

APR 4 2013

NEVADA GAMING COMMISSION  
CARSON CITY, NEVADA

1 NGC 13-04

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3  
4 STATE OF NEVADA

5 BEFORE THE NEVADA GAMING COMMISSION

6 STATE GAMING CONTROL BOARD, )

7 Complainant, )

8 v. )

COMPLAINT

9 JITTERBUG, LLC, dba THE BIKINI BAR; )  
10 LONNY JOSEPH CAMPOS, )

11 Respondents )

12 The State of Nevada, on relation of its State Gaming Control Board (BOARD),  
13 Complainant herein, by and through its counsel, CATHERINE CORTEZ MASTO, Attorney  
14 General, by JOHN S. MICHELA, Senior Deputy Attorney General, hereby files this Complaint  
15 for disciplinary action against RESPONDENTS pursuant to Nevada Revised Statute (NRS)  
16 463.310(2) and alleges as follows:

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

21 2. JITTERBUG, LLC, dba THE BIKINI BAR (BIKINI BAR), located at 3355 Spring  
22 Mountain Road, Las Vegas, Nevada holds a restricted gaming license.

23 3. LONNY JOSEPH CAMPOS (CAMPOS) is the sole member and manager of BIKINI  
24 BAR and is licensed as such.

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

**RELEVANT LAW**

4. 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), (b), (c) and (d).

5. 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).

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

7. 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).

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

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

11 Nev. Gaming Comm'n Reg. 5.040.

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

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

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

23 Nev. Gaming Comm'n Reg. 5.010.

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

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

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

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

1 11. Nevada Gaming Commission Regulation 8.050 states:

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

9 Nev. Gaming Comm'n Reg. 8.050.

10 12. Nevada Revised Statute 463.161 provides:

11 A license to operate 15 or fewer slot machines at an  
12 establishment in which the operation of slot machines is incidental  
13 to the primary business conducted at the establishment may only  
14 be granted to the operator of the primary business or to a licensed  
15 operator of a slot machine route.

14 NRS 463.161.

15 13. Nevada Gaming Commission Regulation 5.030 provides as follows:

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

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

24 **COUNT ONE**

25 **VIOLATION OF NEVADA REVISED STATUTE 463.161 and/or**

26 **NEVADA GAMING COMMISSION REGULATION 8.050**

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

1 15. On or about June 26, 2012, BIKINI BAR entered into an agreement with 600 Club,  
2 LLC (Buyer) to sell substantially all of the assets of BIKINI BAR to Buyer for \$150,000.00. To  
3 date, the Nevada Gaming Commission has not approved this transaction or licensed Buyer or  
4 its owners.

5 16. Buyer is substantially owned by Paul Wilkes and Joseph Adashek.

6 17. On or about June 22, 2012, Mr. Adashek paid \$50,000.00 of the purchase price of  
7 the assets of BIKINI BAR to BIKINI BAR and/or LONNY JOSEPH CAMPOS. On or about  
8 June 26, 2012, Mr. Wilkes paid \$50,000.00 of the purchase price of the assets of BIKINI BAR  
9 to BIKINI BAR. Neither of these payments was escrowed as required by Nevada Gaming  
10 Commission Regulation 8.050.

11 18. The agreement between BIKINI BAR and Buyer also set out that Buyer was to  
12 operate the business of BIKINI BAR until such time as the Nevada Gaming Commission  
13 approved Buyer and its owners. Buyer has been operating the business of BIKINI BAR since  
14 on or about July 3, 2012.

15 19. The slot machines in BIKINI BAR have been continuously exposed for play from at  
16 least June 22, 2012, through March 27, 2013.

17 20. The revenue from the slot machines in BIKINI BAR continued to go to LONNY  
18 JOSEPH CAMPOS, even though he was not the operator of the primary business from on or  
19 about July 3, 2012, through March 27, 2013.

20 WHEREFORE, based upon the allegations contained herein which constitute  
21 reasonable cause for disciplinary action against RESPONDENTS, pursuant to NRS 463.310,  
22 and Nevada Gaming Commission Regulations 5.010 and 5.030, the STATE GAMING  
23 CONTROL BOARD prays for the relief as follows:

24 1. That the Nevada Gaming Commission serves a copy of this Complaint on  
25 RESPONDENTS pursuant to NRS 463.312(2);

26 2. That the Nevada Gaming Commission fine RESPONDENTS a monetary sum  
27 pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the  
28 .....

1 provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming  
2 Commission;

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

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

7 DATED this 4<sup>th</sup> day of APRIL, 2013.

8 STATE GAMING CONTROL BOARD

9  
10   
A.G. BURNETT, Chairman

11   
SHAWN R. REID, Member

12  
13   
TERRY JOHNSON, Member

14 Submitted by:

15 CATHERINE CORTEZ MASTO  
16 Attorney General

17 By:

18   
19 JOHN S. MICHELA  
20 Senior Deputy Attorney General  
21 Gaming Division  
22 (775) 850-4153  
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