21 Stipulation for Settlement. RESPONDENTS and the BOARD hereby waive any right they may
22 have to challenge the impartiality of the Nevada Gaming Commission to hear the above-
23 entitled case on the matters embraced in the Complaint if the Nevada Gaming Commission
24 determines not to accept this Stipulation for Settlement. If the Nevada Gaming Commission
25 does not accept this Stipulation for Settlement, it shall be withdrawn as null and void and
26 RESPONDENTS' admissions, if any, that certain violations of the Nevada Gaming Control Act
27 and the Regulations of the Nevada Gaming Commission occurred shall be withdrawn.

28 12. RESPONDENTS and the BOARD acknowledge that this settlement is made to

1 avoid litigation and economize resources. RESPONDENTS and the BOARD agree and
2 understand that this Stipulation for Settlement is intended to operate as full and final
3 settlement of the Complaint filed in NGC Case No. 12-05. The parties further agree and
4 understand that any oral representations are superseded by this Stipulation for Settlement
5 and that only those terms memorialized in writing herein shall be effective.

6 13. RESPONDENTS agree and understand that although this settlement, if approved
7 by the Nevada Gaming Commission, will settle the Complaint filed in NGC Case No. 12-05,
8 the allegations contained in the Complaint filed in NGC Case No. 12-05 and the terms of this
9 Stipulation for Settlement may be considered by the BOARD and/or the Nevada Gaming
10 Commission with regards to any and all applications by RESPONDENTS that are currently
11 pending before the BOARD or the Nevada Gaming Commission, or that are filed in the future
12 with the BOARD.

13 14. RESPONDENTS and the BOARD note that the caption of the Complaint and
14 paragraph 11 of the Complaint should have reflected that CANTOR G&W (NEVADA) LP does
15 not do business as Las Vegas Sports Consultants, Las Vegas, as an Information Service
16 Provider but, rather, is a holding company of Las Vegas Sports Consultants, Inc., dba Las
17 Vegas Sports Consultants.

18 15. RESPONDENTS and the BOARD shall each bear their own costs incurred in this
19 disciplinary action, NGC Case No. 12-05.

20 16. RESPONDENTS, by executing this stipulation affirmatively waive all notices
21 required by law for this matter including, but not limited to, notices concerning consideration of
22 the character or misconduct of a person (NRS 241.033), notices concerning consideration of
23 administrative action against a person (NRS 241.034), and notices concerning hearings
24 before the Nevada Gaming Commission (NRS 463.312). Regardless of the waiver of legal
25 notice requirements, the BOARD and Nevada Gaming Commission will attempt to provide
26 reasonable notice of the time and place of the hearing. Further, in negotiating this settlement,
27 RESPONDENTS acknowledge that the BOARD has provided RESPONDENTS with the date
28 and time of the Nevada Gaming Commission hearing during which the BOARD anticipates the

1 Nevada Gaming Commission will consider approving this settlement.

2 17. This stipulated settlement agreement shall become effective immediately upon
3 approval by the Nevada Gaming Commission.

4 DATED this 13th day of January, 2014.

5 CANTOR G&W (NEVADA) HOLDINGS, LP
6 CANTOR G&W (NEVADA), LLC
7 CANTOR G&W (NEVADA), LP
8 LAS VEGAS SPORTS CONSULTANTS, INC.

STATE GAMING CONTROL BOARD


A.G. BURNETT, Chairman

9 LEE M. AMAITIS
10 President and Chief Executive Officer


SHAWN R. REID, Member

11 CANTOR G&W (NEVADA) HOLDINGS, LLC

TERRY JOHNSON, Member

12 HOWARD W. LUTNICK
13 Member/Manager/Chairman

Submitted by:

14 LIONEL SAWYER & COLLINS

CATHERINE CORTEZ MASTO
Attorney General

15 MARK A. CLAYTON
16 Attorney for Respondents

By: JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
Attorneys for State Gaming Control Board

17 **ORDER**

18 IT IS SO ORDERED in NGC Case No. 12-05.

19 DATED this 23 day of January, 2014.

20 NEVADA GAMING COMMISSION

21 
22 PETER C. BERNHARD, Chairman
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4 DATED this _____ day of _____, 2014.

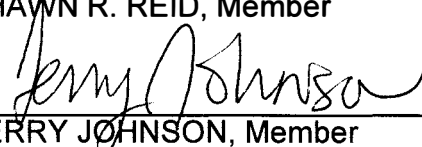
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Submitted by:

15 LIONEL SAWYER & COLLINS

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Attorney General

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17 MARK A. CLAYTON
18 Attorney for Respondents

By: _____
JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
Attorneys for State Gaming Control Board

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23 NEVADA GAMING COMMISSION

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26 PETER C. BERNHARD, Chairman
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CANTOR G&W (NEVADA), LP
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Attorney for Respondents

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Attorneys for State Gaming Control Board

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Office of the Attorney General
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5420 Kietzke Lane, Suite 202
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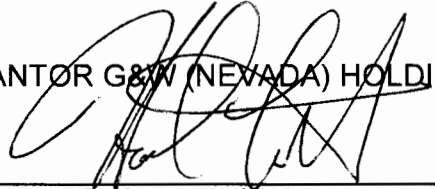
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22 DATED this _____ day of _____, 2014.

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