

1 NGC 15-03

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STATE OF NEVADA

5

BEFORE THE NEVADA GAMING COMMISSION

6

NEVADA GAMING CONTROL BOARD,

7

Complainant,

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vs.

COMPLAINT

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777 U.S., INC.;
777 MANAGEMENT LLC, dba
MAX CASINO;
777 GAMING, INC., dba
CARSON STATION HOTEL/CASINO;
SILVER STATE GAMING, INC.,

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Respondents.

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The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD (BOARD), Complainant herein, by and through its counsel, ADAM PAUL LAXALT, Attorney General, by JOHN S. MICHELA, Senior Deputy Attorney General, hereby files this Complaint for disciplinary action against 777 U.S., INC. (777), 777 MANAGEMENT LLC, dba MAX CASINO (MAX), 777 GAMING, INC., dba CARSON STATION HOTEL CASINO (CARSON STATION), and SILVER STATE GAMING, INC. (SILVER STATE) (collectively "RESPONDENTS"), pursuant to Nevada Revised Statute (NRS) 463.310(2) and alleges as follows:

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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 (Commission or NGC).

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2. 777 is registered as a holding company with the Nevada Gaming Commission and owns 100 percent of MAX, CARSON STATION, and SILVER STATE.

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

1 3. MAX, located at 160 East Flamingo Road, Las Vegas, Nevada, is a Group II
2 licensee and is licensed to operate gaming in Nevada.

3 4. CARSON STATION, located at 900 South Carson Street, Carson City, Nevada, is a
4 Group II licensee and is licensed to operate gaming in Nevada.

5 5. SILVER STATE is licensed as an operator of a slot machine route.

6 **RELEVANT LAW**

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

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

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

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

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

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

8 8. The BOARD is authorized to observe the conduct of licensees in order to ensure
9 that the gaming operations are not being conducted in an unsuitable manner. See
10 NRS 463.1405(1).

11 9. This continuing obligation is repeated in Nevada Gaming Commission Regulation
12 5.040, which provides as follows:

13 A gaming license is a revocable privilege, and no holder
14 thereof shall be deemed to have acquired any vested rights therein
15 or thereunder. The burden of proving his qualifications to hold any
16 license rests at all times on the licensee. The board is charged by
17 law with the duty of observing the conduct of all licensees to the

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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.

10. Nevada Gaming Commission Regulation 5.010(2) 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." Nev. Gaming Comm'n Reg. 5.010(2).

11. 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:

....

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.

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10. Failure to conduct gaming operations in accordance with proper standards of custom, decorum, and decency, or permit any type of conduct in a 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 Reg. 5.011(8) and (10).

12. 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**

1 **license.** Acceptance of a state gaming license or renewal thereof
2 by a licensee constitutes an agreement on the part of the licensee
3 to be bound by all of the regulations of the commission as the
4 same now are or may hereafter be amended or promulgated. **It is**
5 **the responsibility of the licensee to keep himself informed of**
6 **the content of all such regulations, and ignorance thereof will**
7 **not excuse violations.**

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

9 13. Nevada Revised Statute 463.310 provides in relevant part:

10 4. After the provisions of subsections 1, 2 and 3 have been
11 complied with, the Commission may:

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

15 NRS 463.310(4)(a).

16 14. Nevada Revised Statute 463.373 states, in relevant part: "The operator of the
17 location where slot machines are situated shall pay the fee prescribed in subsection 1 upon
18 the total number of slot machines situated in that location, whether or not the machines are
19 owned by one or more licensee-owners." NRS 463.373(4).

20 15. Nevada Revised Statute NRS 463.385 states, in relevant part:

21 3. Any other person, including, without limitation, an operator
22 of an inter-casino linked system, who is authorized to receive a
23 share of the revenue from any slot machine that is operated on the
24 premises of a licensee is liable to the licensee for that person's
25 proportionate share of the license fees paid by the licensee
26 pursuant to this section and shall remit or credit the full
27 proportionate share to the licensee on or before the dates set forth
28 in subsection 2. A licensee is not liable to any other person
29 authorized to receive a share of the licensee's revenue from any
30 slot machine that is operated on the premises of a licensee for that
31 person's proportionate share of the license fees to be remitted or
32 credited to the licensee by that person pursuant to this section.

33 NRS 463.385(3).

34 16. Nevada Revised Statute 463.510 states, in relevant part:

35 4. Every security issued by a corporation, other than a publicly
36 traded corporation, which holds a state gaming license must bear a
37 statement, on both sides of the certificate evidencing the security,
38 of the restrictions imposed by this section.

39 NRS 463.510(4).

40 17. Nevada Revised Statute 463.530 states:

41 All officers and directors of a corporation, other than a publicly
42 traded corporation, which holds or applies for a state gaming

1 license must be licensed individually, according to the provisions of
2 this chapter, and if, in the judgment of the Commission, the public
3 interest will be served by requiring any or all of the corporation's
4 individual stockholders, lenders, holders of evidence of
5 indebtedness, underwriters, key executives, agents or employees
6 to be licensed, the corporation shall require those persons to apply
7 for a license in accordance with the laws and requirements in
8 effect at the time the Commission requires the licensing. A person
9 who is required to be licensed by this section shall apply for a
10 license within 30 days after the person becomes an officer or
11 director. A person who is required to be licensed pursuant to a
12 decision of the Commission shall apply for a license within 30 days
13 after the Commission requests the person to do so.

8 NRS 463.530.

9 18. Nevada Gaming Commission Regulation 3.100 states, in relevant part:

10 1. Definitions. As used in this section:

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12 (d) "Qualifying employee" of a manufacturer, distributor, slot
13 route operator, inter-casino linked system operator, mobile gaming
14 system operator, operator of interactive gaming, service provider,
15 or pari-mutuel systems operator means any person whose
16 responsibility is to directly oversee the entirety of the following
17 types of departments or functions of the licensee's operations:

18

19 (17) Slot route operations.

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21 2. All nonrestricted licensees, including each manufacturer,
22 distributor, service provider, operator of a slot machine route, of a
23 mobile gaming system, of interactive gaming, or of an inter-casino
24 linked system, and each pari-mutuel systems operator shall submit
25 an employee report to the board two times yearly within 30 days
26 after March 31st and within 30 days after September 30th. The
27 report shall identify every person who is, as of March 31st or
28 September 30th, whichever is most recent, a qualifying employee.
The report shall also identify, as of March 31st or September 30th,
whichever is most recent, the following persons who are not
otherwise qualifying employees:

(a) Any person who directly supervises a qualifying employee.

25 Nev. Gaming Comm'n Reg. 3.100(1)(d)(17) and (2)(a).

26 19. Nevada Gaming Commission Regulation 5.110 states, in relevant part, as follows:

27 2. The amount of a progressive payoff schedule shall be
28 conspicuously displayed at or near the games or machines to which
the payoff schedule applies. Each licensee shall record the base

1 amount of each progressive payoff schedule when first exposed for
2 play and subsequent to each payoff. At least once a day each
3 licensee shall log the amount of each progressive payoff schedule
4 at the licensee's establishment except for those that can be paid
5 directly from a slot machine's hopper or those offered in conjunction
6 with an inter-casino linked system. Explanations for reading
7 decreases shall be maintained with the progressive logs. When the
8 reduction is attributable to a payoff, the licensee shall record the
9 payoff form number on the log or have the number reasonably
10 available.

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12 5. A licensee shall not reduce the amount of a progressive
13 payoff schedule or otherwise eliminate a progressive payoff
14 schedule unless:

15 (a) A player wins the progressive payoff schedule;

16 (b) The licensee adjusts the progressive payoff schedule to
17 correct a malfunction or to prevent the display of an amount greater
18 than a limit imposed pursuant to subsection 4, and the licensee
19 documents the adjustment and the reasons for it;

20 (c) The licensee distributes the entire incremental amount to
21 another single progressive payoff schedule on similar game(s) or
22 machine(s) at the licensee's establishment and:

23 (1) The licensee documents the distribution;

24 (2) Any game or slot machine offering the payoff schedule
25 to which the licensee distributes the incremental amount does not
26 require that more money be played on a single play to win the
27 payoff schedule than the game or slot machine from which the
28 incremental amount is distributed unless the incremental amount
distributed is increased in proportion to the increase in the amount
of the wager required to win the payoff schedule;

(3) If from a slot machine, any slot machine offering the
payoff schedule to which the incremental amount is distributed
complies with the minimum theoretical payout requirement of
Regulation 14.040(1); and

(4) The distribution is completed within 30 days after the
progressive payoff schedule is removed from play or within such
longer period as the chairman may for good cause approve;

(d) For games other than slot machines, the incremental
amount may be distributed within 90 days of removal through a
concluding contest, tournament or promotion and the contest,
tournament or promotion is conducted with a game(s) similar to the
game(s) from which the amounts are distributed; or

(e) The chairman, upon a showing of exceptional
circumstances, approves a reduction, elimination, distribution, or
procedure not otherwise described in this subsection, which
approval is confirmed in writing.

. . . .

1 8. Licensees shall maintain the records required by this
2 section for at least five years after they are made unless the
3 chairman approves otherwise in writing.

4 Nev. Gaming Comm'n Reg. 5.110(2), (5), and (8).

5 20. Nevada Gaming Commission Regulation 6.100 states, in relevant part, as follows:

6 As used in this section "licensees" mean Group II licensees
7 and "chairman" means the chairman or other member of the state
8 gaming control board.

9

10 6. Not later than 30 days after service of written notice that
11 the internal control procedures adopted or revised pursuant to this
12 section are effective, each licensee shall comply with the
13 procedures. The chairman, in his sole and absolute discretion, may
14 extend the time for complying with this subsection.

15 7. A licensee may not implement internal control procedures
16 that deviate from the published internal control procedures unless
17 the deviations are approved in writing by the chairman.

18 8. Failure to follow the internal control procedures issued by
19 the chairman, or approved deviations from the procedures, is an
20 unsuitable method of operation.

21 Nev. Gaming Comm'n Reg. 6.100(6), (7), and (8).

22 21. Internal Control Procedures Slots (ICP Slots), Internal Control Procedures Table
23 Games (ICP Tables), Internal Control Procedures Cage and Credit (ICP C&C), Internal
24 Control Procedures Live Entertainment (ICP Entertainment), and Internal Control Procedures
25 Keno – Computerized (ICP Keno) apply to Group II licensees. All citations to ICP Slots, ICP
26 Tables, and ICP C&C refer to Version 3.1. Version 3.1 of ICP Slots, ICP Tables, and ICP
27 C&C have an effective date of February 14, 2009. All citations to ICP Entertainment and ICP
28 Keno refer to Version 3. Version 3 of ICP Entertainment and ICP Keno have an effective date
of January 1, 2005.

 22. ICP Slots No. 1 states:

 Jackpot payout tickets, including short pays and payouts of
cancelled credits, promotional payout forms, and fill slips are multi-
part forms that include the following information:

- a. Date.
- b. Time.
- c. Machine number.
- d. Game outcome (e.g., reel symbols, card values, suits, etc.) for jackpot payout or reason for promotional payout (e.g., double jackpots, four-of-a-kind bonus).

1 e. Dollar amount of the payout or slot fill (both alpha and
2 numeric), or description of personal property awarded (e.g., jacket,
3 toaster, car).

Note: Alpha is optional if another unalterable method is used
for evidencing the amount of the payout or fill.

4 f. Signatures of at least two employees verifying,
5 authorizing, completing and witnessing the payout or slot fill.

6 g. The type of payout (e.g., slot machine jackpot, fill,
7 cancelled credits, short pay, promotional payout, external bonus,
8 and external progressive).

h. Preprinted or concurrently printed sequential numbers.

8 ICP Slots No. 1.

9 23. ICP Slots No. 4 states:

10 When a sequentially-numbered payout form is voided, the
11 following steps are performed:

12 a. Preparer clearly marks "VOID" across the face of all non-
13 restricted copies of the form.

14 b. Preparer and another employee sign across the face of
15 all non-restricted copies of the form.

16 c. All copies of the form are submitted to the accounting
17 department for retention and accountability.

15 ICP Slots No. 4.

16 24. ICP Slots No. 5 states, in relevant part:

17 Payouts in excess of \$10 are controlled and completed in a
18 manner that precludes any one individual from initiating and
19 producing a fraudulent payout form, obtaining the funds, forging
20 signatures on the payout form, routing all parts of the payout form
21 and misappropriating the funds, or that precludes a custodian of
22 funds from altering the dollar amount on all parts of the payout form
23 subsequent to the payout and misappropriating the funds.

21 ICP Slots No. 5.

22 25. ICP Slots No. 8 states:

23 Wagering instruments paid during a period of system failure
24 are written/stamped with a paid designation, initialed by the cashier
25 and noted with the date paid. The wagering instruments paid
26 without system validation must be entered into the cashless
27 wagering system when the system resumes operation.

26 ICP Slots No. 8.

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1 26. ICP Slots No. 19 states:

2 To ensure funds are not removed during the slot drop, a
3 second employee must be able to monitor (witness) at all times the
4 removal and placement of the currency acceptor drop boxes and/or
5 coin from the slot machine onto the drop cart.

5 ICP Slots No. 19.

6 27. ICP Slots No. 20 states:

7 Security is provided over the drop cart contents until they
8 have been transported to the count room.

9 ICP Slots No. 20.

10 28. ICP Slots No. 27 states:

11 On at least a quarterly basis, unannounced tests of the
12 following equipment are performed independent of the normal
13 count process by someone independent of the count team, and the
14 results of such tests by denomination are documented and
15 maintained:

14 a. Currency counter and currency counter interface (if
15 applicable) tests including all denominations of currency and all
16 types of wagering instruments counted by the currency counter.

16 b. Weigh scale, weigh scale interface (if applicable), and/or
17 coin counter tests including all denominations of coin and tokens
18 accepted by the slot machines.

18 ICP Slots No. 27.

19 29. ICP Slots No. 47 states:

20 Immediately prior to the currency acceptor count at least two
21 count team members verify the accuracy of the currency counter
22 with previously counted currency for each denomination and with
23 each type of wagering instrument counted by the currency counter
24 to ensure the counter is functioning properly. The test results are
25 recorded on the slot count documentation and signed by at least
26 two count team members performing the test.

24 Note: If the same count team members complete a count for
25 one revenue center and then immediately complete a count for a
26 second revenue center, the currency counter test would only need
27 to be completed at the beginning of the first count.

27 ICP Slots No. 47.

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1 30. ICP Slots No. 58 states:

2 Access to the slot machine coin drop cabinet keys, currency
3 acceptor drop box release keys, currency acceptor drop box
4 contents keys, and all duplicates requires the physical involvement
5 of at least two employees. A report is maintained indicating the
6 date, time, machine number, reason for access, and signature or
7 electronic signature of employees signing out/in the keys. Two
8 employees are required to accompany the keys from the time of its
9 issuance until the time of its return.

10 Note: "Electronic signature" includes a unique employee PIN
11 or card, or employee biometric identification validated and recorded
12 through a computerized system.

13 ICP Slots No. 58.

14 31. ICP Slots No. 74 states:

15 Records are maintained for each machine which indicate the
16 following:

- 17 a. Machine number.
- 18 b. Date the machine was placed into service.
- 19 c. Date the machine was removed from operation.
- 20 d. Any changes in machine numbers and designations.
- 21 e. Dates and type of changes made and the recalculation of
22 theoretical hold as a result of the changes.
- 23 f. For multi-game or multi-game/multi-denomination
24 machines, the initial payable numbers activated for play along with
25 each payable's theoretical hold percentage, and the simple
26 average of the theoretical hold percentages of the paytables
27 activated for play.

28 ICP Slots No. 74.

32. ICP Slots No. 77 states:

When multi-game or multi-game/multi-denomination
machines are initially placed on the casino floor and when the
active paytables within the slot machine are changed, the
theoretical hold percentage used in the slot analysis report is a
simple average of the theoretical holds, as set by the manufacturer,
of all the active paytables of the slot machine. The slot analysis
report is revised to indicate the new simple average theoretical hold
percentage whenever a change is made to the active paytables
within the slot machine.

Note: 1: For multi-game and multi-game/multi-denomination
machines, a new machine number is not assigned when
paytables are changed within the same library of
paytables.

1 Note 2: The theoretical hold percentage needs to be obtained for
2 each active payable when multi-game/multi-
3 denominational machines have different paytables for
4 each denomination within a game that are activated for
5 play.

6 ICP Slots No. 77.

7 33. ICP Slots No. 82 states:

8 Prior to final preparation of statistical reports, coin-in meter
9 readings that do not appear reasonable are reviewed with slot
10 department employees, and exceptions documented, so that
11 meters can be repaired or clerical errors in the recording of meter
12 readings can be corrected. The final statistical report is reviewed to
13 ensure that the correct coin-in dollar amount has been recorded.

14 Note: When the correct coin-in amount cannot be
15 determined (i.e., coin-in not recorded properly due to slot machine
16 meter or system failure), the preferred method for recalculating a
17 reasonable coin-in amount is to use the actual average coin-in for
18 the machine in question over the past several drop periods.

19 ICP Slots No. 82.

20 34. ICP Slots No. 83 states:

21 A report is produced at least monthly showing accurate
22 month-to-date, year-to-date, and if practicable, life-to-date actual
23 hold percentage computations for individual machines and a
24 comparison to each machine's theoretical hold percentage
25 previously discussed.

26 Note 1: Actual hold = dollar amount of slot machine
27 statistical win divided by dollar amount of coin-in. The wagering
28 activity recorded on the coin-in meter of the slot machine includes
all cashable and non-cashable credits wagered. The slot machine
statistical win represents all drop and payout activity occurring
through the slot machine regardless of whether the activity is
subject to gross gaming revenue taxation. The drop and payout
activity occurring through the slot machine includes the following:

- a. The payout activity represents only slot machine payouts
associated with the manufacturer's payable of the slot machine.
Jackpot payouts (as defined by Regulation 1.140) and fills
recorded in the slot analysis report do not include promotional
payouts and/or bonus payouts that are not reflected on the
paytable of the slot machine and/or not included in the
calculation of the slot machine's theoretical hold percentage.
- b. The drop activity recorded in the slot analysis report includes all
amounts placed into the coin or bill acceptor of the slot machine
(e.g., free play wagering instruments accepted by the bill
validator of the slot machine are included in the drop amount) or
electronic money transfers made to the slot machine for
wagering purposes. As a result, the slot machine

1 statistical win recorded in the slot analysis report may not equal
2 the amount of win reported on the NGC tax returns.

3 Note 2: All categories required in Section A of the NGC-31
4 must be reflected in this report.

5 Note 3: "Life-to-Date" represents at least a previous two-
6 year cumulative basis.

7 ICP Slots No. 83.

8 35. ICP Slots No. 84 states:

9 The theoretical hold percentages used in the slot analysis
10 reports should be within the performance standards set by the
11 manufacturer, less any progressive percentage contributions, and
12 should not include other fees (e.g., a percentage payment to
13 operators of inter-casino linked slot machines).

14 ICP Slots No. 84.

15 36. ICP Slots No. 85 states:

16 Slot machines with identical program (EPROM) numbers are
17 included in the slot analysis reports using the same theoretical hold
18 percentage. When a range is involved, the theoretical hold
19 percentage used is consistent among games.

20 ICP Slots No. 85.

21 37. ICP Slots No. 89 states:

22 The statistical reports are reviewed and initialed by
23 management on at least a monthly basis. Large variations between
24 theoretical hold and actual hold, by machine and by denomination
25 (including the multi-denominational category), are investigated and
26 resolved with the findings documented no later than 30 days after
27 the generation of the statistical report.

28 ICP Slots No. 89.

38. ICP Slots No. 100 states:

The addition/deletion of points to player tracking accounts
and the addition/deletion of cashable credits and non-cashable
credits to promotional accounts other than through actual slot
machine play must be sufficiently documented (including
substantiation of reasons for increases) and authorized/performed
by supervisory personnel of the player tracking, promotions, or slot
department. The addition/deletion of points to player tracking
accounts and the addition/deletion of cashable credits and non-
cashable credits to promotional accounts authorized by supervisory

1 personnel is documented and is randomly verified by accounting
2 personnel on a quarterly basis.

3 Note: This standard does not apply to the deletion of points
4 related to inactive or closed accounts through an automated
5 process.

6 ICP Slots No. 100.

7 39. ICP Slots No. 106 states:

8 When contest/tournament entry fees and payouts are transacted,
9 they are recorded on a document which contains:

- 10 a. Patron's name.
- 11 b. Date of entry/payout.
- 12 c. Dollar amount of entry fee/payout.
- 13 d. Signature or initials of individual completing transaction
- 14 e. Name of contest/tournament.

15 ICP Slots No. 106.

16 40. ICP Slots No. 107 states:

17 The contest/tournament entry fees and payouts are
18 summarized and posted to the accounting records on at least a
19 monthly basis.

20 ICP Slots No. 107.

21 41. ICP Slots No. 115 states:

22 Accounting personnel shall produce a report that compares
23 the bill-in meter readings to the currency acceptor drop amounts for
24 each machine. Accounting personnel shall perform follow-up on
25 any one machine having an unresolved variance in excess of \$50
26 or ten percent (whichever is less) between actual drop and bill-in
27 meter readings. Discrepancies should be resolved prior to the
28 generation/distribution of slot count reports and slot statistical
reports. The follow-up performed and results of investigation must
be documented and maintained.

Note: The reconciliation and any follow-up required must not
be performed by a member of the count team.

ICP Slots No. 115.

42. ICP Slots No. 116 states:

A report is produced that compares cashless wagering
system wagering instruments accepted to the wagering instruments
counted in the count room (e.g., vouchers and coupons) for each
slot machine dropped. Variances, by slot machine, noted in the
reports that are in excess of \$50 or 10% (whichever amount is less)

1 are reviewed by accounting department personnel. The results of
2 the variance investigation, including the date of and personnel
3 involved in the investigations, are documented in the report and
4 retained. The results shall also include any corrective action taken
(e.g., meter replaced, interface component repaired, software
debugged, etc.). The investigation is completed and the results are
documented within seven days of the day the variance was noted.

5 ICP Slots No. 116.

6 43. ICP Slots No. 126 states:

7 For computerized player tracking systems, an accounting
8 employee shall perform the following procedures at least one day
per quarter:

- 9 a. Foot all points-redeemed documentation and trace to the
10 system-generated totals.
b. Review all points-redeemed documentation for propriety.

11 ICP Slots No. 126.

12 44. ICP Slots No. 127 states:

13 At least annually, all computerized player tracking,
14 promotional accounts, promotion and external bonusing slot
15 systems (in-house developed and vendor systems) are reviewed by
16 personnel independent of the individuals that set up or make
17 changes to the system parameters. The review is performed to
18 determine that the configuration parameters are accurate and that
19 the configuration parameters have not been altered without
20 appropriate management authorization (e.g., player tracking system
- verify the accuracy of the awarding of points based on the dollar
amount wagered). The system should also be tested, if possible, to
21 further verify the accuracy of the configuration parameters (e.g.,
player tracking system – wager at the slot machine to verify the
accuracy of the amount of points awarded). The test results are
documented and maintained.

22 ICP Slots No. 127.

23 45. ICP Slots No. 128 states:

24 Accounting personnel shall reconcile all contest/tournament
25 entry and payout forms to the dollar amounts recorded in the
appropriate accountability document.

26 ICP Slots No. 128.

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1 46. ICP Slots No. 130 states:

2 Monthly, accounting personnel shall review all contests,
3 tournaments, promotional payouts, drawings, and giveaway
4 programs to determine proper accounting treatment and proper
win/loss computation.

5 ICP Slots No. 130.

6 47. ICP Slots No. 131 states:

7 Monthly, accounting personnel shall perform procedures
8 (e.g., interviews, review of payout documentation, etc.) to ensure
9 that contests, tournaments, promotional payouts, drawings, and
10 giveaway programs are conducted in accordance with the
11 conditions provided to the patrons. For any contest/tournament,
12 accounting personnel shall reconcile the contest/tournament entry
13 fees collected to the actual contest/tournament payouts made. This
reconciliation is to determine whether based on the entry fees
collected, the payouts made and the amounts withheld by the
gaming establishment, if applicable, were distributed in accordance
with the contest/tournament rules.

14 ICP Slots No. 131.

15 48. ICP Slots No. 133 states:

16 At least quarterly, accounting personnel review the
17 personnel access listing of all computerized systems for
appropriate functions an employee can perform.

18 ICP Slots No. 133.

19 49. ICP Slots No. 136 states:

20 Documentation (e.g., a log, checklist, notation on reports,
21 and tapes attached to original documents) is maintained evidencing
22 the performance of slot audit procedures, the exceptions noted and
23 any follow-up of all slot audit exceptions. All changes made to slot
documents by accounting personnel are distinguishable (e.g., made
in red ink) from those made during the preparation of the document.

24 ICP Slots No. 136.

25 50. ICP Tables No. 39 states:

26 Unannounced currency counter and currency counter
27 interface (if applicable) tests are performed by someone who is
28 independent of the count team at least on a quarterly basis,
independent of the normal count process. All denominations of

1 currency counted by the currency counter must be tested. The
2 results of such tests are documented and maintained.

3 ICP Tables No. 39.

4 51. ICP Tables No. 57 states:

5 The physical custody of the keys, including duplicates,
6 needed to access the stored drop boxes, full or empty, requires the
7 physical involvement of at least two employees.

8 ICP Tables No. 57.

9 52. ICP Tables No. 66 states:

10 The addition/deletion of points to player tracking accounts
11 other than through actual game play must be sufficiently
12 documented (including substantiation of reasons for increases) and
13 authorized/performed by supervisory personnel of the player
14 tracking, promotions, or pit department. The addition/deletion of
15 points to player tracking accounts authorized by supervisory
16 personnel is documented and is randomly verified by accounting
17 personnel on a quarterly basis.

18 Note: This standard does not apply to the deletion of points
19 related to inactive or closed accounts through an automated
20 process.

21 ICP Tables No. 66.

22 53. ICP Tables No. 83 states:

23 For computerized player tracking systems, an accounting
24 employee shall perform the following procedures at least one day
25 per quarter:

26 a. Foot all points-redeemed documentation and trace to the
27 system-generated totals.

28 b. Review all points-redeemed documentation for propriety.

Note: Compliance with this standard is required only for
computerized player tracking systems that accumulate points that
are subsequently redeemed by the patron for cash, merchandise,
etc. The standard does not apply to player rating only systems.

ICP Tables No. 83.

54. ICP Tables No. 84 states:

At least annually, the computerized table games player
tracking system (in-house developed and vendor systems) is
reviewed by personnel independent of the individuals that set up or
make changes to the system parameters. The review is performed
to determine that the configuration parameters are accurate and the

1 configuration parameters have not been altered without appropriate
2 management authorization (e.g., verify the accuracy of the
3 awarding of points based on the dollar amount wagered). The
4 system should also be tested, if possible, to further verify the
5 accuracy of the configuration parameters (e.g., simulate activity to
6 verify the accuracy of the amount of points awarded). The test
7 results are documented and maintained.

Note: Compliance with this standard is required only for
computerized player tracking systems that accumulate points that
are subsequently redeemed by the patron for cash, merchandise,
etc.

ICP Tables No. 84.

55. ICP Tables No. 91 states:

Accounting personnel shall reconcile all contest/tournament
entry and payout forms to the dollar amounts recorded in the
appropriate accountability document.

ICP Tables No. 91.

56. ICP Tables No. 93 states:

Monthly, accounting personnel shall review all contests,
tournaments, promotional payouts, drawings, and giveaway
programs to determine proper accounting treatment and proper
win/loss computation.

ICP Tables No. 93.

57. ICP Tables No. 94 states:

Monthly, accounting personnel shall perform procedures
(e.g., interviews, review of payout documentation, etc.) to ensure
that contests, tournaments, promotional payouts, drawings, and
giveaway programs are conducted in accordance with the
conditions provided to the patrons. For any contest/tournament,
accounting personnel shall reconcile the contest/tournament entry
fees collected to the actual contest/tournament payouts made. This
reconciliation is to determine whether based on the entry fees
collected, the payouts made and the amounts withheld by the
gaming establishment, if applicable, were distributed in accordance
with the contest/tournament rules.

ICP Tables No. 94.

58. ICP C&C No. 4 states:

The casino accountability is counted, recorded and signed
by at least two persons on an accountability form:

....

- 1 a. At the end of each shift during which activity took place.
2 b. At least once daily for those areas which no activity took
place.

3 ICP C&C No. 4.

4 59. ICP Entertainment No. 3 states:

5 The internal cash register tape or point-of-sale information is
6 inaccessible to bartenders/cashiers (e.g., keys/passwords are
maintained by an individual independent of these functions).

7 ICP Entertainment No. 3.

8 60. ICP Entertainment No. 7 states:

9 The net cash proceeds from the shift are documented and
10 verified, as evidenced by signatures, by at least two employees.

11 ICP Entertainment No. 7.

12 61. ICP Entertainment No. 23 states:

13 All entertainment period sales, including complimentaries,
14 are summarized and posted to the accounting records.

15 Note: Live entertainment taxable revenue should be posted
16 to a different general ledger account than non-live entertainment
taxable revenue, or in some other way is distinguishable or
specifically identifiable.

17 ICP Entertainment No. 23.

18 62. ICP Keno No. 45 states, in relevant part:

19 Keno audit also performs the following:

- 20 a. For a minimum of five games per week, compare the
21 videotape/film of the rabbit ears to the keno transaction report. For
22 rabbit ear systems that are directly interfaced to the computerized
23 keno system, compare the videotape/film of the rabbit ears to the
24 keno transaction report for a minimum of ten games per month.
When manual ball draw changes are made to the direct interface,
all changes are audited and compared to the rabbit ears
videotape/film.

25 ICP Keno No. 45.

26 63. Nevada Gaming Commission Regulation 6.040 states:

- 27 1. Each licensee, in such manner as the chairman may
28 approve or require, shall keep accurate, complete, legible, and
permanent records of all transactions pertaining to revenue that is

1 taxable or subject to fees under chapters 463 and 464 of NRS.
2 Each licensee that keeps permanent records in a computerized or
3 microfiche fashion shall provide the audit division, or the tax and
4 license division, upon request, with a detailed index to the
5 microfiche or computer record that is indexed by casino department
6 and date.

7 2. Each nonrestricted licensee shall keep general
8 accounting records on a double entry system of accounting,
9 maintaining detailed, supporting, subsidiary records, including:

10 (a) Detailed records identifying revenues, expenses, assets,
11 liabilities, and equity for each establishment;

12 (b) Detailed records of all markers, IOU's, returned checks,
13 hold checks, or other similar credit instruments;

14 (c) Individual and statistical game records to reflect
15 statistical drop, statistical win, and the percentage of statistical win
16 to statistical drop by table for each table game, and to reflect
17 statistical drop, statistical win, and the percentage of statistical win
18 to statistical drop for each type of table game, either by each shift
19 or other accounting period approved by the chairman, and
20 individual and statistical game records reflecting similar information
21 for all other games;

22 (d) Slot analysis reports which, by each machine, compare
23 actual hold percentages to theoretical hold percentages;

24 (e) For Group I licensees, the records required either by the
25 minimum standards for internal control systems or by the licensee's
26 system of internal control;

27 (f) For Group II licensees, the records required by the
28 internal control procedures applicable to such licensees;

(g) Journal entries prepared by the licensee and its
independent accountant; and

(h) Any other records that the chairman specifically requires
be maintained.

3. Each restricted licensee shall create and maintain
records sufficient to accurately reflect gross income and expenses
relating to its gaming operations.

4. If a licensee fails to keep the records used by it to
calculate gross gaming revenue, the board may compute and
determine the amount of taxable revenue upon the basis of an audit
conducted by the audit division, or the tax and license division,
upon the basis of any information within the board's possession, or
upon statistical analysis.

5. The chairman may, in his sole and absolute discretion,
permit multiple nonrestricted gaming operations to use a combined
double entry system of accounting to reflect the accounting
information required to be maintained by Regulation 6 if:

(a) The accounting information that is combined occurs only
with respect to nonrestricted gaming operations owned and

1 operated by the same licensee or by an affiliate of the same
2 licensee;

3 (b) Each separate gaming operation conducts no more than
4 50 slot machines and no other games;

5 (c) The revenues subject to taxes or fees pursuant to NRS
6 chapter 463 are readily identifiable and traceable to each separate
7 gaming operation and its respective licensee; and

8 (d) The licensee and its affiliate comply with all other
9 requirements of Regulation 6 as may be applicable.

10 Nev. Gaming Comm'n Reg. 6.040.

11 64. Nevada Gaming Commission Regulation 6.060 states:

12 Each licensee shall provide the audit division, or the tax and
13 license division, upon request, with the records required to be
14 maintained by Regulation 6. Unless the chairman approves or
15 requires otherwise in writing, each licensee shall retain all such
16 records within Nevada for at least 5 years after they are made.
17 Failure to keep and provide such records is an unsuitable method
18 of operation.

19 Nev. Gaming Comm'n Reg. 6.060.

20 65. Nevada Gaming Commission Regulation 6.110 states, in relevant part, as follows:

21 12. For payout receipts and wagering vouchers issued at a
22 slot machine offered for play at a gaming establishment that
23 operates under a nonrestricted license:

24 (a) The redemption value shall be deducted from gross
25 revenue as a jackpot payout in the month the receipt or voucher is
26 issued at the slot machine.

27 (b) Such receipts and wagering vouchers shall be deemed
28 expired if not redeemed on or before the expiration date printed on
the payout receipt or wagering voucher or within 180 days of
issuance, whichever period is less. For payout receipts or wagering
vouchers that have been deemed expired under this section, the
licensee shall:

(1) Include 25 percent of the redemption value in reported
gross revenue in the month that the payout receipt or wagering
voucher expired; and

(2) On or before the 15th day of the month following the end
of each calendar quarter:

(i) Report to the Commission the total redemption value of
all unredeemed payout receipts and wagering vouchers that
expired during the preceding calendar quarter; and

(ii) Remit to the Commission 75 percent of the total
redemption value of all unredeemed payout receipts and wagering
vouchers that expired during the preceding calendar quarter.

(c) While under no legal obligation to do so, a licensee may
allow a patron to redeem a payout receipt or wagering voucher that
has been deemed expired pursuant to this section. In such cases:

(1) If any portion of the redemption value of the expired
payout receipt or wagering voucher had been included in reported

1 gross revenue, the licensee shall deduct that amount from reported
2 gross revenue for the month the receipt or voucher was redeemed.

3 (2) If redeemed in the same quarter it expired, no portion of
4 the redemption value of the payout receipt or wagering voucher is
5 to be remitted to the Commission, nor is any portion of the
6 redemption value to be included in the quarterly report to the
7 Commission.

8 (3) If any portion of the redemption value of the expired
9 payout receipt or wagering voucher was previously remitted to the
10 Commission, the licensee shall deduct that amount from the next
11 quarterly payment due the Commission up to the total amount due
12 for that quarter. Any remaining amount shall be deducted in the
13 same manner from amounts due in subsequent quarters until the
14 amount has been fully deducted.

15 (d) A record of all expired payout receipts and wagering
16 vouchers shall be created and maintained in accordance with the
17 record keeping requirements set forth in regulations 6.040 and
18 6.060.

19 (e) For purposes of this section, the term "slot machine"
20 means a gaming device for which gross revenue is calculated
21 pursuant to the method described under section 2 above.

22 (f) This section only applies to payout receipts and wagering
23 vouchers issued at a slot machine after June 30, 2011. For payout
24 receipts and wagering vouchers issued at a slot machine on or
25 before June 30, 2011, the requirements of section 11 apply.

26 Nev. Gaming Comm'n Reg. 6.110(12).

27 66. Nevada Gaming Commission Regulation 6.130 states:

28 1. Except as otherwise provided in subsection 2:

(a) Each nonrestricted licensee shall report annually to the board, on or before July 15th, the time or times when drop boxes will be removed and the contents counted. All drop boxes must be removed and counted at the time or times previously designated to the board. Removal and counting of drop box contents at other than the designated times is prohibited unless the licensee provides advance written notice to the chairman of a change in times or the chairman requires a change of authorized times.

(b) Within 10 days after the end of each calendar quarter, each nonrestricted licensee shall submit a list to the board of employees authorized to participate in the count and those employees who are authorized to be in the count room during the count ("count personnel list") during and as of the end of the calendar quarter. The count personnel list shall indicate those persons, if any, who hold an interest in the licensee and shall indicate what relationship by blood or marriage, if any, exists between any person on such list or any interest holder or employee of the gaming establishment. The count personnel list shall also indicate the social security number of each count employee and the job position held by each count employee.

1 2. Unless otherwise administratively waived or amended by
2 the chairman of the state gaming control board or his designee,
3 each operator of a slot machine route shall submit the information
4 required by this section on a monthly basis, in a format acceptable
5 to the board, on or before the fifth day of the immediately following
6 month. This subsection will expire and no longer be in force and
7 effect as of midnight January 31, 1993.

8 Nev. Gaming Comm'n Reg. 6.130.

9 67. Nevada Gaming Commission Regulation 6.150 states, in relevant part, as follows:

10 5. Each restricted gaming licensee, nonrestricted gaming
11 licensee and each person licensed as an operator of an inter-
12 casino linked system or as an operator of a slot machine route shall
13 maintain in accordance with the bankroll formula adopted by the
14 chairman pursuant to the requirements of this section, cash or cash
15 equivalents in an amount sufficient to reasonably protect the
16 licensee's or operator's patrons against defaults in gaming debts
17 owed by the licensee or operator. If at any time the licensee's or
18 operator's available cash or cash equivalents should be less than
19 the amount required by this section, the licensee or operator shall
20 immediately notify the board of this deficiency and shall also detail
21 the means by which the licensee shall comply with the minimum
22 bankroll requirements. Failure to maintain the minimum bankroll
23 required by this section, or a higher bankroll as required by the
24 chairman pursuant to this section, or failure to notify the board as
25 required by this section, is an unsuitable method of operation.

26 6. Records reflecting accurate, monthly computations of
27 bankroll requirements and actual bankroll available shall be
28 maintained by nonrestricted gaming licensees, operators of inter-
casino linked systems and operators of slot machine routes in
accordance with Regulation 6.060. The chairman, in his sole
discretion, may require more frequent computations, require
additional recordkeeping not specified in the formula, or require the
licensee to maintain a bankroll higher than is or would otherwise be
required by the bankroll formula, or require recordkeeping by
restricted gaming licensees.

Nev. Gaming Comm'n Reg. 6.150(5) and (6).

68. Nevada Gaming Commission Regulation 8.130 states, in relevant part, as follows:

1. Any licensee that receives, accepts, or makes use of any
cash, property, credit, guaranty, benefit or any form of security
loaned to, leased to, or provided for or on behalf of the licensee or
an officer, director, agent, employee or stockholder of the licensee,
in a transaction required to be reported under subsections 2
through 6, must report the transaction to the board in the manner
required by subsections 7 and 8 within 30 days after the end of the
calendar quarter in which the transaction is consummated. A
transaction is considered consummated the earlier of the contract
date or the date the cash, property, credit, guaranty, benefit or
security is received.

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1 3. Except as provided in subsection 5, each of the following
2 transactions must be reported to the board, if the dollar amount of
the transaction exceeds \$30,000:

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4 (b) Capital contributions and loans by a person who is a
stockholder, partner or proprietor of the licensee.

5 Nev. Gaming Comm'n Reg. 8.130(1) and (3)(b).

6 69. Nevada Gaming Commission Regulation 15.510.4-1 states:

7 The statement required by NRS 463.510.4 shall be
8 substantially as follows:

9 "The sale, assignment, transfer, pledge or other disposition
10 of this security is ineffective unless approved in advance by the
11 Nevada gaming commission. If at any time such commission finds
12 that an owner of this security is unsuitable to continue to have an
13 involvement in gaming in such state, such owner must dispose of
14 such security as provided by the laws of the State of Nevada and
the regulations of the Nevada gaming commission thereunder.
Such laws and regulations restrict the right under certain
circumstances: (a) to pay or receive any dividend or interest upon
any such security; (b) to exercise, directly or through any trustee or
nominee, any voting right conferred by such security; or (c) to
receive any remuneration in any form from the corporation, for
services rendered or otherwise."

15 Nev. Gaming Comm'n Reg. 15.510.4-1.

16 **BACKGROUND**

17 70. The BOARD has worked vigorously to address with RESPONDENTS their
18 deficiencies with regard to the statutes, regulations, and procedures as set out above. The
19 BOARD issued previous violation letters dated June 5, 2012, and December 24, 2013.
20 These, together with the statutes, regulations, ICP Slots, ICP Tables, ICP C&C, ICP
21 Entertainment, and ICP Keno, placed RESPONDENTS on notice of various deficiencies.

22 71. Of the violations set out in the violation letter dated June 5, 2012, the BOARD
23 again charges RESPONDENTS with violations of Nevada Gaming Commission
24 Regulation 6.040.

25 72. Of the violations set out in the violation letter dated December 24, 2013, the
26 BOARD again charges RESPONDENTS with violations of Nevada Gaming Commission
27 Regulations 5.110, 6.040, and 15.510.4-1 and ICP Slots No. 84.

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COUNT TWO

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 5.110

81. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 80 above.

82. Discussions with the Corporate Controller of MAX on October 21, 2014 and November 19, 2014 disclosed the documentation pertaining to the distribution of the incremental amount from machines #30152 through #30174 to machine #30149 was not maintained.

83. MAX's actions as set out above are a violation of Nevada Gaming Commission Regulation 5.110. This 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.

COUNT THREE

VIOLATION OF NEVADA GAMING COMMISSION

REGULATIONS 6.060, 6.040, and/or 6.100 (ICP SLOTS NO. 1)

84. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 83 above.

85. Detail testing of MAX's slot documentation for July 14, 2013 and October 6, 2013 disclosed five computerized manual jackpot tickets were unable to be provided (#1010003806, #101003807, #1010003976, #1010003977 and #1010003985).

86. Additionally, detail testing for March 9, 2014 revealed five computerized manual jackpot tickets (#10100004244 through #10100004248) were missing the second copy.

87. MAX's actions as set out above are a violation of Nevada Gaming Commission Regulations 6.040, 6.060, and/or 6.100 through ICP Slots No. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

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COUNT FOUR

VIOLATION OF NEVADA GAMING COMMISSION

REGULATIONS 6.060, 6.040, and/or 6.100 (ICP SLOTS NO. 1)

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

89. Detail testing of MAX's table games documentation for October 3, 2013, October 9, 2013 and October 10, 2013 disclosed fourteen (14) fill slips (#10022240 through #10022243; #10022277 through #10022282; #10022283 through #10022286) were missing and unable to be provided to Board agents.

90. MAX's actions as set out above are a violation of Nevada Gaming Commission Regulations 6.040, 6.060, and/or 6.100 through ICP Slots No. 1. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

COUNT FIVE

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 27 and ICP TABLES NO. 39)

91. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 90 above.

92. Discussions with MAX's Corporate Controller on September 16, 2014 revealed unannounced currency counter and currency counter interface tests were not performed for the review period May 1, 2012 through June 30, 2014.

93. MAX's failure to comply with ICP Slots No. 27 and ICP Tables No. 39 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

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1 COUNT SIX

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

3 (ICP SLOTS NO. 47)

4 94. Complainant BOARD realleges and incorporates by reference as though set forth
5 in full herein paragraphs 1 through 93 above.

6 95. Observation of MAX's currency acceptor count on August 18, 2014 revealed the
7 count team tested the currency counter with currency prior to the start of the table games
8 count earlier; however, the wagering instruments were not tested prior to the start of the
9 currency acceptor count to insure the counter was functioning correctly.

10 96. MAX's failure to comply with ICP Slots No. 47 is a violation of Nevada Gaming
11 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
12 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
13 and 5.030.

14 COUNT SEVEN

15 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

16 (ICP SLOTS NO. 77)

17 97. Complainant BOARD realleges and incorporates by reference as though set forth
18 in full herein paragraphs 1 through 96 above.

19 98. Examination of simple average theoretical hold percentage calculations for three
20 slot machines (#10338, #30170 and #40066) at MAX revealed the simple average theoretical
21 hold percentages were calculated incorrectly. The errors in the calculations were comprised
22 of active paytables not included in each denomination available for play, active paytables not
23 included at all, and incorrect paytables being utilized.

24 99. MAX's failure to comply with ICP Slots No. 77 is a violation of Nevada Gaming
25 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
26 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
27 and 5.030.

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COUNT EIGHT

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 77)

100. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 99 above.

101. Examination of the simple average theoretical hold percentage calculations for five slot machines (#10338, #10418, #30170, #30188 and #40066) at MAX revealed the simple average theoretical hold percentages did not trace into the August 17, 2014 slot analysis report.

102. MAX's failure to comply with ICP Slots No. 77 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

COUNT NINE

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 82)

103. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 102 above.

104. Discussions with MAX's Accounting Clerk on September 5, 2014 and the Corporate Controller on September 16, 2014 disclosed the coin-in variance information is provided to the slot department each drop; however, the variances are not investigated, corrected and documented.

105. MAX's failure to comply with ICP Slots No. 82 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

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1 COUNT TEN

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

3 (ICP SLOTS NO. 83)

4 106. Complainant BOARD realleges and incorporates by reference as though set forth
5 in full herein paragraphs 1 through 105 above.

6 107. Discussions with MAX's Corporate Controller on September 16, 2014 and a
7 review of the Actual Slot Win report, the slot analysis report, dated August 17, 2014 revealed
8 a report was not produced monthly that shows accurate month-to-date, year-to-date, actual
9 hold percentage computations for individual machines and a comparison to each machine's
10 theoretical hold percentage for the review period, May 1, 2012 through June 30, 2014.

11 108. MAX's failure to comply with ICP Slots No. 83 is a violation of Nevada Gaming
12 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
13 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
14 and 5.030.

15 COUNT ELEVEN

16 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

17 (ICP SLOTS NO. 84)

18 109. Complainant BOARD realleges and incorporates by reference as though set forth
19 in full herein paragraphs 1 through 108 above.

20 110. Review of MAX's theoretical hold worksheet and examination of slot machine
21 #30170 on September 8, 2014 disclosed the theoretical hold calculation was not adjusted for
22 the progressive percentage contribution. This affected 21 other machines resulting in an error
23 rate of 10.2 percent (22 of 216 machines on the floor).

24 111. MAX's failure to comply with ICP Slots No. 84 is a violation of Nevada Gaming
25 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
26 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
27 and 5.030.

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1 COUNT TWELVE

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

3 (ICP SLOTS NO. 85)

4 112. Complainant BOARD realleges and incorporates by reference as though set forth
5 in full herein paragraphs 1 through 111 above.

6 113. Discussions with MAX's slot technician on September 5, 2014 and a review of the
7 slot analysis report dated August 17, 2014 revealed machines with identical EPROM numbers
8 did not have the same theoretical hold percentages in the slot analysis report.

9 114. MAX's failure to comply with ICP Slots No. 85 is a violation of Nevada Gaming
10 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
11 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
12 and 5.030.

13 COUNT THIRTEEN

14 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

15 (ICP SLOTS NO. 89)

16 115. Complainant BOARD realleges and incorporates by reference as though set forth
17 in full herein paragraphs 1 through 114 above.

18 116. Review of MAX's slot analysis reports revealed large variations between
19 theoretical hold and actual hold, by machine and by denomination. However, discussions with
20 the Corporate Controller on September 16, 2014 revealed these variances are not being
21 reviewed, and reports are not initialed by management.

22 117. Additionally, examination of the year end Actual Slot Win report for 2013 and the
23 six month period through June 30, 2014 revealed the following hold percentages were not
24 investigated or documented:

<u>Year</u>	<u>Machine Number</u>	<u>Actual Hold Percentage</u>
25 2013	10219	27.28%
26 2013	10140	137.35%
27 2013	10395	82.19%
28 2014	50000	37.13%

1 118. Theoretical hold is not permitted to be above 25 percent.

2 119. MAX's failure to comply with ICP Slots No. 89 is a violation of Nevada Gaming
3 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
4 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
5 and 5.030.

6 **COUNT FOURTEEN**

7 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

8 **(ICP SLOTS NO. 100)**

9 120. Complainant BOARD realleges and incorporates by reference as though set forth
10 in full herein paragraphs 1 through 119 above.

11 121. Observation of MAX's cage cashier utilizing the player tracking system on
12 September 17, 2014 revealed she had the capability to add non-cashable credits to a player
13 tracking account without supervisory approval.

14 122. Additionally, a review of the access listing disclosed all users with the PPC Host
15 access, including cage cashiers, are able to perform this function.

16 123. MAX's failure to comply with ICP Slots No. 100 is a violation of Nevada Gaming
17 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
18 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
19 and 5.030.

20 **COUNT FIFTEEN**

21 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

22 **(ICP SLOTS NO. 100 and ICP TABLES NO. 66)**

23 124. Complainant BOARD realleges and incorporates by reference as though set forth
24 in full herein paragraphs 1 through 123 above.

25 125. Discussions with MAX's Corporate Controller on September 16, 2014 and the
26 General Manager on September 19, 2014 disclosed the addition/deletion of points to player
27 tracking accounts and the addition/deletion of cashable credits and non-cashable credits to
28 promotional accounts, other than through actual slot machine play, are not randomly verified.

1 126. MAX's failure to comply with ICP Slots No. 100 and ICP Tables No. 66 is a
2 violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable
3 method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming
4 Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

5 **COUNT SIXTEEN**

6 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

7 **(ICP SLOTS NO. 106)**

8 127. Complainant BOARD realleges and incorporates by reference as though set forth
9 in full herein paragraphs 1 through 126 above.

10 128. Discussions with MAX's Corporate Controller on October 8, 2014 and a review of
11 documentation revealed the form used for the Lei a Day drawing in May 2013 did not contain
12 the signature or initials of the person issuing the payment or the date of the payout.

13 129. MAX's failure to comply with ICP Slots No. 106 is a violation of Nevada Gaming
14 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
15 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
16 and 5.030.

17 **COUNT SEVENTEEN**

18 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

19 **(ICP SLOTS NO. 107)**

20 130. Complainant BOARD realleges and incorporates by reference as though set forth
21 in full herein paragraphs 1 through 129 above.

22 131. Discussions with MAX's Corporate Controller on October 8, 2014 revealed the
23 payouts and costs of prizes for the Two to Tango slot tournament in February 2013 and Lei a
24 Day drawing in May 2013 were not booked to the general ledger.

25 132. MAX's failure to comply with ICP Slots No. 107 is a violation of Nevada Gaming
26 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
27 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
28 and 5.030.

COUNT EIGHTEEN

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 115)

133. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 132 above.

134. Review of documentation and discussions with MAX's Accounting Clerk on September 5, 2014 revealed bill-in meter variances were not investigated or documented for the review period, May 1, 2012 through June 30, 2014.

135. MAX's failure to comply with ICP Slots No. 115 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

COUNT NINETEEN

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 116)

136. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 135 above.

137. Review of documentation and discussions with MAX's Accounting Clerk on September 5, 2014 revealed voucher variances by machine were not investigated or documented for the review period, May 1, 2012 through June 30, 2014.

138. MAX's failure to comply with ICP Slots No. 116 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

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COUNT TWENTY

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 126 and ICP TABLES NO. 83)

139. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 138 above.

140. Discussions with MAX's Accounting Clerk on September 4, 2014 and Corporate Controller on September 16, 2014 revealed the accounting department did not foot all points-redeemed and trace them to the system generated totals or review the points-redeemed for propriety during the review period May 1, 2012 through June 30, 2014.

141. Discussions with the MAX's Accounting Clerk on September 4, 2014 disclosed the point-redeemed documentation was not added and traced to the system generated totals for the review period, May 1, 2012 through June 30, 2014.

142. MAX's failure to comply with ICP Slots No. 126 and ICP Tables No. 83 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

COUNT TWENTY-ONE

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 127)

143. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 142 above.

144. Discussions with the MAX's Assistant General Manager and General Manager on September 19, 2014 revealed personnel independent of the individuals that set up or make changes to the system parameters did not test to verify the accuracy of the awarding of points based on the dollar amount wagered, nor are they wagering at the slot machine to verify the accuracy of the amount of points awarded for the review period May 1, 2012 through June 30, 2014.

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1 145. MAX's failure to comply with ICP Slots No. 127 is a violation of Nevada Gaming
2 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
3 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
4 and 5.030.

5 **COUNT TWENTY-TWO**

6 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

7 **(ICP SLOTS NO. 131)**

8 146. Complainant BOARD realleges and incorporates by reference as though set forth
9 in full herein paragraphs 1 through 145 above.

10 147. Discussions with MAX's Corporate Controller on September 16, 2014 revealed
11 procedures to ensure that contests, tournaments, promotional payouts, drawings, and
12 giveaway programs are conducted in accordance with the conditions provided to the patrons
13 were not performed for the review period May 1, 2012 through June 30, 2014.

14 148. MAX's failure to comply with ICP Slots No. 131 is a violation of Nevada Gaming
15 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
16 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
17 and 5.030.

18 **COUNT TWENTY-THREE**

19 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

20 **(ICP SLOTS NO. 133)**

21 149. Complainant BOARD realleges and incorporates by reference as though set forth
22 in full herein paragraphs 1 through 148 above.

23 150. Discussions with MAX's Corporate Controller on September 16, 2014 revealed
24 the access listing of all computerized systems are not reviewed for appropriate functions an
25 employee can perform.

26 151. Additionally, a review of the IGT EZ Pay Security Access Report, Active Status:
27 Active User Summary, disclosed several terminated employees still listed as active users in
28 the system.

1 152. MAX's failure to comply with ICP Slots No. 133 is a violation of Nevada Gaming
2 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
3 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
4 and 5.030.

5 **COUNT TWENTY-FOUR**

6 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

7 **(ICP SLOTS NO. 136)**

8 153. Complainant BOARD realleges and incorporates by reference as though set forth
9 in full herein paragraphs 1 through 152 above.

10 154. Detail slot testing at MAX for the review period May 1, 2012 through June 30,
11 2014 revealed evidence was not maintained to support the performance of slot audit
12 procedures.

13 155. MAX's failure to comply with ICP Slots No. 136 is a violation of Nevada Gaming
14 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
15 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
16 and 5.030.

17 **COUNT TWENTY-FIVE**

18 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

19 **(ICP TABLES NO. 84)**

20 156. Complainant BOARD realleges and incorporates by reference as though set forth
21 in full herein paragraphs 1 through 155 above.

22 157. Discussions with MAX's Corporate Controller on September 16, 2014 and
23 General Manager on September 19, 2014 disclosed that personnel did not review the
24 configuration parameters to ensure they are accurate and have not been altered for the review
25 period, May 1, 2012 through June 30, 2015.

26 158. Additionally, the system has not been tested to further verify the accuracy of the
27 configuration parameters for the review period.

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1 159. MAX's failure to comply with ICP Tables No. 84 is a violation of Nevada Gaming
2 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
3 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
4 and 5.030.

5 **COUNT TWENTY-SIX**

6 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

7 **(ICP C&C NO. 4)**

8 160. Complainant BOARD realleges and incorporates by reference as though set forth
9 in full herein paragraphs 1 through 159 above.

10 161. Observation of the cage counts at MAX on August 18, 2014 and September 9,
11 2014 revealed the Reserve Chip inventory, totaling \$953,195, is not counted down at the end
12 of each shift.

13 162. MAX's failure to comply with ICP C&C No. 4 is a violation of Nevada Gaming
14 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
15 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
16 and 5.030.

17 **COUNT TWENTY-SEVEN**

18 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

19 **(ICP C&C NO. 4)**

20 163. Complainant BOARD realleges and incorporates by reference as though set forth
21 in full herein paragraphs 1 through 162 above.

22 164. Discussions with the cage cashier at MAX on August 18, 2014 disclosed the cage
23 accountability is not counted by the oncoming cage cashier immediately at the end of the
24 grave shift.

25 165. MAX's failure to comply with ICP C&C No. 4 is a violation of Nevada Gaming
26 Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as
27 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2),
28 and 5.030.

1 COUNT TWENTY-EIGHT

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

3 (ICP ENTERTAINMENT NO. 7)

4 166. Complainant BOARD realleges and incorporates by reference as though set forth
5 in full herein paragraphs 1 through 165 above.

6 167. Discussions with the Manager of the Red Skelton Tribute show at MAX on
7 September 18, 2014 disclosed the net cash proceeds, at the end of each show, are verified by
8 the manager and the show's cashier; however, this verification is not documented and signed
9 for by the employees.

10 168. Additionally, detail testing revealed the verification was not documented for the
11 review period, May 1, 2012 through June 30, 2014.

12 169. MAX's failure to comply with ICP Entertainment No. 7 is a violation of Nevada
13 Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation,
14 and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8),
15 5.010(2), and 5.030.

16 COUNT TWENTY-NINE

17 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

18 (ICP ENTERTAINMENT NO. 23)

19 170. Complainant BOARD realleges and incorporates by reference as though set forth
20 in full herein paragraphs 1 through 169 above.

21 171. Examination of transactions posted to MAX's general ledger account #2330 and
22 discussions with the Corporate Controller on September 24, 2014 disclosed the live
23 entertainment tax for November 2012, September 2013, March 2014 and June 2014 was not
24 booked in the general ledger.

25 172. Additionally, the live entertainment tax for December 2013 was booked incorrectly
26 to the January 2014 general ledger, and the January 2014 live entertainment tax was booked
27 incorrectly to the February 2014 general ledger.

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1 173. MAX's failure to comply with ICP Entertainment No. 23 is a violation of Nevada
2 Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation,
3 and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8),
4 5.010(2), and 5.030.

5 **COUNT THIRTY**

6 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.130**

7 174. Complainant BOARD realleges and incorporates by reference as though set forth
8 in full herein paragraphs 1 through 173 above.

9 175. Detail slot testing at MAX for September 2, 2012 revealed the currency acceptor
10 drop was performed one day early on Sunday, September 2, 2012 rather than the previously
11 submitted drop day of Monday. The date change was not reported to the BOARD until
12 Monday September 3, 2012.

13 176. MAX's actions as set out above are a violation of Nevada Gaming Commission
14 Regulation 6.130. This constitutes an unsuitable method of operation, and, as such, is
15 grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

16 **COUNT THIRTY-ONE**

17 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.130**

18 177. Complainant BOARD realleges and incorporates by reference as though set forth
19 in full herein paragraphs 1 through 176 above.

20 178. Detail testing for the table games count performed at MAX on March 22, 2014
21 disclosed Nancy Lewis participated in the count; however, she was not included in the count
22 personnel list for the first quarter of 2014.

23 179. MAX's actions as set out above are a violation of Nevada Gaming Commission
24 Regulation 6.130. This constitutes an unsuitable method of operation, and, as such, is
25 grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

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1 COUNT THIRTY-TWO

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.150

3 180. Complainant BOARD realleges and incorporates by reference as though set forth
4 in full herein paragraphs 1 through 179 above.

5 181. Discussions with MAX's Corporate Controller on September 4, 2014 and
6 examination of the July 2014 bankroll calculation and supporting documentation disclosed a
7 cash excess of \$5,119 for On Hand and a cash deficiency of (\$53,127) for Next Business Day.
8 The MAX did not immediately notify the BOARD of the deficiency for Next Business Day.

9 182. Additionally, the calculation disclosed the following discrepancies: funds in slot
10 machines were included under Cash on Casino Floor-Next Business Day, and the bank
11 account balance was utilized rather than the book balance.

12 183. MAX's actions as set out above are a violation of Nevada Gaming Commission
13 Regulation 6.150. This constitutes an unsuitable method of operation, and, as such, is
14 grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

15 COUNT THIRTY-THREE

16 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.150

17 184. Complainant BOARD realleges and incorporates by reference as though set forth
18 in full herein paragraphs 1 through 183 above.

19 185. Review of MAX's monthly bankroll calculations revealed the bankrolls were
20 deficient for the months of January 2014, February 2014 and March 2014. The MAX did not
21 immediately notify the BOARD of these deficiencies.

22 186. Additionally, the bankrolls were calculated incorrectly by including the bank
23 statement balance rather than the book balance and including funds in the slot machines for
24 the months of January 2013 through June 2014.

25 187. Furthermore, the December 2012 bankroll could not be provided to BOARD
26 agents for review.

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1 188. MAX's actions as set out above are a violation of Nevada Gaming Commission
2 Regulation 6.150. This constitutes an unsuitable method of operation, and, as such, is
3 grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

4 **COUNT THIRTY-FOUR**

5 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 8.130**

6 189. Complainant BOARD realleges and incorporates by reference as though set forth
7 in full herein paragraphs 1 through 188 above.

8 190. Discussions with MAX's Corporate Controller on September 18, 2014 and a
9 review of the general ledger disclosed the following capital contributions were not reported to
10 the Board:

<u>Contribution Date</u>	<u>Contribution Amount</u>
May 1, 2012	\$300,000
November 29, 2013	\$39,148
January 31, 2014	\$160,000
March 31, 2014	\$65,000

14 191. MAX's actions as set out above are a violation of Nevada Gaming Commission
15 Regulation 8.130. This constitutes an unsuitable method of operation, and, as such, is
16 grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

17 **COUNT THIRTY-FIVE**

18 **VIOLATION OF NEVADA REVISED STATUTE 463.373 and/or 463.385**

19 192. Complainant BOARD realleges and incorporates by reference as though set forth
20 in full herein paragraphs 1 through 191 above.

21 193. Examination of SILVER STATE's accounting records and discussions with the
22 Corporate Controller on December 1, 2014 disclosed Hitchin' Post Tavern, Mariana's #2
23 Supermarket, Mariana's #3 Supermarket and Smart Mart Convenience Store have not been
24 reimbursed for their share of annual slot fees since June 30, 2008; May 1, 2007; January 15,
25 2007 and September 9, 2009, respectively.

26 194. SILVER STATES's actions as set out above are a violation of Nevada Revised
27 Statute 463.373 and/or 463.385. This constitutes an unsuitable method of operation, and, as
28 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

1 COUNT THIRTY-SIX

2 VIOLATION OF NEVADA REVISED STATUTE 463.373 and/or 463.385

3 195. Complainant BOARD realleges and incorporates by reference as though set forth
4 in full herein paragraphs 1 through 194 above.

5 196. Examination of SILVER STATE's accounting records and discussions with the
6 Corporate Controller on December 1, 2014 disclosed the Mad Greek Café was reimbursed
7 their share of annual slot fees. However, this reimbursement was not proportionate to the
8 participation agreement.

9 197. SILVER STATES's actions as set out above are a violation of Nevada Revised
10 Statute 463.373 and/or 463.385. This constitutes an unsuitable method of operation, and, as
11 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

12 COUNT THIRTY-SEVEN

13 VIOLATION OF NEVADA REVISED STATUTE 463.530

14 198. Complainant BOARD realleges and incorporates by reference as though set forth
15 in full herein paragraphs 1 through 197 above.

16 199. Review of SILVER STATE's corporate meeting minutes revealed Rory Bedore
17 was appointed as the President, Treasurer and Secretary of the corporation on November 17,
18 2006 and has served in these capacities since his appointment. However, Mr. Bedore has not
19 been licensed or applied for licensure as the President, Treasurer and Secretary of SILVER
20 STATE.

21 200. SILVER STATES's actions as set out above are a violation of Nevada Revised
22 Statute 463.530. This constitutes an unsuitable method of operation, and, as such, is grounds
23 for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

24 COUNT THIRTY-EIGHT

25 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 3.100

26 201. Complainant BOARD realleges and incorporates by reference as though set forth
27 in full herein paragraphs 1 through 200 above.

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1 202. Examination of BOARD files disclosed David Villegas, Slot Supervisor for SILVER
2 STATE, was not included in the key employee submission for April 30, 2014 and October 24,
3 2014. Mr. Villegas oversees the entirety of SILVER STATE's slot route operations and is one
4 of SILVER STATE's five highest compensated persons.

5 203. SILVER STATE's actions as set out above are a violation of Nevada Gaming
6 Commission Regulation 3.100. This 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 THIRTY-NINE**

9 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.040**

10 204. Complainant BOARD realleges and incorporates by reference as though set forth
11 in full herein paragraphs 1 through 203 above.

12 205. Pursuant to Nevada Gaming Commission Regulation 6.040, the BOARD
13 chairman issued an industry letter on January 15, 1999, requiring "[a]ll manufacturers and
14 distributors shall keep general accounting records on a double entry system of accounting,
15 maintaining detailed supporting and subsidiary records. All records shall be retained for a
16 minimum of five years and shall include detailed documentation identifying revenues,
17 expenses, assets, liabilities and equity."

18 206. Examination of SILVER STATE's general ledger and discussions with the
19 Corporate Controller on November 18, 2014 disclosed a slot machine inventory was not
20 performed in 2013; as such, a reconciliation of the 2013 inventory to the asset account in the
21 general ledger could not be performed.

22 207. Additionally, the November 18, 2014 slot machine inventory could not be
23 reconciled to the assets posted in the general ledger.

24 208. SILVER STATE's actions as set out above are a violation of Nevada Gaming
25 Commission Regulation 6.040. This constitutes an unsuitable method of operation, and, as
26 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

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1 COUNT FORTY

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.040

3 209. Complainant BOARD realleges and incorporates by reference as though set forth
4 in full herein paragraphs 1 through 208 above.

5 210. Pursuant to Nevada Gaming Commission Regulation 6.040, the BOARD
6 chairman issued an industry letter on January 15, 1999, requiring “[a]ll manufacturers and
7 distributors shall keep general accounting records on a double entry system of accounting,
8 maintaining detailed supporting and subsidiary records. All records shall be retained for a
9 minimum of five years and shall include detailed documentation identifying revenues,
10 expenses, assets, liabilities and equity.”

11 211. Discussions with SILVER STATE’s Corporate Controller and the slot tech on
12 December 1, 2014 disclosed no records have been created and maintained for slot machines
13 showing the date a machine was placed into service, the date a machine was removed from
14 operation, dates and type of changes made to a machine and the recalculation of theoretical
15 hold percentage as a result of changes made.

16 212. SILVER STATE’s actions as set out above are a violation of Nevada Gaming
17 Commission Regulation 6.040. This constitutes an unsuitable method of operation, and, as
18 such, is grounds for disciplinary action. See Nev. Gaming Comm’n Regs. 5.010(2) and 5.030.

19 COUNT FORTY-ONE

20 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.040

21 213. Complainant BOARD realleges and incorporates by reference as though set forth
22 in full herein paragraphs 1 through 212 above.

23 214. Pursuant to Nevada Gaming Commission Regulation 6.040, the BOARD
24 chairman issued an industry letter on January 15, 1999, requiring “[a]ll manufacturers and
25 distributors shall keep general accounting records on a double entry system of accounting,
26 maintaining detailed supporting and subsidiary records. All records shall be retained for a
27 minimum of five years and shall include detailed documentation identifying revenues,
28 expenses, assets, liabilities and equity.”

1 215. Examination of SILVER STATE's 2013 and 2014 slot analysis reports for the slot
2 route revealed several errors. Specifically, the drop figures were by machine and not in total
3 for each drop date.

4 216. Additionally, month-to-date, quarter-to-date and year-to-date figures were not
5 calculated and included in the slot analysis reports for each machine in total and for each
6 location in total. Furthermore, the slot analysis reports were not revised to indicate new
7 simple average theoretical hold percentages when a change was made to the active
8 paytables within the slot machines library.

9 217. SILVER STATE's actions as set out above are a violation of Nevada Gaming
10 Commission Regulation 6.040. This constitutes an unsuitable method of operation, and, as
11 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

12 **COUNT FORTY-TWO**

13 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.040**

14 218. Complainant BOARD realleges and incorporates by reference as though set forth
15 in full herein paragraphs 1 through 217 above.

16 219. Pursuant to Nevada Gaming Commission Regulation 6.040, the BOARD
17 chairman issued an industry letter on January 15, 1999, requiring "[a]ll manufacturers and
18 distributors shall keep general accounting records on a double entry system of accounting,
19 maintaining detailed supporting and subsidiary records. All records shall be retained for a
20 minimum of five years and shall include detailed documentation identifying revenues,
21 expenses, assets, liabilities and equity."

22 220. Discussions with SILVER STATE's Corporate Controller and slot tech on
23 November 20, 2014 and examination of Par Sheet Summaries and machine testing disclosed
24 the simple average theoretical hold calculations were not calculated for all of the 155 multi-
25 game/multi-denomination slot machines operated by the slot route. Therefore, the
26 calculations could not be traced to the theoretical hold percentages utilized in the slot analysis
27 reports. Additional errors noted in the slot analysis reports were machines of the same type

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1 had different theoretical hold percentages and theoretical hold percentages used in the
2 reports were outside of the manufacturers range.

3 221. Additionally, all 12 single game slot machines on the slot route had the incorrect
4 theoretical hold percentages in the slot analysis reports.

5 222. This is a recurring violation previously cited in the BOARD's letter dated June 5,
6 2012.

7 223. SILVER STATE's actions as set out above are a violation of Nevada Gaming
8 Commission Regulation 6.040. This constitutes an unsuitable method of operation, and, as
9 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

10 **COUNT FORTY-THREE**

11 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.150**

12 224. Complainant BOARD realleges and incorporates by reference as though set forth
13 in full herein paragraphs 1 through 223 above.

14 225. Discussions with SILVER STATE's Corporate Controller on November 19, 2014
15 disclosed the monthly bankroll calculations were not performed for the period January 1, 2014
16 through July 31, 2014.

17 226. SILVER STATE's actions as set out above are a violation of Nevada Gaming
18 Commission Regulation 6.150. This constitutes an unsuitable method of operation, and, as
19 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

20 **COUNT FORTY-FOUR**

21 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 8.130**

22 227. Complainant BOARD realleges and incorporates by reference as though set forth
23 in full herein paragraphs 1 through 226 above.

24 228. Examination of SILVER STATE's accounting records disclosed a capital
25 contribution in the amount of \$74,000, made by Mr. Bedore, on October 4, 2013 was not
26 reported to the Board until November 25, 2014.

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1 229. SILVER STATE's actions as set out above are a violation of Nevada Gaming
2 Commission Regulation 8.130. This constitutes an unsuitable method of operation, and, as
3 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

4 **COUNT FORTY-FIVE**

5 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 5.110**

6 230. Complainant BOARD realleges and incorporates by reference as though set forth
7 in full herein paragraphs 1 through 229 above.

8 231. Examination of CARSON STATION's progressive meter logs on August 14, 2014
9 for the period January 1, 2014 through August 14, 2014 revealed that explanations for reading
10 decreases were not documented.

11 232. This is a recurring violation previously cited in the BOARD's letter of December
12 24, 2013.

13 233. CARSON STATION's actions as set out above are a violation of Nevada Gaming
14 Commission Regulation 5.110. This constitutes an unsuitable method of operation, and, as
15 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

16 **COUNT FORTY-SIX**

17 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.040**

18 234. Complainant BOARD realleges and incorporates by reference as though set forth
19 in full herein paragraphs 1 through 233 above.

20 235. Examination of CARSON STATION's general ledger on September 16, 2014
21 revealed the balance in the "Common Stock" account reflected the number of shares
22 authorized rather than shares issued.

23 236. This is a recurring violation previously cited in the BOARD's letter of December
24 24, 2013.

25 237. CARSON STATION's actions as set out above are a violation of Nevada Gaming
26 Commission Regulation 6.040. This constitutes an unsuitable method of operation, and, as
27 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

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1 **COUNT FORTY-SEVEN**

2 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.040**

3 238. Complainant BOARD realleges and incorporates by reference as though set forth
4 in full herein paragraphs 1 through 237 above.

5 239. Discussions with CARSON STATION's Controller and examination of the general
6 ledger on September 16, 2014 revealed the equity accounts for Carson Station Hotel/Casino
7 are maintained in a second general ledger at 777 Gaming, Inc. in Las Vegas.

8 240. CARSON STATION's actions as set out above are a violation of Nevada Gaming
9 Commission Regulation 6.040. This constitutes an unsuitable method of operation, and, as
10 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

11 **COUNT FORTY-EIGHT**

12 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.040**

13 241. Complainant BOARD realleges and incorporates by reference as though set forth
14 in full herein paragraphs 1 through 240 above.

15 242. Discussions with CARSON STATION's Controller and examination of the general
16 ledger for the review period July 1, 2013 through September 30, 2014 revealed owner draws
17 are improperly recorded in the "Paid-in Capital" account.

18 243. CARSON STATION's actions as set out above are a violation of Nevada Gaming
19 Commission Regulation 6.040. This constitutes an unsuitable method of operation, and, as
20 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

21 **COUNT FORTY-NINE**

22 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

23 **(ICP SLOTS NO. 4)**

24 244. Complainant BOARD realleges and incorporates by reference as though set forth
25 in full herein paragraphs 1 through 243 above.

26 245. Examination of three of three (100 percent) of CARSON STATION's manual
27 payout forms voided on June 30, 2014 revealed that the preparer and another employee did
28 not sign across the face of the non-restricted copy.

1 246. CARSON STATION's failure to comply with ICP Slots No. 4 is a violation of
2 Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of
3 operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs.
4 6.100(8), 5.010(2), and 5.030.

5 **COUNT FIFTY**

6 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

7 **(ICP SLOTS NO. 5)**

8 247. Complainant BOARD realleges and incorporates by reference as though set forth
9 in full herein paragraphs 1 through 246 above.

10 248. Discussions with CARSON STATION's slot attendant on August 14, 2014
11 revealed that they have the ability to initiate and produce a fraudulent payout form up to \$625,
12 obtain the funds, forge the signatures on the payout form, route all parts of the payout form
13 and misappropriate the funds.

14 249. CARSON STATION's failure to comply with ICP Slots No. 5 is a violation of
15 Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of
16 operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs.
17 6.100(8), 5.010(2), and 5.030.

18 **COUNT FIFTY-ONE**

19 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100**

20 **(ICP SLOTS NO. 5)**

21 250. Complainant BOARD realleges and incorporates by reference as though set forth
22 in full herein paragraphs 1 through 249 above.

23 251. Discussions with CARSON STATION's slot attendant and cage cashier on
24 September 4, 2014 revealed that slot attendants have access to the cage cashier's unique
25 swipe card which allows them to initiate and produce a fraudulent payout form, obtain the
26 funds, forge the signatures on the payout form, route all parts of the payout form and
27 misappropriate the funds.

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1 COUNT FIFTY-FOUR

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

3 (ICP SLOTS NO. 20)

4 259. Complainant BOARD realleges and incorporates by reference as though set forth
5 in full herein paragraphs 1 through 258 above.

6 260. Observation of the slot currency acceptor drop performed at CARSON STATION
7 on August 7, 2014 revealed that security was not provided over the drop cart contents
8 throughout the drop.

9 261. CARSON STATION's failure to comply with ICP Slots No. 20 is a violation of
10 Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of
11 operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs.
12 6.100(8), 5.010(2), and 5.030.

13 COUNT FIFTY-FIVE

14 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

15 (ICP SLOTS NO. 58 and ICP TABLES NO. 57)

16 262. Complainant BOARD realleges and incorporates by reference as though set forth
17 in full herein paragraphs 1 through 261 above.

18 263. Discussions with CARSON STATION's Cage Manager on August 14, 2014
19 revealed that she has the ability to access the sensitive gaming keys maintained in the dual-
20 lock box in the cage without the involvement of a second employee.

21 264. CARSON STATION's failure to comply with ICP Slots No. 58 and ICP Tables No.
22 57 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an
23 unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev.
24 Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

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1 COUNT FIFTY-SIX

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

3 (ICP SLOTS NO.S 74, 77, AND 84)

4 265. Complainant BOARD realleges and incorporates by reference as though set forth
5 in full herein paragraphs 1 through 264 above.

6 266. Examination of machine files and recalculation of theoretical hold percentages at
7 the CARSON STATION revealed that changes to the active paytables are not documented
8 and that five of six (83 percent) machines tested had inaccurate simple average calculations.
9 Consequently, the theoretical hold percentages used in the slot analysis report were not within
10 the performance standards set by the manufacturer.

11 267. This is a recurring violation previously cited in the BOARD's letter of December
12 24, 2013.

13 268. CARSON STATION's failure to comply with ICP Slots No.s 74, 77, and 84 is a
14 violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable
15 method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming
16 Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

17 COUNT FIFTY-SEVEN

18 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

19 (ICP SLOTS NO. 89)

20 269. Complainant BOARD realleges and incorporates by reference as though set forth
21 in full herein paragraphs 1 through 268 above.

22 270. Discussions with CARSON STATION's General Manager and Lead Auditor on
23 August 14, 2014 revealed that statistical reports are not reviewed and initialed by
24 management at least monthly.

25 271. CARSON STATION's failure to comply with ICP Slots No. 89 is a violation of
26 Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of
27 operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs.
28 6.100(8), 5.010(2), and 5.030.

1 COUNT FIFTY-EIGHT

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

3 (ICP SLOTS NO. 100 and ICP TABLES NO. 66)

4 272. Complainant BOARD realleges and incorporates by reference as though set forth
5 in full herein paragraphs 1 through 271 above.

6 273. Examination of CARSON STATION's player tracking system on August 14, 2014
7 revealed that non-supervisory employees have the ability to add/delete points to player
8 tracking accounts without authorization.

9 274. CARSON STATION's failure to comply with ICP Slots No. 100 and ICP Tables
10 No. 66 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an
11 unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev.
12 Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

13 COUNT FIFTY-NINE

14 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

15 (ICP SLOTS NO.S 115 AND 116)

16 275. Complainant BOARD realleges and incorporates by reference as though set forth
17 in full herein paragraphs 1 through 274 above.

18 276. Detail testing at CARSON STATION revealed that variances in excess of 10
19 percent documented on the Soft Drop Variance and Ticket Variance reports are not reviewed.
20 Variances over \$50 are reviewed, investigated and documented.

21 277. CARSON STATION's failure to comply with ICP Slots No.s 115 and 116 is a
22 violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable
23 method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming
24 Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

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Gaming Division
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Reno, Nevada 89511

COUNT SIXTY

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 126 and ICP TABLES NO. 83)

278. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 277 above.

279. Discussions with CARSON STATION's Lead Auditor on August 14, 2014 revealed that an accounting employee does not foot points-redeemed documentation and trace to the system generated totals.

280. CARSON STATION's failure to comply with ICP Slots No. 126 and ICP Tables No. 83 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

COUNT SIXTY-ONE

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 127 and ICP TABLES NO. 84)

281. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 280 above.

282. Discussions with CARSON STATION's General Manager and Lead Auditor on August 14, 2014 revealed that procedures are not performed to determine that the configuration parameters of the computerized player tracking system are accurate and have not been altered without appropriate management authorization.

283. CARSON STATION's failure to comply with ICP Slots No. 127 and ICP Tables No. 84 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

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Office of the Attorney General
Gaming Division
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Reno, Nevada 89511

1 COUNT SIXTY-TWO

2 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

3 (ICP SLOTS NO. 128 and ICP TABLES NO. 91)

4 284. Complainant BOARD realleges and incorporates by reference as though set forth
5 in full herein paragraphs 1 through 283 above.

6 285. Discussions with CARSON STATION's Lead Auditor on August 14, 2014
7 revealed that accounting personnel do not reconcile entry and payout forms to the dollar
8 amounts recorded in the appropriate accountability document.

9 286. CARSON STATION's failure to comply with ICP Slots No. 128 and ICP Tables
10 No. 91 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an
11 unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev.
12 Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

13 COUNT SIXTY-THREE

14 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

15 (ICP SLOTS NO. 130 and ICP TABLES NO. 93)

16 287. Complainant BOARD realleges and incorporates by reference as though set forth
17 in full herein paragraphs 1 through 286 above.

18 288. Discussions with CARSON STATION's Lead Auditor on August 14, 2014
19 revealed that accounting personnel do not review contests, tournaments, promotional
20 payouts, drawings, and giveaway programs monthly to determine proper accounting
21 treatment.

22 289. CARSON STATION's failure to comply with ICP Slots No. 130 and ICP Tables
23 No. 93 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an
24 unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev.
25 Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

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COUNT SIXTY-FOUR

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 131 and ICP TABLES NO. 94)

290. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 289 above.

291. Discussions with CARSON STATION's Lead Auditor on August 14, 2014 revealed that accounting personnel do not perform monthly procedures to ensure that contests, tournaments, promotional payouts, drawings and giveaway programs are conducted in accordance with the conditions provided to patrons.

292. CARSON STATION's failure to comply with ICP Slots No. 131 and ICP Tables No. 94 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

COUNT SIXTY-FIVE

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP SLOTS NO. 133)

293. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 292 above.

294. Discussions with CARSON STATION's General Manager and Lead Auditor on August 14, 2014 revealed that accounting personnel do not review the personnel access listing of all computerized systems for the appropriate functions an employee can perform.

295. CARSON STATION's failure to comply with ICP Slots No. 133 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

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COUNT SIXTY-SIX

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP KENO NO. 45)

296. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 295 above.

297. Discussions with CARSON STATION's Lead Auditor on October 21, 2014 revealed that manual ball draw changes made to the direct interface are not audited and compared to the rabbit ear recordings.

298. CARSON STATION's failure to comply with ICP Keno No. 45 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

COUNT SIXTY-SEVEN

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.100

(ICP ENTERTAINMENT NO. 3)

299. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 298 above.

300. Discussions with CARSON STATION's Lead Auditor on October 21, 2014 revealed that bartenders have access to the point-of-sale information and run their own system sales summary reports at the end of their shift.

301. CARSON STATION's failure to comply with ICP Entertainment No. 3 is a violation of Nevada Gaming Commission Regulation 6.100. This constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 6.100(8), 5.010(2), and 5.030.

COUNT SIXTY-EIGHT

VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.110

302. Complainant BOARD realleges and incorporates by reference as though set forth in full herein paragraphs 1 through 301 above.

1 303. Discussions with CARSON STATION's Controller on September 11, 2014 and an
2 examination of the licensee's NGC tax returns revealed that 25 percent of expired wagering
3 vouchers were not included in reported gross revenue from March 2014 through July 2014.

4 304. CARSON STATION's actions as set out above are a violation of Nevada Gaming
5 Commission Regulation 6.110. This constitutes an unsuitable method of operation, and, as
6 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

7 **COUNT SIXTY-NINE**

8 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 6.150**

9 305. Complainant BOARD realleges and incorporates by reference as though set forth
10 in full herein paragraphs 1 through 304 above.

11 306. Discussions with CARSON STATION's Controller on September 11, 2014
12 revealed that records reflecting monthly computations of bankroll requirements could not be
13 provided from January 2014 through May 2014 and July 2014.

14 307. CARSON STATION's actions as set out above are a violation of Nevada Gaming
15 Commission Regulation 6.150. This constitutes an unsuitable method of operation, and, as
16 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

17 **COUNT SEVENTY**

18 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 8.130**

19 308. Complainant BOARD realleges and incorporates by reference as though set forth
20 in full herein paragraphs 1 through 307 above.

21 309. Examination of Board files, CARSON STATION's general ledger, and discussions
22 with the Controller on October 23, 2014 revealed that the licensee has not reported the
23 following capital contributions:

<u>Date</u>	<u>Amount</u>
December 18, 2013	\$45,000.00
December 31, 2013	\$98,068.67
February 19, 2014	\$35,000.00
May 31, 2014	\$75,000.00

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1 310. CARSON STATION's actions as set out above are a violation of Nevada Gaming
2 Commission Regulation 8.130. This constitutes an unsuitable method of operation, and, as
3 such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and 5.030.

4 **COUNT SEVENTY-ONE**

5 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 15.510.4-1**

6 311. Complainant BOARD realleges and incorporates by reference as though set forth
7 in full herein paragraphs 1 through 310 above.

8 312. Examination of CARSON STATION's stock certificate number one revealed that
9 the required provision of Regulation 15.510.4-1 was not noted on the front of the certificate.

10 313. This is a recurring violation previously cited in the BOARD's letter of December
11 24, 2013.

12 314. CARSON STATION's actions as set out above are a violation of Nevada Gaming
13 Commission Regulation 15.510.4-1. This constitutes an unsuitable method of operation, and,
14 as such, is grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and
15 5.030.

16 WHEREFORE, based upon the allegations contained herein which constitute
17 reasonable cause for disciplinary action against RESPONDENTS, pursuant to NRS 463.310,
18 and Nevada Gaming Commission Regulations 5.010 and 5.030 the NEVADA GAMING
19 CONTROL BOARD prays for the relief as follows:

20 1. That the Nevada Gaming Commission serve a copy of this Complaint on
21 RESPONDENTS pursuant to Nevada Revised Statute 463.312(2);

22 2. That the Nevada Gaming Commission fine RESPONDENTS a monetary sum
23 pursuant to the parameters defined at Nevada Revised Statute 463.310(4) for each separate
24 violation of the provisions of the Nevada Gaming Control Act or the Regulations of the Nevada
25 Gaming Commission;

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

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

DATED this 3rd day of September, 2015.

NEVADA GAMING CONTROL BOARD

A.G. BURNETT, Chairman

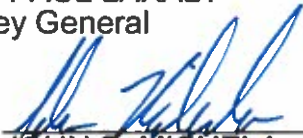
SHAWN R. REID, Member

TERRY JOHNSON, Member

Submitted by:

ADAM PAUL LAXALT
Attorney General

By:



JOHN S. MICHELA
Senior Deputy Attorney General
Gaming Division
(775) 850-4153

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Reno, Nevada 89511

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

3 DATED this 3RD day of September, 2015.

4
5 NEVADA GAMING CONTROL BOARD

6 
7 _____
8 A.G. BURNETT, Chairman

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10 _____
11 SHAWN R. REID, Member

12 
13 _____
14 TERRY JOHNSON, Member

11 Submitted by:

12 ADAM PAUL LAXALT
13 Attorney General

14 By:

15 _____
16 JOHN S. MICHELA
17 Senior Deputy Attorney General
18 Gaming Division
19 (775) 850-4153

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