



1 NGC 14-01

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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.

**STIPULATION FOR SETTLEMENT  
AND ORDER**

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KLONDIKE SUNSET, LLC, dba  
KLONDIKE SUNSET CASINO,

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Respondent.

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The State of Nevada, on relation of its STATE GAMING CONTROL BOARD (BOARD), Complainant herein, filed a Complaint, NGC Case No. 14-01 against the above-captioned RESPONDENT, KLONDIKE SUNSET, LLC, dba KLONDIKE SUNSET CASINO (KLONDIKE) alleging certain violations of the Nevada Gaming Control Act and Regulations of the Nevada Gaming Commission.

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IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENT that the Complaint, NGC Case No. 14-01, filed against RESPONDENT in the above-entitled case shall be settled on the following terms and conditions:

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1. RESPONDENT admits each and every allegation set forth in the Complaint, NGC Case No. 14-01.

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2. RESPONDENT fully understands and voluntarily waives the right to a public hearing on the charges and allegations set forth in the Complaint, the right to present and cross-examine witnesses, the right to a written decision on the merits of the Complaint, which must contain findings of fact and a determination of the issues presented, and the right to obtain judicial review of the Nevada Gaming Commission's decision.

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

- 1           3. RESPONDENT agrees that its gaming license shall be conditioned as follows:
- 2           i. Each week, the KLONDIKE must prepare and submit, in a form approved by
- 3           the BOARD chairman or his designee, a report reflecting the KLONDIKE's
- 4           bankroll calculation for each day of the prior week. Such report shall be
- 5           transmitted by electronic mail to the Tax and License Division at
- 6           [TLCompliance@gcb.nv.gov](mailto:TLCompliance@gcb.nv.gov) no later than 5:00 p.m. each Monday.
- 7           ii. The KLONDIKE is limited to the operation of slot machines.
- 8           iii. The KLONDIKE is limited to no more than 65 slot machines.
- 9           iv. If, at any time following the Nevada Gaming Commission's approval of this
- 10           Stipulation for Settlement, the BOARD chairman determines, based on the
- 11           weekly report required by condition (i) or based on a BOARD review, that the
- 12           KLONDIKE has failed a first time to meet the minimum bankroll as required
- 13           and calculated pursuant to Regulation 6.150, the BOARD chairman shall
- 14           notify the KLONDIKE in writing, by hand delivery to the KLONDIKE at 444
- 15           West Sunset Road, Henderson, Nevada, of such violation and the
- 16           KLONDIKE shall come into compliance with the minimum bankroll
- 17           requirements within 24 hours of receiving such notice.
- 18           v. If, at any time following the Nevada Gaming Commission's approval of this
- 19           Stipulation for Settlement and following a notice issued pursuant to condition
- 20           (iv), the BOARD chairman determines, based on the weekly report required
- 21           by condition (i) or based on a BOARD review, that the KLONDIKE has failed
- 22           a second time to meet the minimum bankroll as required and calculated
- 23           pursuant to Regulation 6.150, the BOARD chairman, in his sole and absolute
- 24           discretion, may suspend the KLONDIKE'S gaming license for a period of one
- 25           (1) to seven (7) days (First Suspension Period), upon the BOARD chairman
- 26           notifying the KLONDIKE in writing, by hand delivery to the KLONDIKE at 444
- 27           West Sunset Road, Henderson, Nevada, of such violation. Such notice shall
- 28           inform the KLONDIKE of the date the license suspension goes into effect and

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its duration, during which time the KLONDIKE shall suspend all gaming operations.

vi. If, at any time following the Nevada Gaming Commission’s approval of this Stipulation for Settlement and following a First Suspension Period, the BOARD chairman determines, based on the weekly report required by condition (i) or based on a BOARD review, that the KLONDIKE has failed a third time to meet the minimum bankroll as required and calculated pursuant to Regulation 6.150, the BOARD chairman, in his sole and absolute discretion, may suspend the KLONDIKE’S gaming license for a period of one (1) to thirty (30) days (Second Suspension Period), upon the BOARD chairman notifying the KLONDIKE in writing, by hand delivery to the KLONDIKE at 444 West Sunset Road, Henderson, Nevada, of such violation. Such notice shall inform the KLONDIKE of the date the license suspension goes into effect and its duration, during which time the KLONDIKE shall suspend all gaming operations.

vii. If, at any time following the Nevada Gaming Commission’s approval of this Stipulation for Settlement and following a Second Suspension Period, the BOARD chairman determines that the KLONDIKE has failed a fourth time to meet the minimum bankroll as required and calculated pursuant to Regulation 6.150, the KLONDIKE agrees that its gaming license shall be deemed surrendered upon the BOARD chairman notifying the KLONDIKE in writing, by hand delivery to the KLONDIKE at 444 West Sunset Road, Henderson, Nevada, of such violation and the Klondike shall immediately cease all gaming operations.

viii. In the event there have been no violations of Regulation 6.150 for twelve consecutive months subsequent to the Nevada Gaming Commission’s approval of this Stipulation for Settlement, any or all of the conditions imposed pursuant to this Stipulation for Settlement may be removed with the

1 administrative approval of the BOARD chairman, or with the Nevada Gaming  
2 Commission's approval by filing an application with the Nevada Gaming  
3 Commission to add, modify or remove conditions.

4 4. In the event RESPONDENT'S gaming license is suspended or deemed surrendered  
5 pursuant to this Stipulation for Settlement, RESPONDENT waives and forfeits its right to any  
6 hearing, review or defense of such suspension or surrender.

7 5. Nothing in this Stipulation for Settlement shall be construed to limit or preclude the  
8 BOARD from pursuing additional disciplinary action in accordance with NRS 463.310 against  
9 RESPONDENT for future violations of the Gaming Control Act or of the Regulations of the  
10 Nevada Gaming Commission.

11 6. In consideration for the execution of this settlement agreement, RESPONDENT, for  
12 itself, its heirs, executors, administrators, successors, and assigns, hereby releases and  
13 forever discharges the State of Nevada, the Nevada Gaming Commission, the Nevada  
14 Gaming Control Board, the Nevada Attorney General and each of their members, agents, and  
15 employees in their individual and representative capacities, from any and all manner of  
16 actions, causes of action, suits, debts, judgments, executions, claims, and demands  
17 whatsoever known or unknown, in law and equity, that RESPONDENT ever has, now has,  
18 may have, or claim to have against any and all of the persons or entities named in this  
19 paragraph arising out of, or by reason of, the investigation of the allegations in the Complaint  
20 and this disciplinary action, NGC Case No. 14-01, or any other matter relating thereto.

21 7. In consideration for the execution of this settlement agreement, RESPONDENT  
22 hereby indemnifies and holds harmless the State of Nevada, the Nevada Gaming  
23 Commission, the State Gaming Control Board, the Nevada Attorney General, and each of their  
24 members, agents, and employees in their individual and representative capacities against any  
25 and all claims, suits and actions, brought against the persons named in this paragraph by  
26 reason of the investigation of the allegations in the Complaint, filed in this disciplinary action,  
27 NGC Case No. 14-01, and all other matters relating thereto, and against any and all expenses,  
28 damages, charges and costs, including court costs and attorney fees, which may be sustained

1 by the persons and entities named in this paragraph as a result of said claims, suits and  
2 actions.

3 8. RESPONDENT enters into this Stipulation for Settlement freely and voluntarily and  
4 acknowledges that RESPONDENT had an opportunity to consult with counsel prior to entering  
5 into this Stipulation for Settlement. RESPONDENT further acknowledges that this stipulated  
6 settlement is not the product of force, threats, or any other form of coercion or duress, but is  
7 the product of discussions between RESPONDENT and the attorney for the BOARD.

8 9. RESPONDENT and the BOARD acknowledge that this settlement is made to avoid  
9 litigation and economize resources. The parties agree and understand that this Stipulation for  
10 Settlement is intended to operate as full and final settlement of the Complaint filed against  
11 RESPONDENT in the above-entitled disciplinary case, NGC Case No. 14-01.

12 10. RESPONDENT and the BOARD recognize and agree that the Nevada Gaming  
13 Commission has the sole and absolute discretion to determine whether to accept this  
14 stipulated settlement agreement. RESPONDENT and the BOARD hereby waive any right they  
15 may have to challenge the impartiality of the Nevada Gaming Commission to hear the above-  
16 entitled case on the matters embraced in the Complaint if the Nevada Gaming Commission  
17 determines not to accept this stipulated settlement agreement. If the Nevada Gaming  
18 Commission does not accept the Stipulation for Settlement, it shall be withdrawn as null and  
19 void and RESPONDENT'S admissions, if any, that certain violations of the Nevada Gaming  
20 Control Act and the Regulations of the Nevada Gaming Commission occurred shall be  
21 withdrawn.

22 11. RESPONDENT and the BOARD agree and understand that this settlement  
23 agreement is intended to operate as full and final settlement of the Complaint filed in NGC  
24 Case No. 14-01. The parties further agree and understand that any oral representations are  
25 superseded by this settlement agreement and that only those terms memorialized in writing  
26 herein shall be effective.

27 12. RESPONDENT agrees and understands that although this settlement, if approved  
28 by the Nevada Gaming Commission, will settle the Complaint filed in NGC Case No. 14-01,

1 that the allegations contained in the Complaint filed in NGC Case No. 14-01 and the terms of  
2 this settlement agreement may be considered by the BOARD and/or the Nevada Gaming  
3 Commission, with regards to any and all applications by RESPONDENT that are currently  
4 pending before the BOARD or the Nevada Gaming Commission, or that are filed in the future  
5 with the BOARD.

6 13. RESPONDENT and the BOARD shall each bear their own costs incurred in this  
7 disciplinary action, NGC Case No. 14-01.

8 14. This stipulated settlement agreement shall become effective immediately upon  
9 approval by the Nevada Gaming Commission.

10 DATED this 19 day of February, 2014.

11 KLONDIKE SUNSET, LLC, dba  
12 KLONDIKE SUNSET CASINO

STATE GAMING CONTROL BOARD

13 By:

Ellen Woodrum  
14 ELLEN WOODRUM,  
15 Respondent

A.G. Burnett  
16 A.G. BURNETT, Chairman

Shawn R. Reid  
17 SHAWN R. REID, Member

Terry Johnson  
18 TERRY JOHNSON, Member

19 Submitted by:

20 CATHERINE CORTEZ MASTO  
21 Attorney General

22 By:

Michael P. Somps  
23 MICHAEL P. SOMPS  
24 Senior Deputy Attorney General  
25 Gaming Division

26 Attorneys for State Gaming Control Board

27 **ORDER**

28 IT IS SO ORDERED in NGC Case No. 14-01.

DATED this 17 day of April, 2014.

NEVADA GAMING COMMISSION

Peter Bernhardt  
PETER BERNHARD, Chairman

1 CERTIFICATE OF MAILING

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3 I hereby certify that I am employed by the State Gaming Control Board as an  
4 Administrative Assistant to Adriana G. Fralick, Esq., Executive Secretary of the Nevada  
5 Gaming Commission and the State Gaming Control Board, and that on the date shown below  
6 I deposited for mailing at Carson City, Nevada, a true copy of the attached **Stipulation and**  
7 **Settlement Order** addressed to:

8 KLONKIDE SUNSET, LLC, dba  
9 KLONKIDE SUNSET CASINO  
10 ATTN: ELLEN WOODRUM  
11 444 W SUNSET RD  
12 HENDERSON NV 89011

13 And forwarded via email to:

14 MICHAEL P. SOMPS  
15 SENIOR DEPUTY ATTORNEY GENERAL  
16 GAMING DIVISION  
17 5420 KIETZKE LANE STE 202  
18 RENO NV 89511

19 Dated this 18<sup>th</sup> day of April, 2014.

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23 K Riggs, Administrative Assistant  
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