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NGC 10-13



STATE OF NEVADA

BEFORE THE NEVADA GAMING COMMISSION

STATE GAMING CONTROL BOARD, )  
 )  
Complainant, )  
 )  
vs. )  
 )  
DIANA JUNE REED, sole proprietor, )  
dba THE OFFICE )  
 )  
Respondents. )

COMPLAINT

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 EDWARD L. MAGAW, Deputy Attorney General, hereby files this Complaint for disciplinary action against DIANA JUNE REED, sole proprietor, dba THE OFFICE (hereinafter collectively referred to as THE OFFICE), Respondent herein, pursuant to Nevada Revised Statute (NRS) 463.310(2) and alleges as follows:

JURISDICTION

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

2. Respondent, THE OFFICE, doing business at 401 Railroad Street, Elko, Nevada 89801, holds a limited Nevada restricted gaming license, and, as such, is charged with the responsibility of complying with all of the provisions of the Nevada Gaming Control Act and the Regulations of the Nevada Gaming Commission.

RELEVANT LAW

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

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

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

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

(d) All establishments where gaming is conducted and where gaming devices are operated, and manufacturers, sellers and distributors of certain gaming devices and equipment, and operators of inter-casino linked systems must therefore be licensed, controlled and assisted to protect the public health, safety, morals, good order and general welfare of the inhabitants of the State, to foster the stability and success of gaming and to preserve the competitive economy and policies of free competition of the State of Nevada.

NRS 463.0129(1)(a)-(d).

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

5. 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).

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

**A gaming license is a revocable privilege, and no holder thereof shall be deemed to have acquired any vested rights therein or thereunder. The burden of proving his qualifications to**

1 hold any license rests at all times on the licensee. **The board is**  
2 **charged by law with the duty of observing the conduct of all**  
3 **licensees to the end that licenses shall not be held by**  
4 **unqualified or disqualified persons or unsuitable persons or**  
5 **persons whose operations are conducted in an unsuitable**  
6 **manner.**

7 Nev. Gaming Comm'n Reg. 5.040 (emphasis added).

8 7. Nevada Gaming Commission Regulation 5.010(2) provides that the "[r]esponsibility  
9 for the employment and maintenance of suitable methods of operation rests with the licensee,  
10 and willful or persistent use or toleration of methods of operation deemed unsuitable will  
11 constitute grounds for license revocation or other disciplinary action." Nev. Gaming Comm'n  
12 Reg. 5.010(2).

13 8. Nevada Gaming Commission Regulation 5.011 states in relevant part as follows:

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

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

28 Nev. Gaming Comm'n Reg. 5.011(1) (emphasis added).

9. Nevada Gaming Commission Regulation 5.030 provides as follows:

**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).

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10. Nevada Revised Statutes 463.310 states in relevant part as follows:

- 1. The Board shall make appropriate investigations:
  - (a) To determine whether there has been any violation of this chapter or chapter 462, 464, 465 or 466 of NRS or any regulations adopted thereunder.
  - (b) To determine any facts, conditions, practices or matters which it may deem necessary or proper to aid in the enforcement of any such law or regulation.

2. If, after any investigation the Board is satisfied that a license, registration, finding of suitability, pari-mutuel license or prior approval by the Commission of any transaction for which the approval was required or permitted under the provisions of this chapter or chapter 462, 464 or 466 of NRS should be limited, conditioned, suspended or revoked, it shall initiate a hearing before the Commission by filing a complaint with the Commission in accordance with NRS 463.312 and transmit therewith a summary of evidence in its possession bearing on the matter and the transcript of testimony at any investigative hearing conducted by or on behalf of the Board.

NRS 463.310(1)(a) and (b), and (2).

11. Nevada Revised Statute 463.1405(3) and (4) provide:

- 3. The Board has full and absolute power and authority to recommend the denial of any application, the limitation, **conditioning** or restriction of any license, registration, finding of suitability or approval, the suspension or revocation of any license, registration, finding of suitability or approval or the imposition of a fine upon any person licensed, registered, found suitable or approved for any cause deemed reasonable by the Board.
- 4. The Commission has full and absolute power and authority to deny any application or limit, **condition**, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered, found suitable or approved, for any cause deemed reasonable by the Commission.

NRS 463.1405(3) and (4) (emphasis added).

**COUNT I**  
**VIOLATION OF NGC REGULATIONS 5.011 and 5.011(1) and (8)**  
**FAILURE TO COMPLY WITH LICENSE CONDITION.**

12. The BOARD realleges and incorporates by reference paragraphs 1 through 11 above as though set forth in full herein.

13. At its September 2008 meeting, the NGC considered and approved the BOARD's

1 recommendation to issue the Respondent, THE OFFICE, a two-year limited restricted gaming  
2 license with the following condition:

3 Larry Dale Nielsen must have no involvement in the business  
4 operations of THE OFFICE until such time as he submits an  
application and is found suitable by the Nevada Gaming Commission.

5 14. During the September 2008 BOARD and NGC meetings, DIANA JUNE REED  
6 testified that Mr. Nielsen's activities at THE OFFICE would be limited to maintenance.

7 15. The BOARD and NGC made it clear during the above referenced meetings that  
8 Mr. Nielsen was not to work any of the business operations until such time as he has been  
9 found suitable by the Commission to do so.

10 16. As of the date of the filing of this Complaint, Mr. Nielsen has not been found  
11 suitable by the NGC to participate in the business operations of THE OFFICE, nor has an  
12 application for finding of suitability been submitted relating to him.

13 17. During the above referenced BOARD and NGC meetings, Ms. REED  
14 acknowledged that she understood the condition being placed on the license and that Mr.  
15 Nielsen would not be involved in the business operations.

16 18. Specifically, during the September 2008 BOARD meeting the following dialogue  
17 occurred between BOARD Chairman Dennis K. Neilander and Ms. REED:

18 Chairman Neilander: Mr. Nielsen is not going to have any  
19 involvement in the business?

20 Ms. REED: No, he is going to have no involvement at all. The  
21 only time I have Larry at all help me out is when there is something  
wrong with the building, when there is some kind of maintenance  
problem.

22 Tr. of Nev. State Gaming Control Bd. Hr'g, Vol. II of II, Sept. 5, 2008, at 127.

23 19. Also during the September 2008 BOARD meeting, the following dialogue occurred  
24 between BOARD Member Randall E. Sayre and Ms. REED:

25 Member Sayre: [Mr. Nielsen] still comes around?

26 Ms. REED: He was bartending for me also. And I fired him from  
27 bartending. So he has nothing to do with the bar any more.

28 Tr. of Nev. State Gaming Control Bd. Hr'g, Vol. II of II, Sept. 5, 2008, at 128.

1           20. The issue was discussed once more during the September 2008 BOARD meeting  
2 through the following dialogue between BOARD Member Sayre and Ms. REED:

3                   Member Sayre . . . If [Mr. Nielsen] is going to be hanging around  
4 that place, I want to know what the relationship is and what his  
responsibilities are going to be around this licensed location.

5                   Ms. REED: Just maintenance. That would be it.

6 Tr. of Nev. State Gaming Control Bd. Hr'g, Vol. II of II, Sept. 5, 2008, at 130.

7           21. The condition was also discussed at the September 2009 NGC meeting through  
8 the following dialogue between NGC Chairman Peter C. Bernhard and Ms. REED:

9                   Chairman Bernhard: So the Board has said and their  
10 recommendation and they are comfortable with the issue that [Mr.  
Nielsen] can handle maintenance on the property and be a patron  
11 in the bar. But he can't go on the other side and take over. If you  
are not going to be there for a couple of months, he can't be the  
12 one running the place and giving orders and hiring and firing  
people and that kind of thing.

13                   Ms. REED: I understand totally. Honored by that, too.

14 Tr. of Nev. Gaming Comm'n Hr'g, Sept. 18, 2008, at 95-96.

15           22. On or about August 29, 2009, BOARD agents conducted a covert observation of  
16 the business operations at THE OFFICE.

17           23. During the above referenced observation, BOARD agents observed Larry Dale  
18 Nielsen performing various activities constituting involvement in the business operation of  
19 THE OFFICE, including, but not limited, to the following:

- 20                   a. On two occasions, Mr. Nielsen was observed behind the bar pouring himself  
21 glasses of draft beer, for which he did not pay;
- 22                   b. At one point in the evening, Ms. REED was heard asking Mr. Nielsen where  
23 the lemons were behind the bar, to which Mr. Nielsen responded that they  
were "in the cooler";
- 24                   c. On one occasion, Mr. Nielsen was observed taking money from a patron,  
25 inputting the associated sale into the cash register behind the bar, and  
returning the applicable change to the patron; and
- 26                   d. Upon his departure from THE OFFICE that evening, Mr. Nielsen was  
27 observed handing a napkin to the bartender on duty and informing the  
bartender that he could be reached at "whatever was written on the napkin" if  
28 there were any problems that night at the bar.

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1 24. As the licensee of the establishment in which the above incident occurred, THE  
2 OFFICE is ultimately accountable for the conduct that occurs therein. See Nev. Gaming  
3 Comm'n Reg. 5.030.

4 25. Such activities on the part of Larry Dale Nielsen are direct violations of the  
5 relevant license condition, and as such constitute a failure to comply with NGC Regulations  
6 5.011 and 5.011(1) and (8).

7 26. Such failure on the part of THE OFFICE constitutes an unsuitable method of  
8 operation and provides grounds for disciplinary action. See Nev. Gaming Comm'n Regs.  
9 5.010(2) and 5.030.

10 **COUNT II**  
11 **VIOLATION OF NGC REGULATIONS 5.011 and 5.011(1) and (8)**  
12 **FAILURE TO COMPLY WITH LICENSE CONDITION.**

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

15 28. As discussed in great detail in Count I above, by license condition, Larry David  
16 Nielsen is to have no involvement in the business operations of THE OFFICE.

17 29. On or about the evening of May 28, 2010, the Elko Police Department received  
18 information from a citizen that the bartender on duty at THE OFFICE was intoxicated.

19 30. In response to the above referenced information, the Elko Police Department sent  
20 a patrol supervisor to THE OFFICE to investigate.

21 31. Upon arrival at THE OFFICE the patrol officer found Larry David Nielsen  
22 intoxicated and serving as the bartender at the location.

23 32. As a result of Mr. Nielsen's intoxicated condition, the patrol officer seized his bar  
24 card, and since there were no other bartenders available to work that night, the patrol officer  
25 ordered THE OFFICE closed.

26 33. On or about June 3, 2010, Mr. Nielsen came into the Elko Police Department  
27 headquarters to speak with the Chief of Police.

28 34. During his conversation with the Chief of Police, Mr. Nielsen indicated that he was  
the only bartender that DIANA JUNE REED had for THE OFFICE.

1 35. Based on the observations of the Elko Police Department Patrol Supervisor and  
2 the information provided to the Chief of Police by Mr. Nielsen, it is clear that Mr. Nielsen has  
3 been involved in the business operations of THE OFFICE.

4 36. As the licensee of the establishment in which the above incident occurred, THE  
5 OFFICE is ultimately accountable for the conduct that occurs therein. See Nev. Gaming  
6 Comm'n Reg. 5.030.

7 37. Such activities on the part of Larry Dale Nielsen are direct violations of the  
8 relevant license condition, and as such constitute a failure to comply with NGC Regulations  
9 5.011 and 5.011(1) and (8).

10 38. Such failure on the part of THE OFFICE constitutes an unsuitable method of  
11 operation and provides grounds for disciplinary action. See Nev. Gaming Comm'n Regs.  
12 5.010(2) and 5.030.

13 **COUNT III**  
14 **VIOLATION OF NGC REGULATIONS 5.011 and 5.011(1) and (8)**  
15 **FAILURE TO COMPLY WITH LICENSE CONDITION.**

16 39. The BOARD realleges and incorporates by reference paragraphs 1 through 38  
17 above as though set forth in full herein.

18 40. As discussed in great detail in Count I above, by license condition, Larry David  
19 Nielsen is to have no involvement in the business operations of THE OFFICE.

20 41. On or about June 18, 2010, an officer for the Elko Police Department observed  
21 Mr. Nielsen serving as the bartender at a bar set up on the sidewalk adjacent to THE OFFICE,  
22 which was owned and operated by THE OFFICE.

23 42. Based on the above observation, it is clear that Mr. Nielsen has been involved in  
24 the business operations of THE OFFICE.

25 43. As the licensee of the business for whom Mr. Nielsen was serving as a bartender,  
26 THE OFFICE is ultimately accountable for the conduct that occurs as part of its business  
27 operation. See Nev. Gaming Comm'n Reg. 5.030.

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1 44. Such activity on the part of Mr. Nielsen is a direct violation of the relevant license  
2 condition, and as such constitutes a failure to comply with NGC Regulations 5.011 and  
3 5.011(1) and (8).

4 45. Such failure on the part of THE OFFICE constitutes an unsuitable method of  
5 operation and provides grounds for disciplinary action. See Nev. Gaming Comm'n Regs.  
6 5.010(2) and 5.030.

7 **COUNT IV**  
8 **VIOLATION OF NGC REGULATIONS 5.011 and 5.011(1) and (8)**  
9 **SERVICE OF ALCOHOL TO UNDERAGE PERSONS.**

10 46. The BOARD realleges and incorporates by reference paragraphs 1 through 45  
11 above as though set forth in full herein.

12 47. On or about June 18, 2010, the Elko Police Department's Juvenile Crimes Task  
13 Force conducted an undercover alcohol compliance check at THE OFFICE.

14 48. As part of the above mentioned compliance check, an underage person, acting  
15 under the direction of the Elko Police Department, ordered a drink at a sidewalk bar operated  
16 by THE OFFICE in front of the main establishment.

17 49. Once the order had been placed, the bartender, Larry David Nielsen, served the  
18 underage person an alcoholic beverage.

19 50. When Elko Police Department officers confronted Mr. Nielsen with what had  
20 occurred he became belligerent to the officers.

21 51. Based on the illegal sale and the fact that Mr. Nielsen appeared intoxicated, the  
22 Elko Police Department confiscated Mr. Nielsen's bar card and told him that he was not to  
23 serve alcohol until the card was returned to him.

24 52. One of the police officers involved then instructed Mr. Nielsen to go home.

25 53. As the licensee of the business for whom Mr. Nielsen was serving as the  
26 bartender, THE OFFICE is ultimately accountable for the conduct that occurs as part of its  
27 business operation. See Nev. Gaming Comm'n Reg. 5.030.

28 54. The service of an alcoholic beverage to an underage person is "inimical to the  
public health, safety, morals, good order and general welfare of the people of the State of

1 Nevada," and reflects or tends to reflect "discredit upon the State of Nevada" and the gaming  
2 industry in violation NGC Regulation 5.011.

3 55. Further, the service of an alcoholic beverage to an underage person violates State  
4 and/or local laws; because such unlawful activity occurred as part of THE OFFICE's business  
5 operation, it constitutes a violation of NGC Regulation 5.011(8).

6 56. Lastly, the failure of THE OFFICE to exercise discretion and sound judgment to  
7 prevent such incidents from occurring constitutes a violation of NGC Regulation 5.011(1).

8 57. Such violations and failures on the part of THE OFFICE and DIANA JUNE REED  
9 constitute unsuitable methods of operation and provide grounds for disciplinary action. See  
10 Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

11 **COUNT V**  
12 **VIOLATION OF NGC REGULATIONS 5.011 and 5.011(1) and (8)**  
13 **SERVICE OF ALCOHOL TO UNDERAGE PERSONS.**

14 58. The BOARD realleges and incorporates by reference paragraphs 1 through 57  
15 above as though set forth in full herein.

16 59. On or about June 18, 2010, the Elko Police Department's Juvenile Crimes Task  
17 Force conducted another undercover alcohol compliance check at THE OFFICE.

18 60. As with the compliance check described in Count IV above, an underage person,  
19 acting under the direction of the Elko Police Department, ordered a drink at a sidewalk bar  
20 operated by THE OFFICE in front of the main establishment.

21 61. Once the order had been placed, the bartender, identified as Janice Gibson,  
22 served the underage person an alcoholic beverage.

23 62. As the licensee of the business for whom Ms. Gibson was serving as the  
24 bartender, THE OFFICE is ultimately accountable for the conduct that occurs as part of its  
25 business operation. See Nev. Gaming Comm'n Reg. 5.030.

26 63. The service of an alcoholic beverage to an underage person (or persons) is  
27 "inimical to the public health, safety, morals, good order and general welfare of the people of  
28 the State of Nevada," and reflects or tends to reflect "discredit upon the State of Nevada" and  
the gaming industry in violation NGC Regulation 5.011.

1 64. Further, the service of an alcoholic beverage to an underage person violates State  
2 and/or local laws; because such unlawful activity occurred as part of THE OFFICE's business  
3 operation, it constitutes a violation of NGC Regulation 5.011(8).

4 65. Lastly, the failure of THE OFFICE to exercise discretion and sound judgment to  
5 prevent such incidents from occurring constitutes a violation of NGC Regulation 5.011(1).

6 66. Such violations and failures on the part of THE OFFICE constitute unsuitable  
7 methods of operation and provide grounds for disciplinary action. See Nev. Gaming Comm'n  
8 Regs. 5.010(2) and 5.030.

9  
10 **COUNT VI**  
**VIOLATION OF NGC REGULATIONS 5.011 and 5.011(1) and (8)**  
**OPERATING THE OFFICE AFTER IT WAS ORDERED CLOSED BY CHIEF OF POLICE**

11 67. The BOARD realleges and incorporates by reference paragraphs 1 through 66  
12 above as though set forth in full herein.

13 68. On or about June 19, 2010, at around 6:00 PM, after another underage person  
14 was served alcohol at THE OFFICE, the Elko Chief of Police had THE OFFICE closed down.

15 69. At the time of the closure, Larry David Nielsen was present and combative with an  
16 Elko police officer. In response to Mr. Nielsen's conduct, the police officer told Mr. Nielsen to  
17 go home.

18 70. Later that same day, at around 11:00 PM, an Elko police officer observed people  
19 leaving THE OFFICE with beer bottles in their hands. When the officer approached THE  
20 OFFICE to investigate, he observed Mr. Nielsen and another man outside, standing on the  
21 sidewalk in front of THE OFFICE talking to one another.

22 71. The man Mr. Nielsen was talking to saw the police officer approaching and  
23 pointed at him. At that time, Mr. Nielsen started to go into THE OFFICE and the police officer  
24 ordered him to stop. Mr. Nielsen ignored the order and started to run into THE OFFICE.  
25 Another police officer then attempted to stop Mr. Nielsen from entering THE OFFICE, but he  
26 pulled away and continued inside. Once inside THE OFFICE, the police officers attempted to  
27 stop Mr. Nielsen, who continued to resist. Finally the police officers subdued Mr. Nielsen on  
28 the ground and took him outside and arrested him.

1           72. Once Mr. Nielsen was escorted out, the police officer observed about a dozen  
2 patrons inside THE OFFICE. Because THE OFFICE had been ordered closed earlier that  
3 day, the police officer informed the patrons that the bar was closed and had them all leave.  
4 The bartender on duty, Janice Gibson, was very intoxicated and refused to leave. The police  
5 officers present had to escort her outside. At that time, the police officer informed DIANA  
6 JUNE REED, who was present in THE OFFICE at the time of the above described incidents,  
7 that THE OFFICE was closed and that further issues would result in her arrest.

8           73. Later that night the officer returned to THE OFFICE and found Ms. REED and her  
9 attorney present at the location. There were still people in the bar and Ms. REED was  
10 observed serving a drink to one of those individuals.

11           74. As the licensee of the establishment in which the above incidents occurred, THE  
12 OFFICE is ultimately accountable for the conduct that occurs therein. See Nev. Gaming  
13 Comm'n Reg. 5.030.

14           75. By keeping THE OFFICE open after receiving a direct order from the Elko Chief of  
15 Police to close it down is "inimical to the public health, safety, morals, good order and general  
16 welfare of the people of the State of Nevada," and reflects or tends to reflect "discredit upon  
17 the State of Nevada" and the gaming industry in violation NGC Regulation 5.011.

18           76. Further, keeping THE OFFICE open when not authorized by law to do so is a  
19 violation of State and/or local law. Because such unlawful activity occurred within THE  
20 OFFICE, it constitutes a violation of NGC Regulation 5.011(8).

21           77. Failure of THE OFFICE to exercise discretion and sound judgment to prevent  
22 such conduct constitutes a violation of NGC Regulation 5.011(1).

23           78. Such violations and failures on the part of THE OFFICE constitute unsuitable  
24 methods of operation and provide grounds for disciplinary action. See Nev. Gaming Comm'n  
25 Regs. 5.010(2) and 5.030.

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**COUNT VII**  
**VIOLATION OF NGC REGULATIONS 5.011(1) and (8)**  
**FAILURE TO COMPLY WITH LICENSE CONDITION**

79. The BOARD realleges and incorporates by reference paragraphs 1 through 78 above as though set forth in full herein.

80. At its September 2008 meeting, the NGC considered and approved the BOARD's recommendation to issue THE OFFICE a two-year limited restricted gaming license with the following condition:

A key employee application must be filed within 60 days of issuance of the State gaming license, and thereafter be refiled within 60 days of any change in the person occupying that position.

81. Pursuant to the above license condition, THE OFFICE was required to submit a key employee application within sixty (60) days of issuance of the State gaming license.

82. Because THE OFFICE's gaming license was issued on September 18, 2008, the initial key employee application was required to be filed on or before November 17, 2008.

83. On or about November 19, 2008, an incomplete key employee application was submitted for Christine Carattini, two days after the above stated deadline.

84. The missing information from the incomplete key employee application described above was not received by the BOARD until February 7, 2009, which was approximately eighty-four (84) days past the deadline.

85. Based on the above, the initial key employee application for THE OFFICE was not timely submitted.

86. By failing to timely submit a complete key employee application, THE OFFICE and DIANA JUNE REED failed to comply with a license condition and thus violated NGC Regulation 5.011(1) and (8).

87. Such failure on the part of THE OFFICE and DIANA JUNE REED constitutes an unsuitable method of operation and provides grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

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1 **COUNT VIII**  
2 **VIOLATION OF NGC REGULATIONS 5.011(1) and (8)**  
3 **FAILURE TO COMPLY WITH LICENSE CONDITION**

4 88. The BOARD realleges and incorporates by reference paragraphs 1 through 87  
5 above as though set forth in full herein.

6 89. The NGC placed a condition on the gaming license for THE OFFICE requiring it to  
7 refile a key employee application within sixty (60) days of any change in the person occupying  
8 that position.

9 90. On or about August 21, 2009, a Board Agent contacted Ms. Carattini, the person  
10 designated as the key employee at THE OFFICE at the time, and discovered that Ms.  
11 Carattini had terminated her employment with THE OFFICE on July 2, 2009.

12 91. Based on the terms of the license condition, a subsequent key employee  
13 application was required to be submitted to the Board no later than August 31, 2009. As of  
14 the date the Complaint was filed, no key employee application has been submitted relating to  
15 THE OFFICE. It has been about two years since the last key employee for THE OFFICE  
16 terminated her employment and still no subsequent key employee application has been filed.

17 92. By failing to timely submit a subsequent key employee application, THE OFFICE  
18 has failed to comply with a license condition and thus violated NGC Regulation 5.011(1) and  
19 (8).

20 93. Such failure on the part of THE OFFICE constitutes an unsuitable method of  
21 operation and provides grounds for disciplinary action. See Nev. Gaming Comm'n Regs.  
22 5.010(2) and 5.030.

23 **PRAYER FOR RELIEF**

24 WHEREFORE, based upon the allegations contained herein that constitute reasonable  
25 cause for disciplinary action against THE OFFICE pursuant to NRS 463.310 and Nevada  
26 Gaming Commission Regulations 5.011 and 5.030, the BOARD prays for relief as follows:

27 1. That the Nevada Gaming Commission serve a copy of this Complaint on THE  
28 OFFICE pursuant to NRS 463.312(2);

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Attorney General's Office  
Gaming Division  
555 E. Washington Ave., Ste. 3900  
Las Vegas, Nevada 89101

1           2. That THE OFFICE be fined a monetary sum pursuant to the parameters defined at  
2 NRS 463.310(4) for each separate violation of the provisions of the Nevada Gaming Control  
3 Act or the Regulations of the Nevada Gaming Commission;

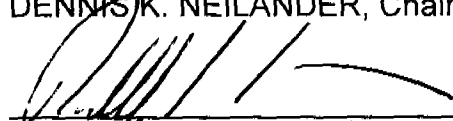
4           3. That the Nevada Gaming Commission take action against THE OFFICE's license  
5 pursuant to the parameters defined in NRS 463.310(4); and,

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

8           DATED this 6<sup>th</sup> day of August, 2010.


9           STATE GAMING CONTROL BOARD

10                                   
11                                 DENNIS K. NEILANDER, Chairman

12                                   
13                                 RANDALL E. SAYRE, Member

14                                   
15                                 MARK A. LIPPARELLI, Member

16 Submitted by:  
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