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STATE OF NEVADA
BEFORE THE NEVADA GAMING COMMISSION

STATE GAMING CONTROL BOARD,
Complainant,

vs.

COMPLAINT

DUNG SO TRUONG and
LY SIEK TRUONG,
100% Joint Tenants, dba
LAUNDRY LOUNGE

Respondents.

The State of Nevada, on relation of its State Gaming Control Board (BOARD), Complainant herein, by and through its counsel, CATHERINE CORTEZ MASTO, Attorney General, by MICHAEL P. SOMPS, Senior Deputy Attorney General, hereby files this Complaint for disciplinary action against Respondents pursuant to Nevada Revised Statute (NRS) 463.310(2) and alleges as follows:

1. Complainant, BOARD, is an administrative agency of the State of Nevada duly organized and existing under and by virtue of chapter 463 of NRS and is charged with the administration and enforcement of the gaming laws of this state as set forth in Title 41 of NRS and the Regulations of the Nevada Gaming Commission.

2. Respondents, DUNG SO TRUONG and LY SIEK TRUONG, own LAUNDRY LOUNGE, a sole proprietorship, located at 1300 East 5th Street, Carson City, Nevada, which is a restricted location licensed to operate gaming in Nevada. Respondents, DUNG SO TRUONG and LY SIEK TRUONG, are licensed as 100% joint tenant owners of LAUNDRY LOUNGE.

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

1 7. Nevada Gaming Commission Regulation 5.010(2) further provides that
2 "[r]esponsibility for the employment and maintenance of suitable methods of operation rests
3 with the licensee, and willful or persistent use or toleration of methods of operation deemed
4 unsuitable will constitute grounds for license revocation or other disciplinary action."

5 8. NRS 463.160 provides in relevant part that:

6 1. Except as otherwise provided in subsection 4 and NRS
7 463.172, it is unlawful for any person, either as owner, lessee or
8 employee, whether for hire or not, either solely or in conjunction
9 with others:

10 (a) To deal, operate, carry on, conduct, maintain or expose
11 for play in the State of Nevada any gambling game, gaming
12 device, inter-casino linked system, mobile gaming system, slot
13 machine, race book or sports pool;

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15 without having first procured, and thereafter maintaining in effect,
16 all federal, state, county and municipal gaming licenses as
17 required by statute, regulation or ordinance or by the governing
18 board of any unincorporated town.

19 NRS 463.160(1).

20 9. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as follows:

21 The board and the commission deem any activity on the
22 part of any licensee, his agents or employees, that is inimical to the
23 public health, safety, morals, good order and general welfare of the
24 people of the State of Nevada, or that would reflect or tend to
25 reflect discredit upon the State of Nevada or the gaming industry,
26 to be an unsuitable method of operation and shall be grounds for
27 disciplinary action by the board and the commission in accordance
28 with the Nevada Gaming Control Act and the regulations of the
29 board and the commission. Without limiting the generality of the
30 foregoing, the following acts or omissions may be determined to be
31 unsuitable methods of operation:

32 1. Failure to exercise discretion and sound judgment to
33 prevent incidents which might reflect on the repute of the State of
34 Nevada and act as a detriment to the development of the industry.

35

36 8. Failure to comply with or make provision for compliance
37 with all federal, state and local laws and regulations pertaining to
38 the operations of a licensed establishment . . .

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1 10. Failure to conduct gaming operations in accordance
2 with proper standards of custom, decorum and decency, or permit
3 any type of conduct in the gaming establishment which reflects or
4 tends to reflect on the repute of the State of Nevada and act as a
5 detriment to the gaming industry.

6 11. Whenever a licensed game or a slot machine, as
7 defined in the Gaming Control Act, is available for play by the
8 public:

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10 (b) At a restricted location, failure to have a responsible
11 person who is at least 21 years old present on the premises to
12 supervise the operation of the game or machine.

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14 Nev. Gaming Comm'n Regs. 5.011(1), (8), (10) and (11)(b).

15 10. Nevada Gaming Commission Regulation 8.030(1) provides as follows:

16 1. Except as and to the extent provided in these regulations
17 pertaining to emergency situations, no individual who is the owner
18 of any interest in a licensed gaming operation shall in any manner
19 whatsoever transfer any interest therein to any person, firm or
20 corporation not then an owner of an interest therein, and no such
21 transfer shall become effective for any purpose until the proposed
22 transferee or transferees shall have made application for and
23 obtained all licenses required by the Nevada Gaming Control Act
24 and these regulations, or have been found to be individually
25 qualified to be licensed, as appropriate.

26 Nev. Gaming Comm'n Reg. 8.030(1).

27 11. Nevada Gaming Commission Regulation 5.030 provides as follows:

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

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

. . . .

1 12. NRS 463.310(4)(d)(2) states in relevant part that the Commission may:

2 (d) Fine each person or entity or both, who was licensed,
3 registered or found suitable pursuant to this chapter or chapter 464
4 of NRS or who previously obtained approval for any act or
5 transaction for which Commission approval was required or
6 permitted under the provisions of this chapter or chapter 464 of
7 NRS:

8

9 (2) Except as otherwise provided in subparagraph (1) of
10 this paragraph, not more than \$100,000 for each separate violation
11 of the provisions of this chapter or chapter 464 or 465 of NRS or of
12 the regulations of the Commission which is the subject of an initial
13 complaint and not more than \$250,000 for each separate violation
14 of the provisions of this chapter or chapter 464 or 465 of NRS or of
15 the regulations of the Commission which is the subject of any
16 subsequent complaint.

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18 NRS 463.310(4)(d)(2).

19 **BACKGROUND**

20 13. On December 19, 1996, the Nevada Gaming Commission approved a restricted
21 gaming license for DUNG SO TRUONG and LY SIEK TRUONG as husband and wife 100%
22 joint tenants and they were approved to operate six gaming devices at the LAUNDRY
23 LOUNGE, a sole proprietorship.

24 14. The restricted gaming license was conditioned that "a full-time attendant must be
25 on duty at all times the machines are available to the public to play."

26 15. At the time of licensure, the LAUNDRY LOUNGE was operating as a laundromat
27 with off-sale liquor (beer and wine only).

28 16. Since obtaining approval of a restricted gaming license on December 19, 1996, six
gaming devices have been offered for play at the LAUNDRY LOUNGE.

17. On or about January 2, 2003, the Laundry Lounge Corporation was formed to
operate the LAUNDRY LOUNGE. DUNG SO TRUONG is the president, treasurer, director
and shareholder of Laundry Lounge Corporation. LY SIEK TRUONG is the secretary and
shareholder of Laundry Lounge Corporation.

1 18. Laundry Lounge Corporation has never been licensed by the Nevada Gaming
2 Commission.

3 19. DUNG SO TRUONG has never been licensed as a shareholder, officer or director
4 of Laundry Lounge Corporation.

5 20. LY SIEK TRUONG has never been licensed as a shareholder or officer of Laundry
6 Lounge Corporation.

7 21. On or about May 15, 2008, Nelson Alberto-Lemus, not an employee of LAUNDRY
8 LOUNGE, was left to watch the LAUNDRY LOUNGE by a LAUNDRY LOUNGE employee.

9 22. On or about May 15, 2008, an underage drinking laws compliance check was
10 conducted at the LAUNDRY LOUNGE by the Carson City Sheriff's Office. An underage
11 "decoy" was sold a beer by Nelson Alberto-Lemus at the LAUNDRY LOUNGE.

12 23. On or about May 15, 2008, gaming devices at the LAUNDRY LOUNGE were
13 available to play.

14 24. On June 19, 2008, the Carson City Board of Supervisors revoked LAUNDRY
15 LOUNGE'S packaged beer and wine license.

16 **COUNT ONE**
17 **VIOLATION OF NRS 463.160 AND**
NEV. GAMING COMM'N REGS. 5.011(8), AND 8.030(1)

18 25. Complainant BOARD realleges and incorporates by reference as though set forth
19 in full herein paragraphs 1 through 24 above.

20 26. Since on or about January 2, 2003, Laundry Lounge Corporation has been the
21 primary business operator of LAUNDRY LOUNGE.

22 27. The Laundry Lounge Corporation does not have a restricted gaming license in
23 violation of NRS 463.160.

24 28. DUNG SO TRUONG and LY SIEK TRUONG, as the licensed 100% joint tenant
25 owners of the LAUNDRY LOUNGE and now the purported owners of the Laundry Lounge
26 Corporation, failed to submit applications for a restricted gaming license for the Laundry
27 Lounge Corporation associated with the purported transfer of the ownership of the LAUNDRY
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1 LOUNGE to the Laundry Lounge Corporation in violation of Nev. Gaming Comm'n Reg.
2 8.030(1).

3 29. Based on the preceding, DUNG SO TRUONG and LY SIEK TRUONG further
4 violated 5.011(8).

5 30. DUNG SO TRUONG's and LY SIEK TRUONG's failure to comply with NRS
6 463.160 and/or Nev. Gaming Comm'n Regs. 5.011(8), and/or 8.030(1) is an unsuitable
7 method of operation and is grounds for disciplinary action. See Nev. Gaming Comm'n Regs.
8 5.010(2) and 5.030.

9 **COUNT TWO**
VIOLATION OF NEV. GAMING COMM'N REGS. 5.011(1), (8) AND (10)

10 31. Complainant BOARD realleges and incorporates by reference as though set forth
11 in full herein paragraphs 1 through 30 above.

12 32. On or about May 15, 2008, Nelson Alberto-Lemus, who was not an employee of
13 the LAUNDRY LOUNGE, was left in charge of the LAUNDRY LOUNGE by an employee of
14 the LAUNDRY LOUNGE.

15 33. Nelson Alberto-Lemus sold alcohol to a minor in violation of Carson City Municipal
16 Code.

17 34. The sale of alcohol to a minor from the LAUNDRY LOUNGE constitutes a violation
18 of Nev. Gaming Comm'n Regs. 5.011(1), (8) and/or (10).

19 35. DUNG SO TRUONG's and LY SIEK TRUONG's failure to comply with Nev.
20 Gaming Comm'n Reg. 5.011(1), (8) and/or (10) is an unsuitable method of operation and is
21 grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

22 **COUNT THREE**
VIOLATION OF NEV. GAMING COMM'N REGS. 5.011(11)(b)

23 36. Complainant BOARD realleges and incorporates by reference as though set forth
24 in full herein paragraphs 1 through 35 above.

25 37. The individual left to supervise the LAUNDRY LOUNGE on or about May 15, 2008,
26 Nelson Alberto-Lemus, was not an employee of the LAUNDRY LOUNGE.
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1 38. On or about May 15, 2008, there was no employee of the LAUNDRY LOUNGE
2 present to supervise the location or the operation of the gaming devices in violation of Nev.
3 Gaming Comm'n Reg. 5.011(11)(b) as well as in violation of the condition placed on the
4 restricted gaming license for the LAUNDRY LOUNGE.

5 39. DUNG SO TRUONG's and LY SIEK TRUONG's failure to comply with Nev.
6 Gaming Comm'n Reg. 5.011(11)(b) and the condition placed on their restricted gaming
7 license is an unsuitable method of operation and is grounds for disciplinary action. See Nev.
8 Gaming Comm'n Regs. 5.010(2) and 5.030.

9 WHEREFORE, based upon the allegations contained herein which constitute
10 reasonable cause for disciplinary action against Respondent, pursuant to NRS 463.310, and
11 Nevada Gaming Commission Regulations 5.010, 5.011 and 5.030 the STATE GAMING
12 CONTROL BOARD prays for the relief as follows:

- 13 1. That the Nevada Gaming Commission serve a copy of this Complaint on the
- 14 Respondent pursuant to NRS 463.312(2);
- 15 2. That the Nevada Gaming Commission fine Respondent a monetary sum pursuant to
- 16 the parameters defined at NRS 463.310(4) for each separate violation of the provisions of the
- 17 Nevada Gaming Control Act or the Regulations of the Nevada Gaming Commission;
- 18 3. That the Nevada Gaming Commission take action against Respondent's license or
- 19 licenses pursuant to the parameters defined in NRS 463.310(4); and

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

3 DATED this 26th day of February, 2009.

4 STATE GAMING CONTROL BOARD

5 
6 DENNIS K. NEILANDER, Chairman


7 
8 RANDALL E. SAYRE, Member

9 
10 MARK A. LIPPARELLI, Member

11 Submitted by:

12 CATHERINE CORTEZ MASTO
13 Attorney General

14 By:


15 MICHAEL P. SOMPS
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