



NEVADA GAMING CONTROL BOARD

DISPOSITION APRIL 2022 MEETING

NEVADA GAMING CONTROL BOARD MEETING
GAMING CONTROL BOARD OFFICES
MEETING ROOM 100
1919 COLLEGE PARKWAY
CARSON CITY, NV 89706

Wednesday, April 6, 2022

- 9:00 a.m.** • Public Comments
- Approval of Prior Month GCB Disposition and Workshop/Meeting Minutes
- Nonrestricted Items **#01-04-22** through **#13-04-22**
- 2:00 p.m.** • Restricted Items **#01-04-22** through **#15-04-22**
- Inter-Casino Linked System – Final Approval
- Public Comments

Members Present:

Brin Gibson, Chair
Phil Katsaros, Member
Brittnie Watkins, Member

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This public comment agenda item is provided in accordance with NRS 241.020(2)(c)(3) which requires an agenda provide for a period devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Comments by the public may be limited to three minutes as a reasonable time, place and manner restriction, but may not be limited based upon viewpoint.

PUBLIC COMMENTS AND DISCUSSION:

Comments taken from members of the Culinary Union regarding Red Rock. Refer to Public Comment Attachment 1.

DISPOSITION
APPROVAL OF PRIOR MONTH GCB DISPOSITION AND WORKSHOP/MEETING MINUTES
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FOR POSSIBLE ACTION:

Pursuant to NRS 241.035, approval of:

Nevada Gaming Control Board Disposition for March 2022 and the Meeting Minutes for the workshop held on March 17, 2022.

GCB DISPOSITION: APPROVED.

**DISPOSITION
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Re: 34069-01
SILVEREAST LLC
(dba Molly's Bar & Grill)
9821 S EASTERN AVE
LAS VEGAS, NV 89183

RICHARD MICHAEL GONZALES 20%
(Transferor)

JEFFREY MICHAEL GONZALES 20%
(Transferee)
Member/Manager/General Manager

APPLICATION FOR A TRANSFER OF INTEREST

APPLICATION FOR LICENSURE AS A MEMBER, MANAGER, AND KEY EMPLOYEE

Re: 31011-01
GOMIL, INC.
(dba Molly's Tavern)
1021 S BUFFALO DR
LAS VEGAS, NV 89145

RICHARD MICHAEL GONZALES 20%
(Transferor) (20 Shares Common Stock)

JEFFREY MICHAEL GONZALES 20%
(Transferee) (20 Shares Common Stock)
Shareholder

APPLICATION FOR A TRANSFER OF INTEREST

APPLICATION FOR LICENSURE AS A SHAREHOLDER

Re: 31114-01
RMTWO, INC.
(dba Molly's)
6430 SKY POINTE DR STE 130
LAS VEGAS, NV 89131

RICHARD MICHAEL GONZALES 20%
(Transferor) (30 Shares Common Stock)

JEFFREY MICHAEL GONZALES 20%
(Transferee) (30 Shares Common Stock)
Shareholder

APPLICATION FOR A TRANSFER OF INTEREST

APPLICATION FOR LICENSURE AS A SHAREHOLDER

GCB RECOMMENDS: APPROVAL.

NGC DISPOSITION:

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FOR POSSIBLE ACTION:

03-04-22 N21-0513 Re: 33921-01
NOVO INVEST GMBH
IZ NÖ-SÜD STRASSE 6, OBJEKT 28
2355 WIENER NEUDORF
AUSTRIA

JOHANN FRIEDRICH GRAF 10%
(Transferor)

VZZZ PRIVATSTIFTUNG 10%
(Transferee)
Member

PATRICK VINZENT GRAF
Controlling Person/Beneficiary

APPLICATION FOR A TRANSFER OF INTEREST

**APPLICATION FOR REGISTRATION OF VZZZ PRIVATSTIFTUNG AS A
HOLDING COMPANY AND FOR FINDING OF SUITABILITY OF PATRICK
VINZENT GRAF AS A CONTROLLING PERSON AND BENEFICIARY**

**APPLICATION FOR FINDING OF SUITABILITY OF VZZZ PRIVATSTIFTUNG AS A
MEMBER**

GCB RECOMMENDS: APPROVAL.

NGC DISPOSITION:

FOR POSSIBLE ACTION:

04-04-22 N21-0412 Re: 31605-01
THE BHW GAMING TRUST
1501 E AULTMAN ST
ELY, NV 89301

JASON HUBERTUS WOYWOD
Co-Trustee/Co-Beneficiary

APPLICATION FOR FINDING OF SUITABILITY AS A TRUSTEE AND BENEFICIARY

GCB RECOMMENDS: APPROVAL.

NGC DISPOSITION:

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FOR POSSIBLE ACTION:

05-04-22 N21-0475 Re: 05171-01
01018-07
ELDORADO, INC., dba
JOKERS WILD
920 N BOULDER HWY
HENDERSON, NV 89011

JOHN FREDRICK SOU
Vice President/General Manager

APPLICATION FOR LICENSURE AS AN OFFICER AND KEY EMPLOYEE

GCB RECOMMENDS: APPROVAL.

NGC DISPOSITION:

FOR POSSIBLE ACTION:

06-04-22 N22-0382 Re: 32055-01
02424-08
FIFTH STREET GAMING, LLC, db at
WESTERN HOTEL & CASINO
899 FREMONT ST
LAS VEGAS, NV 89101

**APPLICATION FOR A NONRESTRICTED GAMING LICENSE
(SLOT MACHINES ONLY)**

GCB RECOMMENDS: APPROVAL, CONDITIONED:

(1) THE LOCATION IS LIMITED TO THE OPERATION OF SLOT MACHINES.

NGC DISPOSITION:

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FOR POSSIBLE ACTION:

07-04-22 N20-0590 Re: 29855-01
INTERNATIONAL GAME TECHNOLOGY PLC (PTC)
10 MEMORIAL BLVD
PROVIDENCE, RI 02903

MASSIMILIANO CHIARA
Chief Financial Officer/Director/Executive Vice President

**APPLICATION FOR FINDING OF SUITABILITY AS AN OFFICER, DIRECTOR, AND
KEY EMPLOYEE**

GCB RECOMMENDS: APPROVAL.

NGC DISPOSITION:

FOR POSSIBLE ACTION:

08-04-22 N21-0072 Re: 35370-01
PARK MGM, LLC
(dba Park MGM)
3770 LAS VEGAS BLVD S
LAS VEGAS, NV 89109

and

26394-01
BELLAGIO, LLC
(dba Bellagio)
3600 LAS VEGAS BLVD S
LAS VEGAS, NV 89109

DOUGLAS LEE SANDOVAL
Senior Vice President/Chief Financial Officer

APPLICATIONS FOR LICENSURE AS A KEY EXECUTIVE

GCB RECOMMENDS: APPROVAL.

NGC DISPOSITION:

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FOR POSSIBLE ACTION:

09-04-22 N22-0281 Re: 31871-01
31872-01(IO)
MGM RESORTS INTERACTIVE, LLC
3600 LAS VEGAS BLVD S
LAS VEGAS, NV 89109

**APPLICATION FOR A TWELFTH WAIVER OF THE PROVISIONS OF NGC
REGULATION 4.080 (WHICH IMPOSES A SIX-MONTH TIME LIMITATION WITHIN
WHICH COMMISSION ACTION IS EFFECTIVE), IN CONNECTION WITH APPROVAL
FOR LICENSURE AS AN OPERATOR OF INTERACTIVE GAMING AS GRANTED IN
NOVEMBER 2012**

GCB RECOMMENDS: APPROVAL, CONDITIONED:

**(1) THE WAIVER OF THE PROVISIONS OF NGC REGULATION 4.080, IN CONNECTION WITH THE APPROVAL
GRANTED IN NOVEMBER 2012, SHALL EXPIRE ON THE DATE OF THE REGULARLY SCHEDULED NGC
MEETING IN APRIL 2023.**

NGC DISPOSITION:

FOR POSSIBLE ACTION:

10-04-22 N22-0356 Re: 35196-01
N22-0357 31761-03
WH NV III, LLC, dba
WILLIAM HILL RACE & SPORTS BOOK, dba
PALMS CASINO RESORT – RACE AND SPORTS BOOK
4321 W FLAMINGO RD
LAS VEGAS, NV 89103

db at

PALMS CASINO RESORT
4321 W FLAMINGO RD
LAS VEGAS, NV 89103

**APPLICATION FOR A NONRESTRICTED GAMING LICENSE
(RACE BOOK AND SPORTS POOL ONLY)**

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**DISPOSITION
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Re: 31619-01
26541-02
FP HOLDINGS, L.P., dba
PALMS CASINO RESORT
4321 W FLAMINGO RD
LAS VEGAS, NV 89103

**APPLICATION BY FP HOLDINGS, L.P., TO RECEIVE A PERCENTAGE OF GAMING
REVENUE FROM THE RACE BOOK AND SPORTS POOL OPERATED BY WILLIAM
HILL RACE & SPORTS BOOK AT PALMS CASINO RESORT**

GCB RECOMMENDS: APPROVAL, CONDITIONED:

- (1) THE LICENSEE MUST COMPLY WITH NGC REGULATION 6.090 AS IT RELATES TO THE SUBMISSION OF AN ADEQUATE INTERNAL CONTROL SYSTEM AND COMPLIANCE WITH THE MINIMUM INTERNAL CONTROL STANDARDS FOR A COMPUTERIZED RACE AND SPORTS POOL.
- (2) ANY CHANGE IN ANY AGREEMENT OR THE CREATION OF ANY NEW AGREEMENT BETWEEN WH NV III, LLC AND FP HOLDINGS, L.P., MUST BE REPORTED TO THE NGCB WITHIN 30 DAYS OF SUCH CHANGE.
- (3) THE SURVEILLANCE SYSTEM MUST BE INSTALLED, INSPECTED AND APPROVED BY THE NGCB ENFORCEMENT DIVISION WITHIN 60 DAYS OF ISSUANCE OF THE STATE GAMING LICENSE AND THEREAFTER BE MAINTAINED AT OR ABOVE THE STANDARD THAT IS APPROVED.
- (4) EXCEPT AS OTHERWISE PROVIDED FOR BY THE NGCB CHAIR OR THE CHAIR'S DESIGNEE, THE TICKET WRITERS MUST BE EMPLOYEES OF WH NV III, LLC.
- (5) PRIOR ADMINISTRATIVE APPROVAL BY THE NGCB CHAIR OR THE CHAIR'S DESIGNEE IS REQUIRED FOR WH NV III, LLC, TO CONVERT A LOCATION FROM A KIOSK OPERATION TO A MANNED SATELLITE OPERATION, OR FROM A MANNED SATELLITE OPERATION TO A KIOSK OPERATION. IF ANY LICENSED LOCATION UTILIZES BOTH A MANNED SATELLITE OPERATION AND A KIOSK OPERATION, PRIOR ADMINISTRATIVE APPROVAL OF THE NGCB OR THE CHAIR'S DESIGNEE IS REQUIRED PRIOR TO CLOSING OR REOPENING A MANNED SATELLITE OPERATION.

NGC DISPOSITION:

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FOR POSSIBLE ACTION:

11-04-22 N22-0167 Re: 31716-01
888 HOLDINGS PLC (PTC)
601-701 EUROPORT
GIBRALTAR GX11-1AA

APPLICATION FOR A CONTINUOUS OR DELAYED PUBLIC OFFERING

Re: 31717-01
888 US LIMITED
(888 Holdings plc (PTC) – 100%)
601-701 EUROPORT
GIBRALTAR GX11-1AA

and

32820-01
888 US SERVICES INC.
(888 US Inc. – 100%)
1313 N MARKET ST
WILMINGTON, DE 19801

**APPLICATIONS TO GUARANTEE SECURITIES AND HYPOTHECATE
ASSETS IN CONJUNCTION WITH A CONTINUOUS OR DELAYED PUBLIC
OFFERING**

GCB RECOMMENDS: APPROVAL, SHELF ORDER, DRAFT #1.

NGC DISPOSITION:

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FOR POSSIBLE ACTION:

12-04-22 N22-0345 Re: 35147-01
MOHEGAN TRIBAL GAMING AUTHORITY (PTC), dba
MOHEGAN GAMING & ENTERTAINMENT
1 MOHEGAN SUN BLVD
UNCASVILLE, CT 06382

APPLICATION FOR AMENDMENT TO ORDER OF REGISTRATION

Re: 35292-01
MGNV HOLDING, LLC
(Mohegan Tribal Gaming Authority (PTC) – 100%)
1 MOHEGAN SUN BLVD
UNCASVILLE, CT 06382

**APPLICATION TO PLEDGE THE MEMBERSHIP INTEREST OF MGNV, LLC TO
CITIZENS BANK, N.A., AS COLLATERAL TRUSTEE, IN CONJUNCTION WITH A
CREDIT AGREEMENT**

**APPLICATION TO PLEDGE THE MEMBERSHIP INTEREST OF MGNV, LLC TO
CITIZENS BANK, N.A., AS COLLATERAL TRUSTEE, IN CONJUNCTION WITH
SECOND PRIORITY SENIOR SECURED NOTES**

GCB RECOMMENDS: APPROVAL, THIRD REVISED ORDER OF REGISTRATION, DRAFT #2.

NGC DISPOSITION:

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FOR POSSIBLE ACTION:

13-04-22 N22-0269 Re: 31979-01
31980-01 (IM)
32108-01 (D)
Z4POKER, LLC, dba
Z4
323 ORVILLE WRIGHT CT
LAS VEGAS, NV 89119

**APPLICATION FOR A TWELFTH WAIVER OF THE PROVISIONS OF NGC
REGULATION 4.080 (WHICH IMPOSES A SIX-MONTH TIME LIMITATION WITHIN
WHICH COMMISSION ACTION IS EFFECTIVE), IN CONNECTION WITH APPROVAL
FOR LICENSURE AS A MANUFACTURER OF AN INTERACTIVE GAMING SYSTEM
AND A DISTRIBUTOR (INTERACTIVE GAMING SYSTEM ONLY) AS GRANTED IN
NOVEMBER 2012**

GCB RECOMMENDS: APPROVAL, CONDITIONED:

- (1) THE WAIVER OF THE PROVISIONS OF THE NGC REGULATION 4.080, IN CONNECTION WITH THE APPROVALS GRANTED IN NOVEMBER 2012, FOR LICENSURE AS A MANUFACTURER OF AN INTERACTIVE GAMING SYSTEM AND A DISTRIBUTOR (INTERACTIVE GAMING SYSTEM ONLY), SHALL EXPIRE ON THE DATE OF THE REGULARLY SCHEDULED NGC MEETING IN APRIL 2023.**

NGC DISPOSITION:

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FOR POSSIBLE ACTION:

03-04-22 R21-0542 Re: 35600-01
04542-06
15 Machines TAJ GROUP LLC, dba
STAKE OUT BAR & GRILL
4800 S MARYLAND PKWY STE A
LAS VEGAS, NV 89119

JOSHUA USSAMA ALDABBAGH 33.33%
Member/Manager

THOMAS DAVID BOLEY 33.33%
Member/Manager

ARAN WILLIAM KAHN 33.33%
Member/Manager

APPLICATION FOR A RESTRICTED GAMING LICENSE

APPLICATIONS FOR LICENSURE AS A MEMBER AND MANAGER

GCB RECOMMENDS: APPROVAL, CONDITIONED:

- (1) THE LICENSEE SHALL DEMONSTRATE SUCCESSFUL COMPLETION OF A REGULATORY COMPLIANCE SEMINAR FOR RESTRICTED LICENSEES WHICH IS DEEMED ACCEPTABLE TO THE NGCB CHAIR OR THE CHAIR'S DESIGNEE WITHIN 90 DAYS OF THE ISSUANCE OF THE STATE GAMING LICENSE. THIS CONDITION MAY BE ADMINISTRATIVELY EXTENDED BY THE NGCB CHAIR OR THE CHAIR'S DESIGNEE.

NGC DISPOSITION:

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FOR POSSIBLE ACTION:

04-04-22 R22-0058 Re: 35703-01
35704-01
15 Machines FTP VIII, LLC, dba
FLOWING TIDE PUB & GRILL
6420 CENTENNIAL CENTER BLVD STE 100
LAS VEGAS, NV 89149

JASON CHRISTOPHER TOLOTTI 50%
Member/Manager

JUSTIN SETH MOSCOVE 50%
Member

APPLICATION FOR A RESTRICTED GAMING LICENSE

APPLICATIONS FOR LICENSURE AS A MEMBER AND/OR MANAGER

GCB RECOMMENDS: APPROVAL, CONDITIONED:

(1) JUSTIN SETH MOSCOVE SHALL IMMEDIATELY REPORT TO THE BOARD ANY CRIMINAL CHARGES THAT MAY BE IMPOSED AGAINST HIM BY ANY LAW ENFORCEMENT AUTHORITY WITH THE EXCEPTION OF MINOR TRAFFIC VIOLATIONS.

NGC DISPOSITION:

FOR POSSIBLE ACTION:

05-04-22 R21-0474 Re: 17602-01
35556-01
7 Machines SPEEDEE MART, INC., dba
SPEEDEE MART #129
3465 VOLUNTEER BLVD STE 100
HENDERSON, NV 89044

APPLICATION FOR A RESTRICTED GAMING LICENSE

GCB RECOMMENDS: APPROVAL, CONDITIONED:

(1) THE SURVEILLANCE SYSTEM AND/OR MIRROR(S) MUST BE INSPECTED AND APPROVED BY THE NGCB ENFORCEMENT DIVISION WITHIN 60 DAYS OF ISSUANCE OF THE STATE GAMING LICENSE AND THEREAFTER BE MAINTAINED AT OR ABOVE THE STANDARD THAT IS APPROVED.

NGC DISPOSITION:

**DISPOSITION
INTER-CASINO LINKED SYSTEM(S) – FINAL APPROVAL ITEMS
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FOR POSSIBLE ACTION:

**LS01-04-22 D2021-0037 INTER-CASINO SCIENTIFIC GAMES GAME MANAGER (GM) ATLAS
LINKED SYSTEM: 5.0.1 INTER-CASINO LINKED SYSTEM**

MANUFACTURER: 01669-02
SCIENTIFIC GAMES
6601 BERMUDA RD
LAS VEGAS, NV 89119

TRIAL LOCATIONS: 17503-01
BOULDER STATION HOTEL & CASINO
4111 BOULDER HWY
LAS VEGAS, NV 89121

27038-01
GREEN VALLEY RANCH STATION CASINO
2300 PASEO VERDE PKWY
HENDERSON, NV 89052

03149-02
PALACE STATION HOTEL & CASINO
211 W SAHARA AVE
LAS VEGAS, NV 89102

29196-01
RED ROCK CASINO RESORT SPA
11011 W CHARLESTON BLVD
LAS VEGAS, NV 89135

15331-02
SANTA FE STATION HOTEL & CASINO
4949 N RANCHO DR
LAS VEGAS, NV 89130

16690-01
SUNSET STATION HOTEL & CASINO
1301 W SUNSET RD
HENDERSON, NV 89014

**REQUEST FOR FINAL APPROVAL FOR THE OPERATION OF
A NEW INTER-CASINO LINKED SYSTEM**

GCB RECOMMENDS: FINAL APPROVAL.

NGC DISPOSITION:

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This public comment agenda item is provided in accordance with NRS 241.020(2)(c)(3) which requires an agenda provide for a period devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Comments by the public may be limited to three minutes as a reasonable time, place and matter restriction, but may not be limited based upon viewpoint.

PUBLIC COMMENTS AND DISCUSSION: No comments.



January 7, 2022

Ms. Stacie Gorman
U.S. Securities and Exchange Commission
Division of Corporation Finance - Office of Real Estate and Construction
100 F Street, NE,
Washington, DC 20549

cc: Renee Jones - Division Director, Ronald Alper - Office Counsel, Larry Spigel - Disclosure Review

RE: Red Rock Resorts' deficient board diversity claims

Dear Ms. Gorman,

We request the SEC investigate board diversity disclosures at Red Rock Resorts (NASDAQ: RRR) and to determine if Red Rock's Nominating and Corporate Governance committee is meeting requirements under SEC rule 229.407(c)(2)(vi) on the implementation and assessment of board diversity policies.¹ Red Rock's five-person board has been the same white men since its 2015 IPO² and we believe Red Rock's justification for its board composition relies on deficient claims.

Red Rock is the only one of the nine publicly traded Nevada-based casino gaming companies with zero women on its board of directors. In the Corporate Governance - Diversity section in its 2020 and 2021 proxy filings, Red Rock tells shareholders that it considers gender among its diversity characteristics and then explains that "the [gaming] licensing process is onerous, invasive, time consuming and expensive. Because of this, it is difficult to identify well-qualified candidates willing to subject themselves, as well as their families, to the rigorous and intrusive process necessary to obtain a gaming license. As a result of the limited pool of potential directors and the strong qualifications of our present Board, we believe that the current composition of our Board is in the best interest of the Company."³

There are several indicators that suggest there is not a limited pool of potential directors for Nevada-based gaming companies. Every publicly traded Nevada-based casino gaming company except Red Rock has at least one woman serving as a director,⁴ amounting to 20 out of 76 directors, or 26%, with half of them joining these boards since 2018.⁵ Nationally, women now make up 30% of all directors in the S&P 500, which is up from 28% last year and 16% a decade ago.⁶ And in the Russell 3000 index, women of all races account for 27 percent of all directors, up from 24 percent.⁷

The pool of female directors for Nevada casino gaming companies appears to be no smaller than national averages. Therefore, it is concerning that Red Rock justifies its board composition through the problematic idea that if only there were a larger pool of candidates then the Board might look different.

CULINARY WORKERS UNION LOCAL 226
Affiliated with UNITE HERE INTERNATIONAL UNION
1630 SOUTH COMMERCE STREET LAS VEGAS, NEVADA 89102
(702) 385-2131 • CULINARYUNION226.ORG • @CULINARY226

ATTACHMENT – PUBLIC COMMENT #1
April 6, 2022

	Exchange	Board Total	Female	Male	% female
<u>RRR</u> : Red Rock Resorts Inc.	NASDAQ	5	0	5	0%
<u>FLL</u> : Full House Resorts Inc.	NASDAQ	8	1	7	13%
<u>GDEN</u> : Golden Entertainment Inc.	NASDAQ	5	1	4	20%
<u>MCRI</u> : Monarch Casino & Resort	NASDAQ	5	1	4	20%
<u>LVS</u> : Las Vegas Sands Corp	NYSE	11	3	8	27%
<u>CZR</u> : Caesars Entertainment Inc.	NASDAQ	10	3	7	30%
<u>BYD</u> : Boyd Gaming Corp	NYSE	10	3	7	30%
<u>MGM</u> : MGM Resorts Int'l	NYSE	12	4	8	33%
<u>WYNN</u> : Wynn Resorts Ltd	NASDAQ	10	4	6	40%

Red Rock's deficient claims about board diversity also rely on the problematic claim that the pool of potential directors is too small because of the gaming license process. The gaming license process is not a justifiable obstacle to board diversity, as evidenced by the presence of women on the boards of every publicly traded Nevada-based gaming company except Red Rock, with half of them joining since 2018.

First, while gaming license applicants are subject to what the Nevada Gaming Control Board describes as an "extensive investigation of personal background and financial activity to verify suitability,"⁸ regulations of the Nevada Gaming Control Board do not require licensing of every director of a publicly traded corporation. To the contrary, Regulation 16.415 requires licensing only of directors who are actively and directly engaged in the administration or supervision of gaming activities, and identifies the board chair and chair of the audit committee as among the directors who must normally be licensed.⁹ Red Rock can elevate directors to the Board without their undergoing the rigors of the licensing process where they do not meet the licensing requirements.

Second, since Red Rock announced its board upon its IPO in 2015, almost every other peer company has managed to draw from a pool of potential directors and either replaced or added directors.¹⁰ Of the nine publicly traded Nevada-based casino gaming companies, Red Rock and Monarch Casinos are the only companies that have not changed the composition of their boards of directors in the past six years. Yet Monarch, unlike Red Rock, has managed to maintain a gender-diverse board for over a decade.¹¹

In addition to improved disclosure on the pool of potential new directors, Red Rock shareholders deserve to know more about what steps the Company takes to implement its own diversity policy since it was first disclosed in 2020.¹² This may be important for shareholders because the year before Red Rock's diversity policy was disclosed, CalPERS claimed in a 2019 notice of exempt solicitation that Red Rock was non-responsive to its requests from July 2017 and throughout 2018 to engage regarding improving board diversity.¹³

We believe that Red Rock and members of its Nominating Committee have to do more following their implementation of a diversity policy in 2020 in order to meet the company's disclosure

obligations under SEC rule 229.407(c)(2)(vi). That rule states “if the nominating committee (or the board) has a policy with regard to the consideration of diversity in identifying director nominees, describe how this policy is implemented, as well as how the nominating committee (or the board) assesses the effectiveness of its policy.”¹⁴

Red Rock shareholders deserve to know whether the Company’s diversity policy is effective or not. For example, what does Red Rock mean when it states in its diversity policy that “we remain continuously open to recruiting well-qualified diverse candidates to our Board”?¹⁵ Red Rock’s three independent directors, Mr. Robert Cashell Jr., Mr. Robert Lewis, and Mr. James Nave, have been on the Red Rock board since its IPO, comprise the Nominating and Corporate Governance Committee, and were board members of Red Rock’s predecessor company since 2011.¹⁶ What can the Company disclose to back up the claim that the recruitment of diverse candidates is active and ongoing?

Lastly, given Red Rock is listed on Nasdaq, it is important to note that the SEC recently approved Nasdaq’s plan to boost diversity on corporate boards¹⁷ by requiring each Nasdaq-listed company by August 2023 “to have, or explain why it does not have, at least two members of its board of directors who are Diverse.”¹⁸ Nasdaq, through reviewing dozens of empirical studies, found that gender-diverse boards are “positively associated with improved corporate governance and financial performance,” and that having at least one woman on a board is associated with “lower likelihood of material weaknesses in internal control over financial reporting and a lower likelihood of material financial restatements.”¹⁹

We assume Red Rock’s board knows it is an outlier on board diversity and that it is aware of research showing the benefits of board diversity. However, Nasdaq has said it will not evaluate the substance or merits of a company’s explanation as to why it does not have a diverse board.²⁰ Therefore, we believe it is up to the SEC to evaluate how Red Rock explains board diversity to its shareholders, which as we have indicated is deficient and may require greater disclosure.

Thank you for your time. Sincerely,



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¹ SEC rule 229.407(c)(2)(vi) Corporate governance, (c) Nominating Committee: “(2) Provide the following information regarding the registrant’s director nomination process: (vi) Describe the nominating committee’s process for identifying and evaluating nominees for director, including nominees recommended by security holders, and any differences in the manner in which the nominating committee evaluates nominees for director based on whether the nominee is recommended by a security holder, and whether, and if so how, the nominating committee (or the board) considers diversity in identifying nominees for director. If the nominating committee (or the board) has a policy with regard to the consideration of diversity in identifying director nominees, describe how

this policy is implemented, as well as how the nominating committee (or the board) assesses the effectiveness of its policy;" <https://www.govinfo.gov/content/pkg/CFR-2011-title17-vol2/pdf/CFR-2011-title17-vol2-sec229-407.pdf>

² "Red Rock Resorts Inc. operates 20 casinos, employing nearly 14,000 people. Its board of directors, however, has just five members. Two are brothers. All of them are white men," <https://www.bloomberg.com/news/articles/2019-06-05/red-rock-s-all-white-all-male-board-draws-calpers-attention?sref=aIW2Wcdt>. And see <http://redrockresorts.investorroom.com/board-of-directors>: "Mr. Cashell has served as a member of the Board of the Company since its formation in September 2015 and served as a member of Station Holdco's board of directors from June 2011 until Station Holdco became member managed in connection with the IPO." "Mr. Lewis has served as a member of the Board of the Company since its formation in September 2015 and served as a member of Station Holdco's board of directors from June 2011 until Station Holdco became member managed in connection with the IPO" "Dr. Nave has served as a member of the Board of the Company since its formation in September 2015 and served as a member of Station Holdco's board of directors from June 2011 until Station Holdco became member managed in connection with the IPO" – Red Rock Resorts Board of Directors

³ Red Rock Resorts, Inc. 2021 proxy statement <https://www.sec.gov/Archives/edgar/data/0001653653/000119312521126921/d163768ddef14a.htm> and 2020 proxy statement <https://www.sec.gov/Archives/edgar/data/0001361658/000136165820000089/a2020proxystatement.htm>

"Diversity. In recruiting and evaluating director candidates, we consider such factors as industry background, financial and business experience, public company experience, other relevant education and experience, general reputation, independence and diversity, including gender, ethnicity, physical ability and sexual orientation, among other diversity characteristics. In addition, the operation and management of gaming facilities are subject to extensive regulation. Gaming regulatory agencies in certain of the jurisdictions in which we operate may require our directors to maintain licenses. The licensing process is onerous, invasive, time consuming and expensive. Because of this, it is difficult to identify well-qualified candidates willing to subject themselves, as well as their families, to the rigorous and intrusive process necessary to obtain a gaming license. **As a result of the limited pool of potential directors and the strong qualifications of our present Board, we believe that the current composition of our Board is in the best interest of the Company.** We remain continuously open to recruiting well-qualified diverse candidates to our Board." (Emphasis added.)

⁴ The criteria for the chart is that the company is 1) a publicly traded casino gaming company 2) headquartered in Nevada and 3) appears on this list: <https://gaming.nv.gov/modules/showdocument.aspx?documentid=13905>; Source for Board composition data: Company Investor Relations webpages as of December 20, 2021.

⁵ Half of the women on Nevada gaming company boards joined these since 2018.

COMPANY	DIRECTOR	YEAR JOINED
Full House Resorts Inc.	1 Kathleen M. Marshall	<u>2007</u>
Golden Entertainment Inc.	2 Ann N. Dozier	<u>2019</u>
Monarch Casino & Resort Inc.	3 Yvette Landau	<u>2010</u>
Las Vegas Sands Corp.	4 Micheline Chau	<u>2014</u>
	5 Nora M. Jordan	<u>2021</u>
	6 Yibling Mao	<u>2021</u>
Caesars Entertainment Inc.	7 Bonnie Biumi	<u>2020</u>
	8 Jan Jones Blackhurst	<u>2019</u>
	9 Sandra Douglass Morgan	<u>2021</u>
Boyd Gaming Corp.	10 Marianne Boyd Johnson	<u>1990</u>
	11 Christine J. Spadafor	<u>2009</u>
	12 Veronica Wilson	<u>2003</u>
MGM Resorts International	13 Mary Chris Jammet	<u>2014</u>
	14 Alexis M. Herman	<u>2002</u>
	15 Rose McKinney-James	<u>2005</u>
	16 Jan Swartz	<u>2018</u>

Wynn Resorts Ltd.	17 Betsy S. Atkins	2018
	18 Patricia Mulroy	2015
	19 Margaret J. "Dee Dee" Myers	2018
	20 Winifred "Wendy" Webb	2018

⁶ See <https://www.cnbc.com/2021/10/20/30percent-of-all-sp-500-board-directors-are-women-a-new-landmark.html> "Despite strides for overall diversity, progress for women, according to the report, is varied. According to this year's Index, women now make up 30% of all directors in the S&P 500, which is up from 28% last year and 16% a decade ago. However, the proportion of women among new independent directors has decreased to 43% from 47% last year." - *For the first time, 30% of all S&P 500 board directors are women* (Emphasis added.)

⁷ See <https://www.nytimes.com/2022/01/03/business/corporate-board-diversity.html>: "Directors who are Black, Asian, Hispanic, Middle Eastern or from another nonwhite ethnic group now occupy 4,500 board seats among companies in the Russell 3000 stock index, 25 percent more than they did at the end of 2020 and nearly 50 percent more than at the end of 2019. Those numbers come from an analysis by ISS Corporate Solutions, which advises businesses on corporate governance, executive pay and social and environmental issues. Directors from underrepresented groups occupy 17 percent of board seats, up from 14 percent in 2020, the ISS Corporate Solutions data shows. Women, of all races, have also made gains. They now account for 27 percent of all directors, up from 24 percent." - *Board Diversity Increased in 2021. Some Ask What Took So Long.* (Emphasis added.)

⁸ See <https://gaming.nv.gov/modules/showdocument.aspx?documentid=14995> "The Investigations Division is charged with investigating all individuals and companies seeking a privileged Nevada gaming license, registration, finding of suitability or other approval. Applicants for these approvals are subject to extensive investigation of personal background and financial activity to verify suitability." - Nevada Gaming Control Board, October 2021

⁹ See Regulation 16.415 <https://gaming.nv.gov/modules/showdocument.aspx?documentid=16895>

¹⁰

COMPANY	DIRECTOR	YEAR JOINED
Full House Resorts Inc.	Eric J. Green	2020
Golden Entertainment Inc.	Ann N. Dozier	2019
Monarch Casino & Resort Inc.	Paul Andrews	2014
Las Vegas Sands Corp.	Yibling Mao	2021
Caesars Entertainment Inc.	Sandra Douglass Morgan	2021
Boyd Gaming Corp.	A. Randall Thoman	2019
MGM Resorts International	Jan Swartz	2018
Wynn Resorts Ltd.	Betsy S. Atkins	2018

¹¹ See https://www.monarchcasino.com/corporategovernance_boardofdirectors.asp "Yvette Landau has been a member of the Board since June 2010." - Monarch Casino Resort Inc. Board of Directors

¹² Other casino companies have disclosed concrete steps toward board diversity in recent years. For example, in 2019, Wynn Resorts Ltd. adopted an NFL-style "Rooney Rule" to "include, and have any search firm that it engages to include, candidates with a diverse - race, gender, and ethnicity - background when evaluating new candidates for the Board" (see

<https://www.sec.gov/Archives/edgar/data/0001174922/000119312521094592/d132438ddef14a.htm>). In 2020, Las Vegas Sands Corp. implemented a new DEI (diversity, equity, and inclusion) charter and created a DEI advisory council with corporate governance as one of its five core focus areas (see

https://www.sec.gov/Archives/edgar/data/0001300514/000130817921000126/livs2021_def14a.pdf)

MGM Resorts International's 2021 proxy statement includes graphs representing the diversity of its board composition by race, gender, age, and tenure. (see

https://www.sec.gov/Archives/edgar/data/0000789570/000114036121010237/nc10017770x2_def14a.htm#tBD)

¹³ CalPERS in a 2019 notice of exempt solicitation claimed Red Rock was non-responsive to diversity concerns: "In addition to our request for majority vote for directors, we would like to highlight the following governance

concerns at the company: Non-responsiveness to CalPERS' requests to engage the company regarding improving its board diversity. CalPERS' multiple requests to engage the company starting in July 2017 and throughout 2018 have been unanswered."

<https://www.sec.gov/Archives/edgar/data/0000919079/000114036119010324/formpx14a6g.htm>

¹⁴ SEC rule 229.407(c)(2)(vi) Corporate governance, (c) Nominating Committee: "(2) Provide the following information regarding the registrant's director nomination process: (vi) Describe the nominating committee's process for identifying and evaluating nominees for director, including nominees recommended by security holders, and any differences in the manner in which the nominating committee evaluates nominees for director based on whether the nominee is recommended by a security holder, and whether, and if so how, the nominating committee (or the board) considers diversity in identifying nominees for director. If the nominating committee (or the board) has a policy with regard to the consideration of diversity in identifying director nominees, describe how this policy is implemented, as well as how the nominating committee (or the board) assesses the effectiveness of its policy;" <https://www.govinfo.gov/content/pkg/CFR-2011-title17-vol2/pdf/CFR-2011-title17-vol2-sec229-407.pdf>

¹⁵ Red Rock Resorts, Inc. 2021 proxy statement

<https://www.sec.gov/Archives/edgar/data/0001653653/000119312521126921/d163768ddef14a.htm> and 2020 proxy statement

<https://www.sec.gov/Archives/edgar/data/0001361658/000136165820000089/a2020proxystatement.htm>

"Diversity. In recruiting and evaluating director candidates, we consider such factors as industry background, financial and business experience, public company experience, other relevant education and experience, general reputation, independence and diversity, including gender, ethnicity, physical ability and sexual orientation, among other diversity characteristics. In addition, the operation and management of gaming facilities are subject to extensive regulation. Gaming regulatory agencies in certain of the jurisdictions in which we operate may require our directors to maintain licenses. The licensing process is onerous, invasive, time consuming and expensive. Because of this, it is difficult to identify well-qualified candidates willing to subject themselves, as well as their families, to the rigorous and intrusive process necessary to obtain a gaming license. As a result of the limited pool of potential directors and the strong qualifications of our present Board, we believe that the current composition of our Board is in the best interest of the Company. **We remain continuously open to recruiting well-qualified diverse candidates to our Board.**"(Emphasis added.)

¹⁶ See <http://redrockresorts.investorroom.com/board-of-directors> "Mr. Cashell has served as a member of the Board of the Company since its formation in September 2015 and served as a member of Station Holdco's board of directors from June 2011 until Station Holdco became member managed in connection with the IPO." "Mr. Lewis has served as a member of the Board of the Company since its formation in September 2015 and served as a member of Station Holdco's board of directors from June 2011 until Station Holdco became member managed in connection with the IPO" "Dr. Nave has served as a member of the Board of the Company since its formation in September 2015 and served as a member of Station Holdco's board of directors from June 2011 until Station Holdco became member managed in connection with the IPO" – Red Rock Resorts Board of Directors

¹⁷ See <https://www.cnbc.com/2021/08/06/sec-approves-nasdaqs-plan-to-boost-diversity-on-corporate-boards.html> "The Securities and Exchange Commission on Friday approved new Nasdaq rules that will require companies that list shares on its exchanges to meet certain race and gender targets." - *SEC approves Nasdaq's plan to boost diversity on corporate boards*

¹⁸ "Under the Board Diversity Proposal, the Exchange proposes to require each Nasdaq listed company, subject to certain exceptions, to publicly disclose in an aggregated form, to the extent permitted by applicable law, information on the voluntary self-identified gender and racial characteristics and LGBTQ+ status (all terms defined below) of the company's board of directors. **The Exchange also proposes to require each Nasdaq-listed company, subject to certain exceptions, to have, or explain why it does not have, at least two members of its board of directors who are Diverse, including at least one director who self-identifies as female and at least one director who self-identifies as an Underrepresented Minority or LGBTQ+.** Under the Board Recruiting Service Proposal, the Exchange proposes to provide certain Nasdaq-listed companies with one year of complimentary access for two users to a board recruiting service, which would provide access to a network of board-ready diverse candidates for companies to identify and evaluate." <https://www.sec.gov/rules/sro/nasdaq/2021/34-92590.pdf> (Emphasis added.)

¹⁹ "Nasdaq reviewed dozens of empirical studies and found that an extensive body of academic research demonstrates that diverse boards are positively associated with improved corporate governance and financial performance. For example, as discussed in detail below in Section II, Academic Research: The Relationship between Diversity and Shareholder Value, Investor Protection and Decision Making, studies have found that companies with gender-diverse boards or audit committees are associated with: more transparent public disclosures and less information asymmetry; better reporting discipline by management; a lower likelihood of manipulated earnings through earnings management; an increased likelihood of voluntarily disclosing forward looking information; a lower likelihood of receiving audit qualifications due to errors, non-compliance or omission of information; and a lower likelihood of securities fraud. In addition, studies found that having at least one woman on the board is associated with a lower likelihood of material weaknesses in internal control over financial reporting and a lower likelihood of material financial restatements. Studies also identified positive relationships between board diversity and commonly used financial metrics, including SR-NASDAQ-2020-081 Page 10 of 271 higher returns on invested capital, returns on equity, earnings per share, earnings before interest and taxation margin, asset valuation multiples and credit ratings."

<https://listingcenter.nasdaq.com/assets/RuleBook/Nasdaq/filings/SR-NASDAQ-2020-081.pdf> (Emphasis added.)

²⁰ "If a company elects to satisfy the requirements of proposed Rule 5605(f)(2) by disclosing why it does not meet the applicable diversity objectives, the company would be required to: (i) specify the requirements of proposed Rule 5605(f)(2) that are applicable; and (ii) explain the reasons why it does not have two Diverse directors (or one Diverse director for a Company with a Smaller Board). The Exchange would not evaluate the substance or merits of a company's explanation." <https://www.sec.gov/rules/sro/nasdaq/2021/34-92590.pdf>