Case No. 21-04

STATE OF NEVADA

BEFORE THE NEVADA GAMING COMMISSION

NEVADA GAMING CONTROL BOARD Complainant, vs. STATION CASINOS LLC; NP RED ROCK LLC, dba RED ROCK CASINO RESORT SPA, Respondent[s].	**STIPULATION FOR SETTLEMENT AND ORDER**

The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD (BOARD), Complainant herein, filed and served a Complaint, NGC Case No. 21-04, against the above-captioned RESPONDENTS alleging certain violations of the Nevada Gaming Control Act and Regulations of the Nevada Gaming Commission.

IT IS HEREBY STIPULATED AND AGREED to by the BOARD and RESPONDENTS that the Complaint, NGC Case No. 21-04, filed against RESPONDENTS in the above-entitled case shall be settled on the following terms and conditions:

1. RESPONDENTS do not admit or deny the allegations set forth in the Complaint, NGC Case No. 21-04.

2. RESPONDENTS specifically make the following statements with regard to their position in this matter and the settlement thereof:

   a. RESPONDENTS admit they failed to maintain their virtual servers on which the Stadium software operated, and that this failure may have contributed to certain of the inadvertent, involuntary "acceptance" of ostensible past-posted wagers as set out in Count I of the Complaint. This failure occurred after RESPONDENTS' response to an Order to Show Cause served by the BOARD on or about August 29, 2019.

b. However, RESPONDENTS assert that the ability of customers to make the ostensible past-posted wagers was caused in the first instance by a flaw or defect in the Stadium software.

c. Based on the instances of ostensible past posted wagers, RESPONDENTS are in the process of replacing the Stadium software with new software to operate RESPONDENTS' mobile sports wagering application. RESPONDENTS' replacement of the software operating its mobile sports wagering application is a very significant financial commitment.

d. RESPONDENTS self-reported all instances of ostensible past-post wagering referenced in the Complaint to the BOARD, and the State of Nevada was not deprived of any tax revenue.

3. RESPONDENTS fully understand and voluntarily waive 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.

4. RESPONDENTS agree to pay a fine in the amount of EIGHTY THOUSAND DOLLARS and NO CENTS ($80,000.00) electronically transferred to the *State of Nevada, Nevada Gaming Commission* on or within two (2) business days after the date this stipulated settlement agreement is accepted by the Nevada Gaming Commission. Said payment shall be made by a method of electronic payment approved by the Tax and License Division of the BOARD pursuant to NRS 353.1467. Interest on the fine shall accrue pursuant to NRS 17.130 on any unpaid balance computed from the date payment is due until payment is made in full.

5. In consideration for the execution of this Stipulation for Settlement and effective on the acceptance by the Nevada Gaming Commission of this Stipulation for Settlement, RESPONDENTS hereby indemnify and hold harmless the State of Nevada, the Nevada Gaming Commission, the Nevada Gaming Control Board, the Nevada Attorney

General, and each of their members, agents, and employees in their individual and representative capacities against any and all claims, suits and actions, brought against the persons named in this paragraph by reason of the investigation of the allegations in the Complaint, filed in this disciplinary action, NGC Case No. 21-04, and all other matters relating thereto, and against any and all expenses, damages, charges and costs, including court costs and attorney fees, which may be sustained by the persons and entities named in this paragraph as a result of said claims, suits and actions.

6. RESPONDENTS enter into this Stipulation for Settlement freely and voluntarily and acknowledge that RESPONDENTS had an opportunity to consult with counsel prior to entering into this Stipulation for Settlement. RESPONDENTS further acknowledge that this Stipulation for Settlement is not the product of force, threats, or any other form of coercion or duress, but is the product of discussions between RESPONDENTS and the attorney for the BOARD.

7. RESPONDENTS and the BOARD acknowledge that this Stipulation for Settlement is made to avoid litigation and economize resources. The parties agree and understand that this Stipulation for Settlement is intended to operate as full and final settlement of the Complaint filed against RESPONDENTS in the above-entitled disciplinary case, NGC Case No. 21-04.

8. RESPONDENTS and the BOARD recognize and agree that the Nevada Gaming Commission has the sole and absolute discretion to determine whether to accept this Stipulation for Settlement. RESPONDENTS and the BOARD hereby waive any right they may have to challenge the impartiality of the Nevada Gaming Commission to hear the above-entitled case on the matters embraced in the Complaint if the Nevada Gaming Commission determines not to accept this Stipulation for Settlement. If the Nevada Gaming Commission does not accept the Stipulation for Settlement, it shall be withdrawn as null and void and RESPONDENTS' admissions, if any, that certain violations of the Nevada Gaming Control Act and the Regulations of the Nevada Gaming Commission occurred shall be withdrawn. This paragraph is severable from the other provisions of this

Stipulation for Settlement and shall survive in the event the other provisions are withdrawn as null and void.

9. RESPONDENTS and the BOARD agree and understand that this Stipulation for Settlement is intended to operate as the full and final settlement of the Complaint filed in NGC Case No. 21-04. The parties further agree and understand that any oral representations are superseded by this Stipulation for Settlement and that only those terms memorialized in writing herein shall be effective. RESPONDENTS and the BOARD agree that nothing contained in this Stipulation for Settlement shall affect in any way RESPONDENTS' rights against any individuals or entities arising out of or related to the subject matter of the Complaint, other than the individuals and entities identified in paragraph 5.

10. RESPONDENTS agree and understand that although this Stipulation for Settlement, if approved by the Nevada Gaming Commission, will settle the Complaint filed in NGC Case No. 21-04, that the allegations contained in the Complaint filed in NGC Case No. 21-04, and the terms of this Stipulation for Settlement, may be considered by the BOARD and/or the Nevada Gaming Commission, regarding any and all applications by RESPONDENTS that are currently pending before the BOARD or the Nevada Gaming Commission, or that are filed in the future with the BOARD. Neither RESPONDENTS' agreement and understanding contained in this paragraph nor the terms of this Stipulation for Settlement will prevent RESPONDENTS from responding fully and completely to any of such allegations in connection with any current or future applications.

11. RESPONDENTS and the BOARD shall each bear their own costs incurred in this disciplinary action, NGC Case No. 21-04.

12. RESPONDENTS, by executing this Stipulation for Settlement, affirmatively waive all notices required by law for this matter including, but not limited to, notices concerning consideration of the character or misconduct of a person (NRS 241.033), notices concerning consideration of administrative action against a person (NRS 241.034), and notices concerning hearings before the Nevada Gaming Commission (NRS 463.312).

Regardless of the waiver of legal notice requirements, the BOARD and the Nevada Gaming Commission will attempt to provide reasonable notice of the time and place of the hearing. Further, in negotiating this Stipulation for Settlement, RESPONDENTS acknowledge that the BOARD has provided RESPONDENTS with the date and time of the Nevada Gaming Commission hearing during which the BOARD anticipates the Nevada Gaming Commission will consider approving this Stipulation for Settlement.

13. This Stipulation for Settlement shall become effective immediately upon approval by the Nevada Gaming Commission.

DATED this 10th day of June, 2022.

NP RED ROCK LLC, dba
RED ROCK CASINO RESORT SPA

JEFFREY T. WELCH
Senior Vice President; Secretary

STATION CASINOS LLC

JEFFREY T. WELCH
Executive Vice President;
Chief Legal Counsel; Secretary

REID RUBINSTEIN BOGATZ

MARC H. RUBINSTEIN
Attorney for Respondents
(702) 776-7005

NEVADA GAMING CONTROL BOARD

J. BRIN GIBSON, Chairman

PHILIP KATSAROS, Member

BRITTNIE WATKINS, Member

AARON D. FORD
Attorney General

By: JOHN S. MICHELA
Senior Deputy Attorney General
Attorneys for the Nevada Gaming Control Board
(775) 687-2118

ORDER

IT IS SO ORDERED in NGC Case No. 21-04.

DATED this _____ day of _____, 2022.

NEVADA GAMING COMMISSION

HON. JENNIFER P. TOGLIATTI (RET.), Chair