



1 NGC 11-02

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**STATE OF NEVADA
BEFORE THE NEVADA GAMING COMMISSION**

STATE GAMING CONTROL BOARD,

Complainant,

vs.

**STIPULATION FOR SETTLEMENT
AND ORDER**

CARSON CACTUS JACK'S
CORPORATION, dba CACTUS JACK'S
SENATOR CLUB; DAVID SCOTT TATE
GAMING TRUST; DAVID SCOTT TATE

Respondents.

The State of Nevada, on relation of its STATE GAMING CONTROL BOARD (BOARD), Complainant herein, filed and served a Complaint, NGC Case No. 11-02, 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. 11-02, filed against RESPONDENTS in the above-entitled case shall be settled on the following terms and conditions:

1. RESPONDENTS admit each and every allegation set forth in the Complaint, NGC Case No. 11-02.
2. 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.

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

1 3. RESPONDENTS agree to pay a fine in the amount of FIFTEEN THOUSAND
2 DOLLARS AND NO CENTS (\$15,000.00) electronically transferred to the *State of Nevada-*
3 *Nevada Gaming Commission* on or before the date this stipulated settlement agreement is
4 accepted by the Nevada Gaming Commission. Said payment shall be made by a method of
5 electronic payment approved by the Tax and License Division of the Board pursuant to NRS
6 353.1467. Interest on the payment shall accrue pursuant to NRS 17.130 on any unpaid
7 balance computed from the date payment is due until payment is made in full. In addition,
8 RESPONDENTS agree to have the following conditions placed on the registration of the
9 DAVID SCOTT TATE GAMING TRUST:

10 a. The David Scott Tate Gaming Trust shall employ Area
11 Managers with direct supervisory responsibility over all licensed locations
12 owned by the David Scott Tate Gaming Trust. Each Area Manager shall
13 have direct supervisory responsibility over no more than twelve licensed
14 locations of which no more than five may be nonrestricted locations. Each
15 nonrestricted location and licensed slot route operator shall count toward
16 the five nonrestricted location limit. Each restricted location shall count
17 toward the licensed location limit. For the purposes of this condition,
18 "owned" shall mean the possession of a record or beneficial interest in a
19 location. "Owned" locations shall also include locations under the
20 supervision or control of a slot route operator owned by the David Scott
21 Tate Gaming Trust pursuant to a space lease or participation agreement;

22 b. Upon the addition or removal of any Area Manager position, a
23 new organization chart must be submitted and administratively approved
24 by the Gaming Control Board Chairman or his designee; further, each
25 Area Manager may supervise no more than twelve licensed locations of
26 which no more than five may be nonrestricted locations without
27 administrative approval of the Gaming Control Board Chairman or his
28 designee;

1 c. The David Scott Tate Gaming Trust must file a report on or
2 before January 15 and July 15 of each year for each of the locations it or
3 its subsidiaries operates that reflects each Area Manager's name,
4 address, date of birth, social security number, and the name of the
5 location(s) each manages; and

6 d. Each Area Manager must file key employee applications within
7 60 days of Nevada Gaming Commission approval of this stipulation, and
8 thereafter key employee applications must be refiled within 60 days of any
9 change in the persons occupying these positions. David Scott Tate may
10 occupy one of the Area Manager positions without filing a key employee
11 application to act as such.

12 4. The preceding conditions placed on the registration of the DAVID SCOTT TATE
13 GAMING TRUST do not limit the discretion of the BOARD and Nevada Gaming Commission
14 to add, remove, or modify conditions on RESPONDENTS' licenses, registrations, and findings
15 of suitability at any time in the future when such licenses, registrations, or findings of suitability
16 are before the BOARD and Nevada Gaming Commission.

17 5. In consideration for the execution of this settlement agreement, RESPONDENTS,
18 for themselves, their heirs, executors, administrators, successors, and assigns, hereby
19 releases and forever discharges the State of Nevada, the Nevada Gaming Commission, the
20 Nevada Gaming Control Board, the Nevada Attorney General and each of their members,
21 agents, and employees in their individual and representative capacities, from any and all
22 manner of actions, causes of action, suits, debts, judgments, executions, claims, and
23 demands whatsoever known or unknown, in law and equity, that RESPONDENTS ever had,
24 now has, may have, or claim to have against any and all of the persons or entities named in
25 this paragraph arising out of, or by reason of, the investigation of the allegations in the
26 Complaint and this disciplinary action, NGC Case No. 11-02, or any other matter relating
27 thereto.

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1 6. In consideration for the execution of this settlement agreement, RESPONDENTS
2 hereby indemnify and hold harmless the State of Nevada, the Nevada Gaming Commission,
3 the State Gaming Control Board, the Nevada Attorney General, and each of their members,
4 agents, and employees in their individual and representative capacities against any and all
5 claims, suits and actions, brought against the persons named in this paragraph by reason of
6 the investigation of the allegations in the Complaint, filed in this disciplinary action, NGC Case
7 No. 11-02, and all other matters relating thereto, and against any and all expenses, damages,
8 charges and costs, including court costs and attorney fees, which may be sustained by the
9 persons and entities named in this paragraph as a result of said claims, suits and actions.

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

16 8. RESPONDENTS and the BOARD acknowledge that this settlement is made to
17 avoid litigation and economize resources. The parties agree and understand that this
18 Stipulation for Settlement is intended to operate as full and final settlement of the Complaint
19 filed against RESPONDENTS in the above-entitled disciplinary case, NGC Case No. 11-02.

20 9. RESPONDENTS and the BOARD recognize and agree that the Nevada Gaming
21 Commission has the sole and absolute discretion to determine whether to accept this
22 stipulated settlement agreement. RESPONDENTS and the BOARD hereby waive any right
23 they may have to challenge the impartiality of the Nevada Gaming Commission to hear the
24 above-entitled case on the matters embraced in the Complaint if the Nevada Gaming
25 Commission determines not to accept this stipulated settlement agreement. If the Nevada
26 Gaming Commission does not accept the Stipulation for Settlement, it shall be withdrawn as
27 null and void and RESPONDENTS' admissions, if any, that certain violations of the Nevada
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1 Gaming Control Act and the Regulations of the Nevada Gaming Commission occurred shall
2 be withdrawn.

3 10. RESPONDENTS and the BOARD agree and understand that this settlement
4 agreement is intended to operate as full and final settlement of the Complaint filed in NGC
5 Case No. 11-02. The parties further agree and understand that any oral representations are
6 superseded by this settlement agreement and that only those terms memorialized in writing
7 herein shall be effective.


8 11. RESPONDENTS agree and understand that although this settlement, if approved
9 by the Nevada Gaming Commission, will settle the Complaint filed in NGC Case No. 11-02,
10 that the allegations contained in the Complaint file in NGC Case No. 11-02 and the terms of
11 this settlement agreement may be considered by the BOARD and/or the Nevada Gaming
12 Commission, with regards to any and all applications by RESPONDENTS that are currently
13 pending before the BOARD or the Nevada Gaming Commission, or that are filed in the future
14 with the BOARD.

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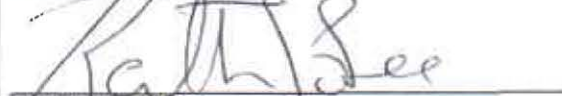
1 12. RESPONDENTS and the BOARD shall each bear their own costs incurred in this
2 disciplinary action, NGC Case No. 11-02.

3 DATED this 7th day of February, 2012.

4 CARSON CACTUS JACK'S CORPORATION STATE GAMING CONTROL BOARD
5 dba CACTUS JACK'S SENATOR CLUB;
6 DAVID SCOTT TATE GAMING TRUST;
7 DAVID SCOTT TATE

8 By: 
9 DAVID SCOTT TATE
10 President,
11 Carson Cactus Jack's Corporation;
12 Trustee/Beneficiary,
13 David Scott Tate Gaming Trust

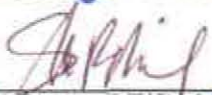
14 LEE LAW OFFICE

15 
16 KEITH L. LEE
17 Attorney for Respondents

MARKA LIPPARELLI, Chairman



MARKA LIPPARELLI, Chairman


A.G. BURNETT, Member


SHAWN R. REID, Member

Submitted by:

CATHERINE CORTEZ MASTO
Attorney General

By: 
JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
Attorneys for State Gaming Control Board

ORDER

IT IS SO ORDERED in NGC Case No. 11-02.

DATED this 23 day of February, 2012.

NEVADA GAMING COMMISSION

PETER C. BERNHARD, Chairman