



1 NGC 16-01

2

3

4

STATE OF NEVADA

5

BEFORE THE NEVADA GAMING COMMISSION

6

NEVADA GAMING CONTROL BOARD,)

7

Complainant,)

8

vs.)

COMPLAINT

9

SILVERADO RANCH RESTAURANTS,)

10

LLC, dba)

11

DOC HOLLIDAY'S;)

12

BREWERY RESTAURANTS, LLC, dba)

4 PLAY;)

THOMAS JAMES BRLETIC,)

13

Respondents.)

14

The State of Nevada, on relation of its Nevada Gaming Control Board (BOARD),

15

Complainant herein, by and through its counsel, ADAM PAUL LAXALT, Attorney General, by

16

JOHN S. MICHELA, Senior Deputy Attorney General, hereby files this Complaint for

17

disciplinary action against RESPONDENTS pursuant to Nevada Revised Statute

18

(NRS) 463.310(2) and alleges as follows:

19

1. Complainant, BOARD, is an administrative agency of the State of Nevada duly

20

organized and existing under and by virtue of chapter 463 of NRS and is charged with the

21

administration and enforcement of the gaming laws of this state as set forth in Title 41 of NRS

22

and the Regulations of the Nevada Gaming Commission.

23

2. SILVERADO RANCH RESTAURANTS, LLC, dba DOC HOLLIDAY'S (DOC

24

HOLLIDAY'S), located at 9821 S. Eastern Avenue, Las Vegas, Nevada held an active

25

restricted gaming license from October 13, 2011, through at least July 1, 2015. The restricted

26

gaming license of DOC HOLLIDAY'S is presently on an administrative hold due to outstanding

27

taxes and fees owed and for the purposes of pursuing this Complaint.

28

.....

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

1 3. BREWERY RESTAURANTS, LLC, dba 4 PLAY (4 PLAY), located at 3088 E.
2 Sunset Road, Las Vegas, Nevada holds an active restricted gaming license.

3 4. THOMAS JAMES BRLETIC (BRLETIC) is licensed as a 51 percent owner of DOC
4 HOLLIDAY'S and is licensed and found suitable to directly and indirectly hold a 100 percent
5 interest in 4 PLAY.

6 **RELEVANT LAW**

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

8 (a) The gaming industry is vitally important to the economy
9 of the State and the general welfare of the inhabitants.

10 (b) The continued growth and success of gaming is
11 dependent upon public confidence and trust that licensed gaming
12 and the manufacture, sale and distribution of gaming devices and
13 associated equipment are conducted honestly and competitively,
14 that establishments which hold restricted and nonrestricted licenses
15 where gaming is conducted and where gambling devices are
16 operated do not unduly impact the quality of life enjoyed by
17 residents of the surrounding neighborhoods, that the rights of the
18 creditors of licensees are protected and that gaming is free from
19 criminal and corruptive elements.

20 (c) Public confidence and trust can only be maintained by
21 strict regulation of all persons, locations, practices, associations
22 and activities related to the operation of licensed gaming
23 establishments, the manufacture, sale or distribution of gaming
24 devices and associated equipment and the operation of inter-casino
25 linked systems.

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

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

7. The Nevada Gaming Commission may also place "such conditions as it may deem
necessary in the public interest upon any registration, finding of suitability or approval for
which application has been made." NRS 463.220(3).

8. 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).

.....

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

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

11 Nev. Gaming Comm'n Reg. 5.040.

12 10. Nevada Gaming Commission Regulation 5.010 provides as follows:

13 1. It is the policy of the commission and the board to
14 require that all establishments wherein gaming is conducted in this
15 state be operated in a manner suitable to protect the public health,
16 safety, morals, good order and general welfare of the inhabitants
17 of the State of Nevada.

18 2. Responsibility for the employment and maintenance of
19 suitable methods of operation rests with the licensee, and willful or
20 persistent use or toleration of methods of operation deemed
21 unsuitable will constitute grounds for license revocation or other
22 disciplinary action.

23 Nev. Gaming Comm'n Reg. 5.010.

24 11. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as follows:

25 The board and the commission deem any activity on the
26 part of any licensee, his agents or employees, that is inimical to
27 the public health, safety, morals, good order and general welfare
28 of the people of the State of Nevada, or that would reflect or tend
to reflect discredit upon the State of Nevada or the gaming
industry, to 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:

.....

8. Failure to comply with or make provision for compliance
with all federal, state and local laws and regulations and with all
commission approved conditions and limitations pertaining to the
operations of a licensed establishment including, without limiting
the generality of the foregoing, payment of all license fees,
withholding any payroll taxes, liquor and entertainment taxes and
antitrust and monopoly statutes.

Nev. Gaming Comm'n Reg. 5.011 (8).

- 1 12. NRS 463.170 states in relevant part the following:
- 2 2. An application to receive a license or be found suitable
- 3 must not be granted unless the Commission is satisfied that the
- 4 applicant is:
- 5 (a) A person of good character, honesty and integrity;
- 6 (b) A person whose prior activities, criminal record, if any,
- 7 reputation, habits and associations do not pose a threat to the
- 8 public interest of this State or to the effective regulation and control
- 9 of gaming or charitable lotteries, or create or enhance the dangers
- 10 of unsuitable, unfair or illegal practices, methods and activities in
- 11 the conduct of gaming or charitable lotteries or in the carrying on of
- 12 the business and financial arrangements incidental thereto; and
- 13 (c) In all other respects qualified to be licensed or found
- 14 suitable consistently with the declared policy of the State.
- 15 3. A license to operate a gaming establishment or an inter-
- 16 casino linked system must not be granted unless the applicant has
- 17 satisfied the Commission that:
- 18 (a) The applicant has adequate business probity,
- 19 competence and experience, in gaming or generally; and
- 20 (b) The proposed financing of the entire operation is:
- 21 (1) Adequate for the nature of the proposed operation; and
- 22 (2) From a suitable source.
- 23 ↪ Any lender or other source of money or credit which the
- 24 Commission finds does not meet the standards set forth in
- 25 subsection 2 may be deemed unsuitable.
- 26 4. An application to receive a license or be found suitable
- 27 constitutes a request for a determination of the applicant's general
- 28 character, integrity, and ability to participate or engage in, or be
- associated with gaming or the operation of a charitable lottery, as
- appropriate. Any written or oral statement made in the course of
- an official proceeding of the Board or Commission by any member
- thereof or any witness testifying under oath which is relevant to the
- purpose of the proceeding is absolutely privileged and does not
- impose liability for defamation or constitute a ground for recovery in
- any civil action.
-
8. Any person granted a license or found suitable by the
- Commission shall continue to meet the applicable standards and
- qualifications set forth in this section and any other qualifications
- established by the Commission by regulation. The failure to
- continue to meet such standards and qualifications constitutes
- grounds for disciplinary action.

28 NRS 463.170(2), (3), (4) and (8).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

13. Nevada Gaming Commission Regulation 8.050 states:

Except as and to the extent provided in these regulations pertaining to emergency situations, no money or other thing of value constituting any part of the consideration for the transfer or acquisition of any interest in a licensed gaming operation, in a licensee or in a holding company shall be paid over, received or used until complete compliance has been had with all prerequisites set forth in the law and these regulations for the consummation of such transaction; but such funds may be placed in escrow pending completion of the transaction. Any loan, pledge or other transaction between the parties or with other parties may be deemed an attempt to evade the requirements of this regulation and, as such, in violation of this regulation.

Nev. Gaming Comm'n Reg. 8.050.

14. Nevada Revised Statute 463.373 states:

1. Before issuing a state gaming license to an applicant for a restricted operation, the Commission shall charge and collect from the applicant for each slot machine for each quarter year:

(a) A license fee of \$81 for each slot machine if the applicant will have at least 1 but not more than 5 slot machines.

(b) A license fee of \$405 plus \$141 for each slot machine in excess of 5 if the applicant will have at least 6 but not more than 15 slot machines.

2. The Commission shall charge and collect the fee prescribed in subsection 1:

(a) On or before the last day of the last month in a calendar quarter, for the ensuing calendar quarter, from a licensee whose operation is continuing.

(b) In advance from a licensee who begins operation or puts additional slot machines into play during a calendar quarter.

3. Except as otherwise provided in NRS 463.386, no proration of the fee prescribed in subsection 1 may be allowed for any reason.

4. The operator of the location where slot machines are situated shall pay the fee prescribed in subsection 1 upon the total number of slot machines situated in that location, whether or not the machines are owned by one or more licensee-owners.

NRS 463.373.

15. Nevada Revised Statute 463.385 states in relevant part:

1. In addition to any other license fees and taxes imposed by this chapter, there is hereby imposed upon each slot machine operated in this State an annual excise tax of \$250. If a slot machine is replaced by another, the replacement is not considered a different slot machine for the purpose of imposing this tax.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

2. The Commission shall:
- (a) Collect the tax annually on or before June 30, as a condition precedent to the issuance of a state gaming license to operate any slot machine for the ensuing fiscal year beginning July 1, from a licensee whose operation is continuing.
 - (b) Collect the tax in advance from a licensee who begins operation or puts additional slot machines into play during the fiscal year, prorated monthly after July 31.
 - (c) Include the proceeds of the tax in its reports of state gaming taxes collected.

NRS 463.385(1) and (2).

16. Nevada Revised Statute 463.270 states in relevant part:

2. All state gaming licenses are subject to renewal on the first day of each January and all quarterly state gaming licenses on the first day of each calendar quarter thereafter.

3. Application for renewal must be filed with the Commission, and all state license fees and taxes required by law, including, without limitation, NRS 368A.200, 463.370, 463.373 to 463.3855, inclusive, 463.660, 464.015 and 464.040, must be paid to the Board on or before the dates respectively provided by law for each fee or tax.

....

5. Any person failing to pay any state license fees or taxes due at the times respectively provided shall pay in addition to such license fees or taxes a penalty of not less than \$50 or 25 percent of the amount due, whichever is the greater, but not more than \$1,000 if the fees or taxes are less than 10 days late and in no case in excess of \$5,000. The penalty must be collected as are other charges, license fees and penalties under this chapter.

6. Any person who operates, carries on or exposes for play any gambling game, gaming device or slot machine or who manufactures, sells or distributes any gaming device, equipment, material or machine used in gaming after his license becomes subject to renewal, and thereafter fails to apply for renewal as provided in this section, is guilty of a misdemeanor and, in addition to the penalties provided by law, is liable to the State of Nevada for all license fees, taxes and penalties which would have been due upon application for renewal.

....

8. The voluntary surrender of a license by a licensee does not become effective until accepted in the manner provided in the regulations of the Commission. The surrender of a license does not relieve the former licensee of any penalties, fines, fees, taxes or interest due.

NRS 463.270(2), (3), (5), (6), and (8).

1 17. Nevada Gaming Commission Regulation 5.030 provides as follows:

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

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

10 **COUNT ONE**

11 **NEVADA REVISED STATUTE 463.170 and/or VIOLATION OF NEVADA GAMING**

12 **COMMISSION REGULATION 5.011(8) and/or NEVADA GAMING COMMISSION**

13 **REGULATION 8.050**

14 18. Complainant BOARD realleges and incorporates by reference as though set forth
15 in full herein paragraphs 1 through 17 above.

16 19. In or around May of 2015, Heidi Gray and James Gray ("the Grays") entered into a
17 verbal agreement that they would purchase DOC HOLLIDAY'S from BRLETIC.

18 20. On or about May 30, 2015, the Grays paid \$5,000 in cash and outside of escrow to
19 BRLETIC toward the purchase of DOC HOLLIDAY'S.

20 21. On or about June 8, 2015, BRLETIC and James Gray entered into a written
21 agreement where BRLETIC agreed to sell "the business and gaming license" of DOC
22 HOLLIDAY'S to James Gray.

23 22. On or about June 8, 2015, and in conjunction with the executed purchase
24 agreement, the Grays paid another \$5,000 in cash and outside of escrow to BRLETIC toward
25 the purchase of DOC HOLLIDAY'S.

26 23. The two \$5,000 cash payments from the Grays were reflected as a \$10,000
27 payment from James Gray to BRLETIC paid on June 8, 2015, in a document titled "Doc

28

1 Holidays Payment Ledger." Both BRLETIC and James Gray signed the ledger acknowledging
2 the payment.

3 24. On or before June 30, 2015, the Grays paid additional amounts related to the
4 expenses of DOC HOLLIDAY'S in excess of \$30,000.

5 25. On or before June 30, 2015, the Grays withdrew from the DOC HOLLIDAY'S
6 purchase agreement.

7 26. BRLETIC's actions as set out above are a violation of NRS 463.170 and/or Nevada
8 Gaming Commission Regulation 5.011(8) and/or Nevada Gaming Commission Regulation
9 8.050. This constitutes an unsuitable method of operation, and, as such, is grounds for
10 disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011(8) and 5.030.

11 **COUNT TWO**

12 **VIOLATION OF NEVADA REVISED STATUTE 463.170 and/or NEVADA REVISED**
13 **STATUTE 463.1405 and/or NEVADA REVISED STATUTE 463.220**

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

16 28. On or about August 25, 2011, the Nevada Gaming Commission approved DOC
17 HOLLIDAY'S for a restricted gaming license with the following condition: "[a] key employee
18 application must be filed within 60 days of issuance of the State Gaming License, and
19 thereafter be refiled within 60 days of any change in the person occupying that position."

20 29. On or about October 13, 2011, DOC HOLLIDAY'S activated its State gaming
21 license.

22 30. From July 26, 2012, to September 5, 2014, Robert James Phillips was the key
23 employee of DOC HOLLIDAY'S. A key employee application was filed for Robert James
24 Phillips, and Robert James Phillips received approval from the Nevada Gaming Commission
25 to act as the key employee.

26 31. Subsequent to Robert James Phillips' no longer acting as the key employee for
27 DOC HOLLIDAY'S, between September 5, 2014, and July 1, 2015, DOC HOLLIDAY'S failed
28 to cause a key employee application to be filed.

1 40. On or about July 1, 2015, DOC HOLLIDAY'S' quarterly licensing fees for the
2 quarter commencing July 1, 2015, in the amount of \$1,815.00, became due.

3 41. On or about July 1, 2015, DOC HOLLIDAY'S' annual licensing fees for the fiscal
4 year commencing July 1, 2015, in the amount of \$3,750.00, became due.

5 42. Penalties and interest have been added to the licensing fees pursuant to statute.

6 43. The BOARD has turned over collection efforts regarding the fees, penalties, and
7 interest to the State of Nevada, Controller's Office.

8 44. DOC HOLLIDAY'S' actions as set out above are a violation of NRS 463.170 and/or
9 NRS 463.373 and/or 463.385 and/or NRS 463.270 and/or Nevada Gaming Commission
10 Regulation 5.011(8). This constitutes an unsuitable method of operation, and, as such, is
11 grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011(8) and
12 5.030.

13 WHEREFORE, based upon the allegations contained herein which constitute
14 reasonable cause for disciplinary action against RESPONDENTS, pursuant to NRS 463.310,
15 and Nevada Gaming Commission Regulations 5.010 and 5.030, the NEVADA GAMING
16 CONTROL BOARD prays for the relief as follows:

17 1. That the Nevada Gaming Commission serve a copy of this Complaint on the
18 RESPONDENTS pursuant to NRS 463.312(2);

19 2. That the Nevada Gaming Commission fine RESPONDENTS a monetary sum
20 pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the
21 provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming
22 Commission;

23 3. That the Nevada Gaming Commission take action against RESPONDENTS' license
24 or licenses pursuant to the parameters defined in NRS 463.310(4); and

25

26

27

28

1 4. For such other and further relief as the Nevada Gaming Commission may deem just
2 and proper.

3
4 DATED this 11th day of August, 2016.

6 NEVADA GAMING CONTROL BOARD


7
8 
9 A.G. BURNETT, Chairman

10 
11 SHAWN R. REID, Member

12 _____
13 TERRY JOHNSON, Member

14 Submitted by:

15 ADAM PAUL LAXALT
16 Attorney General

17 By: 
18 JOHN S. MICHELA
19 Senior Deputy Attorney General
20 Gaming Division
21 (775) 687-2118

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

4. For such other and further relief as the Nevada Gaming Commission may deem just and proper.

DATED this 11th day of August, 2016.

NEVADA GAMING CONTROL BOARD

A.G. BURNETT, Chairman

SHAWN R. REID, Member

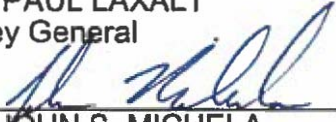


TERRY JOHNSON, Member

Submitted by:

ADAM PAUL LAXALT
Attorney General

By:



JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
(775) 687-2118

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