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STATE OF NEVADA

5

BEFORE THE NEVADA GAMING COMMISSION

6

7 STATE GAMING CONTROL BOARD,

8 Complainant,

8

9 v.

COMPLAINT

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10 HRHH GAMING, LLC, dba
10 HARD ROCK HOTEL & CASINO,

11

11 Respondent.

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

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

22 2. Respondent, HRHH GAMING, LLC, dba HARD ROCK HOTEL & CASINO (HARD
23 ROCK HOTEL & CASINO), located at 4455 Paradise Road, Las Vegas, Nevada is a
24 Nonrestricted Group I licensee and is licensed to operate gaming in Nevada.

RELEVANT LAW

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

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

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

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(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.

NRS 463.0129(1)(a), (b) and (c).

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

Nev. Gaming Comm'n Reg. 5.040.

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

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

The board and the commission deem any activity on the part of any licensee, his agents or employees, that is inimical to the public health, safety, morals, good order and general welfare of the 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:

....

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

....

Nev. Gaming Comm'n Regs. 5.011 and 5.011(10).

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).

10. NRS 463.310(4) states in relevant part that the Commission may:

(a) Limit, condition, suspend or revoke the license of any licensed gaming establishment or the individual license of any licensee without affecting the license of the establishment;

....

(d) Fine each person or entity or both, who was licensed, registered or found suitable pursuant to this chapter or chapter 464 of NRS or who previously obtained approval for any act or transaction for which Commission approval was required or

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permitted under the provisions of this chapter or chapter 464 of NRS:

.....

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

.....

NRS 463.310(4)(a) and (d)(2).

BACKGROUND

11. Except as indicated, all events and activities contained herein took place on the premises of the HARD ROCK HOTEL & CASINO and in venues owned and managed by the HARD ROCK HOTEL & CASINO.

12. On or about February 7, 2006, the BOARD sent a letter to all nonrestricted gaming licensees concerning nightclub activities. Specifically, the BOARD was concerned with "incidences of excessive inebriation, drug distribution and abuse, violence, the involvement of minors, and the handling of those individuals who became incapacitated while at the club."

13. On or about April 9, 2009, the BOARD sent another letter to all nonrestricted gaming licensees, again concerning nightclub activities. Specifically, the BOARD was concerned with "excessive inebriation, drug distribution and abuse, violence, overt sexual acts in public areas, acts deemed lewd, indecent or obscene, presence of minors, mishandling of incapacitated individuals ('dumping'), date rape, extortion/misquoting of service charges, restricted access by law enforcement, lack of coordination with licensee security, and prostitution."

14. In 2008 and 2009, the BOARD, in conjunction with other law enforcement agencies, conducted a number of gaming industry training seminars concerning nightclubs. Representatives from the HARD ROCK HOTEL & CASINO attended the training seminars.

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a. A HARD ROCK HOTEL & CASINO Security Officer ("Security Officer 1") informed a Metro narcotics detective of the following: 1) that he could provide a private restroom; 2) to contact him if "anything" was needed; and 3) that he would send "girls" to the table. The Metro narcotics detective understood that Security Officer 1's reference to "anything" included drugs. Later in the evening, Security Officer 1 escorted a Metro narcotics detective to a locked private restroom. Metro narcotics detectives subsequently confirmed that the private restroom was intended to be used for the consumption of controlled substances.

b. A HARD ROCK HOTEL & CASINO VIP Host ("Host 1") represented that he could arrange for the purchase, by a BOARD agent, of controlled substances. In addition, Host 1 disclosed that he was under the influence of ecstasy while working at the HARD ROCK HOTEL & CASINO's Body English nightclub.

20. The HARD ROCK HOTEL & CASINO knew, or should have known, of the above-described conduct and failed to take action to prevent it from occurring.

21. The actions of HARD ROCK HOTEL & CASINO's employees and/or agents, as set forth above, is inimical to the public health, safety, morals, good order and general welfare of the people of the State of Nevada, and/or reflects or tends to reflect discredit upon the State of Nevada and/or the gaming industry and constitutes a violation of Nev. Gaming Comm'n Reg. 5.011.

22. By itself and/or in conjunction with the actions contained in the other counts of this Complaint, the HARD ROCK HOTEL & CASINO's failure to prevent the above events from occurring constitutes a failure to conduct gaming operations in accordance with proper standards of custom, decorum and decency, and/or is conduct which reflects or tends to reflect on the repute of the State of Nevada and act as a detriment to the gaming industry in violation of Nev. Gaming Comm'n Reg. 5.011(10).

23. The HARD ROCK HOTEL & CASINO's failure to comply with Nev. Gaming Comm'n Regs. 5.011 and 5.011(10) constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

1 **COUNT TWO**

2 **VIOLATION OF NEVADA GAMING COMMISSION REGULATIONS 5.011 and 5.011(10)**

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

5 25. On November 20 – 21, 2009, the BOARD and Metro conducted an additional joint
6 undercover operation at, or in the vicinity of, the HARD ROCK HOTEL & CASINO's Body
7 English nightclub. The undercover operation revealed ongoing illegal and/or unsuitable
8 activities occurring on the premises of the HARD ROCK HOTEL & CASINO. Examples
9 include, but are not limited to, the following:

10 a. In exchange for \$80, a Metro narcotics detective was provided a locked
11 private restroom, for the purported purpose of consuming marijuana, by Security Officer
12 1 who was also contacted during the November 6 – 7, 2009 undercover operation. The
13 locked private restroom was the same one offered by Security Officer 1 during the
14 November 6 – 7, 2009 undercover operation. Further, while being escorted back to the
15 table, Security Officer 1 informed the Metro narcotics detective that, the next time, he
16 wanted a "hit" of marijuana.

17 b. Host 1 who was also contacted by BOARD agents during the November 6 –
18 7, 2009 undercover operation again represented to BOARD agents an ability to arrange
19 for the purchase of controlled substances.

20 26. The HARD ROCK HOTEL & CASINO knew, or should have known, of the above-
21 described conduct and failed to take action to prevent it from occurring.

22 27. The actions of HARD ROCK HOTEL & CASINO's employees and/or agents, as set
23 forth above, is inimical to the public health, safety, morals, good order and general welfare of
24 the people of the State of Nevada, and/or reflects or tends to reflect discredit upon the State of
25 Nevada and/or the gaming industry and constitutes a violation of Nev. Gaming Comm'n Reg.
26 5.011.

27 28. By itself and/or in conjunction with the actions contained in the other counts of this
28 Complaint, the HARD ROCK HOTEL & CASINO's failure to prevent the above events from

1 occurring constitutes a failure to conduct gaming operations in accordance with proper
2 standards of custom, decorum and decency, and/or is conduct which reflects or tends to
3 reflect on the repute of the State of Nevada and act as a detriment to the gaming industry in
4 violation of Nev. Gaming Comm'n Reg. 5.011(10).

5 29. The HARD ROCK HOTEL & CASINO's failure to comply with Nev. Gaming
6 Comm'n Regs. 5.011 and 5.011(10) constitutes an unsuitable method of operation, and, as
7 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

8 **COUNT THREE**

9 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 5.011 and 5.011(10)**

10 30. Complainant BOARD realleges and incorporates by reference as though set forth
11 in full herein paragraphs 1 through 29 above.

12 31. On January 30 – 31, 2010, the BOARD and Metro conducted an additional joint
13 undercover operation at, or in the vicinity of, the HARD ROCK HOTEL & CASINO's Vanity
14 nightclub, which replaced HARD ROCK HOTEL & CASINO's Body English nightclub. The
15 undercover operation revealed ongoing illegal and/or unsuitable activities occurring on the
16 premises of the HARD ROCK HOTEL & CASINO. Examples include, but are not limited to,
17 the following:

18 a. A HARD ROCK HOTEL & CASINO Security Officer ("Security Officer 2") sold
19 a BOARD agent 5 ecstasy pills.

20 b. Host 1, who undercover agents contacted during the November 6 – 7, 2009
21 undercover operation and during the November 20 – 21, 2009 undercover operation,
22 provided a BOARD agent with an ecstasy pill.

23 c. Security Officer 2 sold a Metro narcotics detective 3.5 grams of cocaine.

24 d. Host 1 sold a Metro narcotics detective 2 ecstasy pills.

25 32. The HARD ROCK HOTEL & CASINO knew, or should have known, of the above-
26 described conduct and failed to take action to prevent it from occurring.

27 33. The actions of HARD ROCK HOTEL & CASINO's employees and/or agents, as set
28 forth above, is inimical to the public health, safety, morals, good order and general welfare of

1 the people of the State of Nevada, and/or reflects or tends to reflect discredit upon the State of
2 Nevada and/or the gaming industry and constitutes a violation of Nev. Gaming Comm'n Reg.
3 5.011.

4 34. By itself and/or in conjunction with the actions contained in the other counts of this
5 Complaint, the HARD ROCK HOTEL & CASINO's failure to prevent the above events from
6 occurring constitutes a failure to conduct gaming operations in accordance with proper
7 standards of custom, decorum and decency, and/or is conduct which reflects or tends to
8 reflect on the repute of the State of Nevada and act as a detriment to the gaming industry in
9 violation of Nev. Gaming Comm'n Reg. 5.011(10).

10 35. The HARD ROCK HOTEL & CASINO's failure to comply with Nev. Gaming
11 Comm'n Regs. 5.011 and 5.011(10) constitutes an unsuitable method of operation, and, as
12 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

13 **COUNT FOUR**

14 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 5.011 and 5.011(10)**

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

17 37. On June 18 – 19, 2010, the BOARD and Metro conducted an additional joint
18 undercover operation at, or in the vicinity of, the HARD ROCK HOTEL & CASINO's Vanity
19 nightclub. The undercover operation revealed ongoing illegal and/or unsuitable activities
20 occurring on the premises of the HARD ROCK HOTEL & CASINO. Examples include, but are
21 not limited to, the following:

22 a. A Metro narcotics detective was sold 0.5 grams of marijuana from a patron
23 inside Vanity Nightclub.

24 b. A Metro narcotics detective obtained, from a female inside the HARD ROCK
25 HOTEL & CASINO, the contact information for a HARD ROCK HOTEL & CASINO VIP
26 Host ("Host 2") who could purportedly provide cocaine to the Metro narcotics detective.
27 Metro narcotics detectives met with Host 2 inside the HARD ROCK HOTEL & CASINO.
28 Subsequently, in a HARD ROCK HOTEL & CASINO parking garage, Host 2 obtained

1 3.6 grams of cocaine from an individual in a Cadillac Escalade and sold the cocaine to
2 a Metro narcotics detective after taking some for his personal use.

3 c. Host 2 represented to Metro narcotics detectives that he could provide
4 anything within the HARD ROCK HOTEL & CASINO nightclubs including cocaine.

5 38. The HARD ROCK HOTEL & CASINO knew, or should have known, of the above-
6 described conduct and failed to take action to prevent it from occurring.

7 39. The actions of HARD ROCK HOTEL & CASINO's employees and/or agents, as set
8 forth above, is inimical to the public health, safety, morals, good order and general welfare of
9 the people of the State of Nevada, and/or reflects or tends to reflect discredit upon the State of
10 Nevada and/or the gaming industry and constitutes a violation of Nev. Gaming Comm'n Reg.
11 5.011.

12 40. By itself and/or in conjunction with the actions contained in the other counts of this
13 Complaint, the HARD ROCK HOTEL & CASINO's failure to prevent the above events from
14 occurring constitutes a failure to conduct gaming operations in accordance with proper
15 standards of custom, decorum and decency, and/or is conduct which reflects or tends to
16 reflect on the reputé of the State of Nevada and act as a detriment to the gaming industry in
17 violation of Nev. Gaming Comm'n Reg. 5.011(10).

18 41. The HARD ROCK HOTEL & CASINO's failure to comply with Nev. Gaming
19 Comm'n Regs. 5.011 5.011(10) constitutes an unsuitable method of operation, and, as such,
20 is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

21 **COUNT FIVE**

22 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 5.011 and 5.011(10)**

23 42. Complainant BOARD realleges and incorporates by reference as though set forth in
24 full herein paragraphs 1 through 41 above.

25 43. On June 25 – 26, 2010, the BOARD and Metro conducted an additional joint
26 undercover operation at, or in the vicinity of, the HARD ROCK HOTEL & CASINO's Vanity
27 nightclub. The undercover operation revealed ongoing illegal and/or unsuitable activities
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1 occurring on the premises of the HARD ROCK HOTEL & CASINO. Examples include, but are
2 not limited to, the following:

3 a. Metro narcotics detectives made contact with Host 2, who was also contacted
4 during the June 18 – 19, 2010 undercover operation. Host 2 arranged a table and
5 bottle service within Vanity nightclub for the Metro narcotics detectives. In a HARD
6 ROCK HOTEL & CASINO parking garage, Host 2 introduced Metro narcotics
7 detectives to a female, driving a Cadillac Escalade, who sold the Metro narcotics
8 detectives 7.2 grams of cocaine. Host 2 was provided a "kickback" of money from the
9 female.

10 44. The HARD ROCK HOTEL & CASINO knew, or should have known, of the above-
11 described conduct and failed to take action to prevent it from occurring.

12 45. The actions of HARD ROCK HOTEL & CASINO's employees and/or agents, as set
13 forth above, is inimical to the public health, safety, morals, good order and general welfare of
14 the people of the State of Nevada, and/or reflects or tends to reflect discredit upon the State of
15 Nevada and/or the gaming industry and constitutes a violation of Nev. Gaming Comm'n Reg.
16 5.011.

17 46. By itself and/or in conjunction with the actions contained in the other counts of this
18 Complaint, the HARD ROCK HOTEL & CASINO's failure to prevent the above events from
19 occurring constitutes a failure to conduct gaming operations in accordance with proper
20 standards of custom, decorum and decency, and/or is conduct which reflects or tends to
21 reflect on the repute of the State of Nevada and act as a detriment to the gaming industry in
22 violation of Nev. Gaming Comm'n Reg. 5.011(10).

23 47. The HARD ROCK HOTEL & CASINO's failure to comply with Nev. Gaming
24 Comm'n Regs. 5.011 5.011(10) constitutes an unsuitable method of operation, and, as such,
25 is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

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COUNT SIX

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 5.011 AND 5.011(10)

48. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 47 above.

49. On July 8, 2010, Security Officer 1, who previously arranged for the sale of controlled substances to Metro narcotics detectives by Security Officer 2, was informed by Metro narcotics detectives of narcotics charges pending against him. Security Officer 1 agreed to provide information and assistance to Metro narcotics detectives. Security Officer 1 informed BOARD agents and Metro narcotics detectives of the following:

- a. That HARD ROCK HOTEL & CASINO private restrooms could be used for drugs or for sex;
- b. That on occasions when a patron would request drugs, Security Officer 1 would make contact with his supervisor, HARD ROCK HOTEL & CASINO Security Officer Supervisor ("Security Supervisor 1"), who would provide the drugs, through Security Officer 1, to the patron; and
- c. Identified other HARD ROCK HOTEL & CASINO employees and/or agents, including a HARD ROCK HOTEL & CASINO Security Officer ("Security Officer 3"), whom he believed would provide drugs to HARD ROCK HOTEL & CASINO patrons.

50. On July 9, 2010, Security Officer 2, who previously sold controlled substances to Metro narcotics detectives and BOARD agents, was informed by BOARD agents of narcotics charges pending against him. Security Officer 2 agreed to provide information and assistance to BOARD agents. Security Officer 2 informed BOARD agents of the following:

- a. That on occasions when HARD ROCK HOTEL & CASINO patrons would request drugs, he would introduce the patron to either Security Officer 3 or Security Supervisor 1; and
- b. That there are two private restrooms in Vanity nightclub that could be used for drugs or for sex.

1 51. On August 13, 2010, Host 2 was informed by Metro narcotics detectives of
2 narcotics charges pending against him. Host 2 agreed to provide information and assistance
3 to Metro narcotics detectives. Host 2 informed Metro narcotics detectives of the following:

4 a. Identified a HARD ROCK HOTEL & CASINO VIP Host ("Host 3") and a
5 HARD ROCK HOTEL & CASINO Security Officer ("Security Officer 4") as individuals
6 who would sell drugs to Metro narcotics detectives; and

7 b. Host 2 subsequently identified an additional HARD ROCK HOTEL & CASINO
8 VIP Host ("Host 4) and an additional HARD ROCK HOTEL & CASINO Security Officer
9 ("Security Officer 5") as individuals who would sell drugs to Metro narcotics detectives.

10 52. The HARD ROCK HOTEL & CASINO knew, or should have known, of the above-
11 described conduct and failed to take action to prevent it from occurring.

12 53. The actions of HARD ROCK HOTEL & CASINO's employees and/or agents, as set
13 forth above, is inimical to the public health, safety, morals, good order and general welfare of
14 the people of the State of Nevada, and/or reflects or tends to reflect discredit upon the State of
15 Nevada and/or the gaming industry and constitutes a violation of Nev. Gaming Comm'n Reg.
16 5.011.

17 54. By itself and/or in conjunction with the actions contained in the other counts of this
18 Complaint, the HARD ROCK HOTEL & CASINO's failure to prevent the above events from
19 occurring constitutes a failure to conduct gaming operations in accordance with proper
20 standards of custom, decorum and decency, and/or is conduct which reflects or tends to
21 reflect on the reput of the State of Nevada and act as a detriment to the gaming industry in
22 violation of Nev. Gaming Comm'n Reg. 5.011(10).

23 55. The HARD ROCK HOTEL & CASINO's failure to comply with Nev. Gaming
24 Comm'n Regs. 5.011 and 5.011(10) constitutes an unsuitable method of operation, and, as
25 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

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1 **COUNT SEVEN**

2 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 5.011 and 5.011(10)**

3 56. Complainant BOARD realleges and incorporates by reference as though set forth
4 in full herein paragraphs 1 through 55 above.

5 57. On August 27 – 28, 2010, the BOARD and Metro conducted an additional joint
6 undercover operation at, or in the vicinity of, the HARD ROCK HOTEL & CASINO's Vanity
7 nightclub. The undercover operation revealed ongoing illegal and/or unsuitable activities
8 occurring on the premises of the HARD ROCK HOTEL & CASINO. Examples include, but are
9 not limited to, the following:

10 a. BOARD agents and Metro narcotics detectives met Host 2 outside of the
11 HARD ROCK HOTEL & CASINO's Vanity nightclub. Host 2, who had previously
12 agreed to assist Metro narcotics detectives, introduced Metro narcotics detectives to a
13 previously unknown HARD ROCK HOTEL & CASINO employee and/or agent who sold
14 1.3 grams of cocaine to Metro narcotics detectives outside of Vanity nightclub.

15 b. Inside Vanity nightclub, Security Officer 1, who had previously agreed to
16 assist Metro narcotics detectives, agreed to contact Security Supervisor 1 in order to
17 purchase controlled substances from Security Supervisor 1.

18 c. Inside Vanity nightclub, Security Officer 1 contacted Security Supervisor 1
19 and arranged for the purchase of controlled substances from Security Supervisor 1 to
20 Metro narcotics detectives.

21 d. Security Supervisor 1, through Security Officer 1, sold 4.6 grams of cocaine
22 and ecstasy pills to Metro narcotics detectives.

23 58. The HARD ROCK HOTEL & CASINO knew, or should have known, of the above-
24 described conduct and failed to take action to prevent it from occurring.

25 59. The actions of HARD ROCK HOTEL & CASINO's employees and/or agents, as set
26 forth above, is inimical to the public health, safety, morals, good order and general welfare of
27 the people of the State of Nevada, and/or reflects or tends to reflect discredit upon the State of
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1 Nevada and/or the gaming industry and constitutes a violation of Nev. Gaming Comm'n Reg.
2 5.011.

3 60. By itself and/or in conjunction with the actions contained in the other counts of this
4 Complaint, the HARD ROCK HOTEL & CASINO's failure to prevent the above events from
5 occurring constitutes a failure to conduct gaming operations in accordance with proper
6 standards of custom, decorum and decency, and/or is conduct which reflects or tends to
7 reflect on the repute of the State of Nevada and act as a detriment to the gaming industry in
8 violation of Nev. Gaming Comm'n Reg. 5.011(10).

9 61. The HARD ROCK HOTEL & CASINO's failure to comply with Nev. Gaming
10 Comm'n Regs. 5.011 5.011(10) constitutes an unsuitable method of operation, and, as such,
11 is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

12 **COUNT EIGHT**

13 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 5.011(10)**

14 62. Complainant BOARD realleges and incorporates by reference as though set forth
15 in full herein paragraphs 1 through 61 above.

16 63. HARD ROCK HOTEL & CASINO employees and/or agents, including HARD
17 ROCK HOTEL & CASINO security officers and those in supervisory positions, have engaged
18 in illegal and/or unsuitable activities on the premises of the HARD ROCK HOTEL & CASINO.

19 64. The HARD ROCK HOTEL & CASINO, which is responsible for the activities of its
20 employees and/or agents on the premises of the HARD ROCK HOTEL & CASINO, failed to
21 implement HARD ROCK HOTEL & CASINO policies that would have controlled and/or
22 prevented criminal and/or unsuitable activities occurring on the premises of the HARD ROCK
23 HOTEL & CASINO.

24 65. By itself and/or in conjunction with the actions contained in the other counts of this
25 Complaint, the HARD ROCK HOTEL & CASINO's inaction constitutes a failure to conduct
26 gaming operations in accordance with proper standards of custom, decorum and decency,
27 and/or is conduct which reflects or tends to reflect on the repute of the State of Nevada and
28 act as a detriment to the gaming industry in violation of Nev. Gaming Comm'n Reg. 5.011(10).

