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STATE OF NEVADA

5

BEFORE THE NEVADA GAMING COMMISSION

6

NEVADA GAMING CONTROL BOARD, )

7

Complainant, )

8

vs. )

COMPLAINT

9

SCOUNDRELS PUB, INC., dba )

10

SCOUNDRELS PUB; and )

11

DAVID JOHN ZDERIC, an individual, )

12

Respondents. )

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, and EDWARD L. MAGAW, Deputy Attorney General, hereby files this Complaint for disciplinary action against SCOUNDRELS PUB, INC., dba SCOUNDRELS PUB (SCOUNDRELS), and DAVID JOHN ZDERIC (ZDERIC), Respondents herein, pursuant to Nevada Revised Statute (NRS) 463.310(2) and alleges as follows:

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 (Nevada Gaming Control Act) and the Regulations of the Nevada Gaming Commission (Commission or NGC).

2. Respondent, SCOUNDRELS, located at 4360 South Decatur Boulevard, Las Vegas, Nevada, currently holds a restricted gaming license, and, as such, is charged with the responsibility of complying with all of the provisions of the Nevada Gaming Control Act and the Regulations of the Commission.

3. Respondent, ZDERIC is currently licensed by the Nevada Gaming Commission as an officer, director, and sole shareholder of SCOUNDRELS.

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

RELEVANT LAW

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

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

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

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

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

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

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

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

7. This continuing obligation is repeated in NGC Regulation 5.040, which provides as follows:

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

1 licensees to the end that licenses shall not be held by unqualified  
2 or disqualified persons or unsuitable persons or persons whose  
operations are conducted in an unsuitable manner.

3 Nev. Gaming Comm'n Reg. 5.040.

4 8. Nevada Gaming Commission Regulation 5.010 provides as follows:

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

8 2. Responsibility for the employment and maintenance of  
9 suitable methods of operation rests with the licensee, and willful or  
10 persistent use or toleration of methods of operation deemed  
disciplinatory action.

11 Nev. Gaming Comm'n Reg. 5.010.

12 9. Nevada Revised Statute 463.170(2) and (8) provide in relevant part the following:

13 2. An application to receive a license or be found suitable  
14 must not be granted unless the Commission is satisfied that the  
applicant is:

15 (a) A person of good character, honesty and integrity;

16 (b) A person whose prior activities, criminal record, if any,  
17 reputation, habits and associations do not pose a threat to the  
18 public interest of this State or to the effective regulation and control  
of gaming or charitable lotteries, or create or enhance the dangers  
of unsuitable, unfair or illegal practices, methods and activities in  
the conduct of gaming or charitable lotteries or in the carrying on of  
the business and financial arrangements incidental thereto; and

19 (c) In all other respects qualified to be licensed or found  
suitable consistently with the declared policy of the State.

20 . . . .

21 8. Any person granted a license or found suitable by the  
22 Commission shall continue to meet the applicable standards and  
23 qualifications set forth in this section and any other qualifications  
24 established by the Commission by regulation. The failure to  
continue to meet such standards and qualifications constitutes  
grounds for disciplinary action.

25 NRS 463.170(2) and (8).

26 10. Gaming Commission Regulation 3.010 states, in relevant part, as follows:

27 The board may recommend that an application for a state  
28 gaming license be denied, if the board deems that the place or  
location for which the license is sought is unsuitable for the

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conduct of gaming operations. The commission may deny an application for a state gaming license if the commission deems that the place or location for which the license is sought is unsuitable for the conduct of gaming operations.

Without limiting the generality of the foregoing, the following places or locations may be deemed unsuitable:

....

- 4. Premises lacking adequate supervision or surveillance.
- 5. Premises difficult to police.

....

7. Any other premises where the conduct of gaming would be inconsistent with the public policy of the State of Nevada.

Nev. Gaming Comm'n. Reg. 3.010(4), (5), and (7).

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:

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

....

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 license fees, withholding any payroll taxes, liquor and entertainment taxes and antitrust and monopoly statutes.

The Nevada gaming commission in the exercise of its sound discretion can make its own determination of whether or not the licensee has failed to comply with the aforementioned, but any such determination shall make use of the established precedents in interpreting the language of the applicable statutes. Nothing in this section shall be deemed to affect any right to judicial review.

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

4 Nev. Gaming Comm'n Reg. 5.011(1), (8), and (10).

5                   12. Nevada Gaming Commission Regulation 5.030 provides as follows:

6                   **Violation of any provision of the Nevada Gaming**  
7 **Control Act or of these regulations by a licensee, his agent or**  
8 **employee shall be deemed** contrary to the public health, safety,  
9 morals, good order and general welfare of the inhabitants of the  
10 State of Nevada and **grounds for suspension or revocation of a**  
11 **license.** Acceptance of a state gaming license or renewal thereof  
by a licensee constitutes an agreement on the part of the licensee  
to be bound by all of the regulations of the commission as the  
same now are or may hereafter be amended or promulgated. It is  
12 **the responsibility of the licensee to keep himself informed of**  
13 **the content of all such regulations, and ignorance thereof will**  
14 **not excuse violations.**

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

16                   13. Nevada Revised Statute 463.310 states in relevant part as follows:

17                   1. The Board shall make appropriate investigations:

18                   (a) To determine whether there has been any violation of  
19 this chapter or chapter 462, 464, 465 or 466 of NRS or any  
20 regulations adopted thereunder.

21                   (b) To determine any facts, conditions, practices or matters  
22 which it may deem necessary or proper to aid in the enforcement  
23 of any such law or regulation.

24                   . . . .

25                   2. If, after any investigation the Board is satisfied that

26                   (a) A license, registration, finding of suitability, preliminary  
27 finding of suitability, pari-mutuel license or prior approval by the  
28 Commission of any transaction for which the approval was  
required or permitted under the provisions of this chapter or  
chapter 462, 464 or 466 of NRS should be limited, conditioned,  
suspended or revoked; or

                 (b) A person or entity which is licensed, registered, found  
suitable pursuant to this chapter or chapter 464 of NRS or which  
previously obtained approval for any act or transaction for which  
Commission approval was required or permitted under the  
provisions of this chapter or chapter 464 of NRS should be fined,  
the Board shall initiate a hearing before the Commission by filing  
a complaint with the Commission in accordance with NRS 463.312  
and transmit therewith a summary of evidence in its possession

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1 bearing on the matter and the transcript of testimony at any  
2 investigative hearing conducted by or on behalf of the Board.

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

4 14. In response to a Complaint brought by the Board, NRS 463.310(4) provides in relevant  
5 part that the Commission may:

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

8 . . . .

9 (d) Fine each person or entity or both, which is licensed,  
10 registered, found suitable . . . pursuant to this chapter or chapter  
464 of NRS. . . .

11 . . . .

12 (2) . . .not more than \$100,000 for each separate  
13 violation of the provisions of this chapter or chapter 464 or 465 of  
14 NRS or of the regulations of the Commission which is the subject  
of an initial complaint and not more than \$250,000 for each  
15 separate violation of the provisions of this chapter or chapter 464  
or 465 of NRS or of the regulations of the Commission which is the  
subject of any subsequent complaint.

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

17 15. The phrase "licensed gaming establishment" is defined under NRS 463.0169 as  
18 follows:

19 'Licensed gaming establishment' means any premises  
20 licensed pursuant to the provisions of this chapter wherein or  
whereon gaming is done.

21 NRS 463.0169.

22 16. The term "gaming" includes, but is not limited to, the offering of slot machines for play.

23 See NRS 463.0152 and NRS 463.0153.

24 17. Pursuant to NGC Regulation 1.145, the term "premises" means "land together with all  
25 buildings, improvements and personal property located thereon." Nev. Gaming Comm'n  
26 Reg. 1.145.

27 **BACKGROUND**

28 18. SCOUNDRELS was issued a restricted gaming license on or about April 1, 2005.

1 19. In December 2015, the Las Vegas Metropolitan Police Department (LVMPD)  
2 contacted the BOARD regarding the ongoing problems it was having related to  
3 SCOUNDRELS and its concerns over the safety of the employees and patrons of the  
4 establishment.

5 20. In 2009 SCOUNDRELS was documented by the LVMPD as a hangout for gangs.  
6 Since then there have been six gang-related shooting events either inside or directly outside  
7 SCOUNDRELS.

8 21. In total, from 2009 through the end of 2015, LVMPD has had 144 calls for service at  
9 SCOUNDRELS, 97 of which had been labeled as violent. In 2015 alone there were 30 calls  
10 for service of which 17 (57%) were labeled as violent.

11 22. According to LVMPD, it has advised SCOUNDRELS and/or ZDERIC on numerous  
12 occasions of the dangers that catering to a gang crowd, and the risk such association poses  
13 to employees and patrons of the establishment.

14 23. January 20, 2015 shooting:

15 a. On January 20, 2015, LVMPD was called to SCOUNDRELS to investigate a  
16 shooting that had been reported.

17 b. The investigation revealed that an unknown subject had fired several rounds at  
18 SCOUNDRELS from a vehicle traveling north on Decatur Boulevard.

19 c. The building in which SCOUNDRELS operates was struck by at least nine bullets,  
20 some of which perforated the exterior wall and struck furniture inside the location.

21 d. An occupied vehicle parked directly in front of SCOUNDRELS was also struck by a  
22 bullet.

23 e. No one was injured during the shooting.

24 f. When interviewed by the LVMPD, the owner of SCOUNDRELS, Respondent  
25 ZDERIC, indicated that he had sold the business to a third-party over a year prior to the  
26 incident, however he had not received payment on the purchase. According to ZDERIC, the  
27 third-party had been running SCOUNDRELS ever since they had agreed to the sale. ZDERIC  
28 admitted he was holding the liquor license while waiting for the third-party to obtain licensing.

1 Upon further questioning, ZDERIC changed his story and stated that SCOUNDRELS had not  
2 been sold. He indicated that he had a verbal agreement with the third-party to sell the  
3 property, however the sale never materialized.

4 g. After interviewing all parties, LVMPD found ZDERIC had failed to conform to the  
5 Clark County Code by employing a bartender who did not possess a valid county work card  
6 and failing to maintain an accurate employee list. LVMPD issued ZDERIC a criminal citation  
7 for the violations.

8 24. April 5, 2015 shooting:

9 a. On April 5, 2015 another shooting occurred at SCOUNDRELS and LVMPD was  
10 called in to investigate.

11 b. The investigation by LVMPD revealed that shortly before the shooting occurred, an  
12 employee of SCOUNDRELS had noticed two male subjects loading a firearm in the vacant lot  
13 just north of the property. Having known about the shooting that occurred in January, the  
14 employee ran inside SCOUNDRELS and told everyone therein to get down on the floor.  
15 Shortly thereafter several gunshots were heard coming from outside the establishment. No  
16 employees or patrons were struck by the bullets.

17 c. The individuals who fired on SCOUNDRELS were gone from the area when  
18 LVMPD arrived on the scene.

19 d. An examination of the exterior of SCOUNDRELS revealed several impact marks  
20 on the west wall, which is the wall in which the front entrance to the establishment is located.  
21 Several of the rounds penetrated into the building causing interior damage.

22 25. December 5, 2015 shooting:

23 a. On December 5, 2015 another shooting occurred at SCOUNDRELS. LVMPD  
24 arrived to investigate the shooting after multiple calls had been received reporting gunshots  
25 coming from the area of Decatur Boulevard and Harmon Avenue. One of the 911 calls  
26 received was from a motorist who was driving in the area on his way to work. He pulled over  
27 and made the 911 call after his vehicle was struck by a bullet. He was not involved in the  
28 shooting, nor was he injured.



1           b. It was determined by LVMPD that the multiple gunshots that had been reported by  
2 citizens came from an incident in the parking lot of SCOUNDRELS. When LVMPD officers  
3 arrived at SCOUNDRELS they located multiple shell casings in the parking lot.

4           c. At the time of the shooting SCOUNDRELS did not have a working surveillance  
5 system, but represented that it was in the process of installing one. However, it was  
6 discovered that the convenience store adjacent to SCOUNDRELS, which was owned by the  
7 same person who owned SCOUNDRELS (ZEDRIC), did have an operational surveillance  
8 system and LVMPD was able to review the surveillance footage of the incident.

9           d. From the surveillance footage LVMPD was able to determine that the incident  
10 involved four different shooters in various locations. The footage also showed that, as people  
11 were leaving SCOUNDRELS and the area after the shooting, an unknown person, who  
12 appeared to be an employee of SCOUNDRELS, used a broom and dust pan to sweep the  
13 parking lot prior to the arrival of LVMPD at the scene. Approximately 25 mostly spent shell  
14 casings and several live rounds were later discovered near a dumpster to the rear of  
15 SCOUNDRELS. The employees working at SCOUNDRELS at the time of the incident denied  
16 using a broom and dustpan to sweep up evidence (shell casings and live rounds).

17           e. In total, it is estimated that approximately 60 to 70 rounds of ammunition were fired  
18 in the area of SCOUNDRELS during the incident.

19           f. Shortly after the shooting, two male subjects with gunshot wounds were dropped  
20 off at University Medical Center. A third male subject with a gunshot wound to his top left  
21 shoulder was dropped off at St. Rose Hospital in Henderson. All three subjects were  
22 uncooperative with LVMPD detectives.

23           g. SCOUNDRELS' employees who were present during the shooting did not call 911  
24 or LVMPD to report the shooting, nor did any employee provide LVMPD with an incident log  
25 documenting the event. In addition, there were no security personnel present at  
26 SCOUNDRELS during the shooting.

27           26. In 2015 the following actions were taken by Clark County in regards to  
28 SCOUNDRELS' liquor license:

1 a. An Emergency Suspension of SCOUNDRELS' liquor license was served on the  
2 business as a result of the criminal citations issued by LVMPD on the night of the January 20,  
3 2015 shooting described above, and based on the fact that a second shooting occurred on  
4 April 5, 2015, also described above.

5 b. On June 25, 2015, a Clark County Business License Department Hearing Officer  
6 held a show cause hearing regarding SCOUNDRELS. At the conclusion of the hearing, the  
7 Hearing Officer granted a 90 day temporary liquor license to SCOUNDRELS with multiple  
8 conditions, including, but not limited to:

- 9 i. Maintaining an updated employee list.
- 10 ii. LVMPD and Clark County Business License to be notified of any incidents on  
11 the premises.
- 12 iii. Incident log to be maintained on the premises.
- 13 iv. Business is to employ security for the premises.

14 c. On September 24, 2015, a Hearing Officer for the Clark County Business License  
15 Department granted SCOUNDRELS a one year limited liquor license, with a six month  
16 administrative review scheduled for March 24, 2016. All conditions that had been placed on  
17 the 90 day temporary license were placed on the one year limited license, including the  
18 conditions listed above.

19 d. During the investigation of the December 5, 2015 shooting, LVMPD discovered  
20 that SCOUNDRELS had failed to comply with the above listed conditions. Specifically:

- 21 i. The required employee list did not have the owner, ZEDRIC listed.
- 22 ii. SCOUNDRELS' employees failed to call 911 or LVMPD to report the shooting.
- 23 iii. SCOUNDRELS' employees were not able to provide an incident log to LVMPD.
- 24 iv. There were no security personnel present at SCOUNDRELS during the  
25 shooting.

26 e. On the night of the December 2015 shooting incident, LVMPD issued a citation to  
27 ZDERIC for violating Clark County Code 8.20.465, Duties of Licensee.

28 . . . .

1 f. On December 29, 2015, as a result of a Clark County Business License Hearing,  
2 SCOUNDRELS' liquor license was revoked.

3 27. Sometime after the December 5, 2015 incident, a fire occurred at SCOUNDRELS  
4 forcing it to cease operations. Upon inspection by BOARD agents, it appeared that all slot  
5 machines have been removed from the establishment.

6 28. Shortly thereafter, SCOUNDRELS sent a letter to the BOARD requesting temporary  
7 closure due to the fire. On December 22, 2015, the BOARD's Tax and License Division sent  
8 a letter in response to SCOUNDRELS' request authorizing it to cease gaming operations up to  
9 March 31, 2016 pursuant to NGC Regulation 9.010(4).

10 29. As of the date of this Complaint, SCOUNDRELS has not resumed its gaming  
11 operation.

12 **COUNT I**  
13 **VIOLATION OF NRS 463.170 AND/OR**  
14 **NGC REGULATIONS 5.011, 5.011(1) AND/OR 5.011(10)**

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

17 31. SCOUNDRELS and/or ZDERIC have failed to exercise a proper level of control over  
18 the business's operation at the location and have permitted dangerous conditions to exist,  
19 putting the safety of the public, its employees, and its patrons at risk. Since 2009, LVMPD  
20 has had 144 calls for service at SCOUNDRELS, 97 of which were labeled as violent. In 2015  
21 alone there have been 30 calls for service, 17 of which were labeled as violent.

22 32. Since 2009, LVMPD has labeled SCOUNDRELS as a known hangout for gangs.  
23 Despite numerous discussions by LVMPD with SCOUNDRELS and/or ZDERIC about the  
24 dangers of catering to a gang crowd, and the risks that such association poses to its  
25 employees and customers, as well as the public at large, the incidents of gang violence at the  
26 location have continued.

27 33. In 2015, as described in greater detail in the Background section above, there were  
28 three significant gang related shootings. In each incident bullets caused property damage

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1 both inside and outside of SCOUNDRELS, and in one incident bullets had caused bodily  
2 injuries to at least three individuals.

3 34. The volume and severity of the instances described in this Complaint were the result  
4 of the type of crowd SCOUNDRELS and/or ZDERIC catered to and the manner in which  
5 SCOUNDRELS is operated. In addition, SCOUNDRELS and/or ZDERIC repeatedly failed to  
6 provide adequate security or surveillance over the premises.

7 35. SCOUNDRELS and/or ZDERIC's business operations have resulted in numerous and  
8 excessive calls for service to LVMPD due to conduct, disturbances and/or activities occurring  
9 at and/or originating on the premises of SCOUNDRELS.

10 36. SCOUNDRELS and/or ZDERIC's business operations attract individuals who have  
11 criminal histories and/or who engaged in criminal activities that made the premises of  
12 SCOUNDRELS difficult to police, that placed significant and undue demands on police  
13 resources, which created an unsafe environment for employees and patrons of  
14 SCOUNDRELS, and has endangered the health and safety of the public at large.

15 37. SCOUNDRELS and/or ZDERIC knew, or should have known of the dangerous  
16 conditions that were in existence at the location and failed to take adequate measures to  
17 prevent them.

18 38. The actions and incidents, as set forth herein, constitute a failure by SCOUNDRELS  
19 and/or ZDERIC to continue to meet the applicable standards and qualifications necessary to  
20 hold a gaming license and/or a finding of suitability in violation of NRS 463.170(8).

21 39. SCOUNDRELS and/or ZDERIC's failure to prevent the above-described conduct  
22 and/or incidents, either in whole or in part, constitutes a failure to exercise discretion and  
23 sound judgment to prevent incidents which might reflect on the reputability of the State of Nevada  
24 and act as a detriment to the development of the industry in violation of  
25 NGC Regulation 5.011(1).

26 40. SCOUNDRELS and/or ZDERIC's failure to prevent the above-described conduct  
27 and/or incidents, either in whole or in part, constitutes a failure to conduct gaming operations  
28 in accordance with proper standards of custom, decorum and decency and/or reflects or tends

1 to reflect on the reputé of the State of Nevada and act as a detriment to the gaming industry in  
2 violation of NGC Regulation 5.011(10).

3 41. The failure to comply with NRS 463.170 and/or NGC Regulation 5.011, 5.011(1),  
4 and/or 5.011(10) is an unsuitable method of operation and provides grounds for disciplinary  
5 action against SCOUNDRELS and/or ZDERIC. See Nev. Gaming Comm'n Reg. 5.010(2) and  
6 5.030.

7 **COUNT II**  
8 **VIOLATION OF NRS 463.170 AND/OR**  
9 **NGC REGULATIONS 5.011, 5.011(1), AND/OR 5.011(10)**

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

12 43. After the shooting incident on December 5, 2015, which is described in greater detail  
13 in the Background section above, a surveillance video from an adjacent business recorded an  
14 employee or agent of SCOUNDRELS and/or ZDERIC sweeping up what were later identified  
15 as bullet casings and live rounds ammunition into a broom pan. Such actions by the person  
16 interfered in LVMPD's investigation into the incident and appeared to be an attempt to cover  
17 up the crime.

18 44. In addition, no employee of SCOUNDRELS and/or ZDERIC called 911 or LVMPD to  
19 report the shooting incident that occurred on December 5, 2015.

20 45. SCOUNDRELS and/or ZDERIC knew, or should have known, of the employee  
21 conduct or failure to act described above, and either prevented such conduct from occurring  
22 and/or took measures to ensure the employees acted appropriately in such situations.

23 46. The actions and incidents, as set forth herein, constitute a failure by SCOUNDRELS  
24 and/or ZDERIC to continue to meet the applicable standards and qualifications necessary to  
25 hold a gaming license and/or a finding of suitability in violation of NRS 463.170(8).

26 47. SCOUNDRELS and/or ZDERIC's failure to prevent the above-described conduct  
27 and/or incidents, either in whole or in part, constitutes a failure to exercise discretion and  
28 sound judgment to prevent incidents which might reflect on the reputé of the State of Nevada

.....

1 and act as a detriment to the development of the industry in violation of  
2 NGC Regulation 5.011(1).

3 48. SCOUNDRELS and/or ZDERIC's failure to prevent the above-described conduct  
4 and/or incidents, either in whole or in part, constitutes a failure to conduct gaming operations  
5 in accordance with proper standards of custom, decorum and decency and/or reflects or tends  
6 to reflect on the repute of the State of Nevada and act as a detriment to the gaming industry in  
7 violation of NGC Regulation 5.011(10).

8 49. The failure to comply with NRS 463.170 and/or NGC Regulation 5.011, 5.011(1),  
9 and/or 5.011(10) is an unsuitable method of operation and provides grounds for disciplinary  
10 action against SCOUNDRELS and/or ZDERIC. See Nev. Gaming Comm'n Reg. 5.010(2) and  
11 5.030.

12 **COUNT III**  
13 **VIOLATION OF NRS 463.170(8) AND/OR**  
**NGC REGULATIONS 5.011, 5.011(1), 5.011(8) AND/OR 5.011(10)**

14 50. Complainant BOARD realleges and incorporates by reference as though set forth in  
15 full herein paragraphs 1 through 49 above.

16 51. Since January 2015, LVMPD has issued two criminal citations to SCOUNDRELS  
17 and/or ZDERIC for non-compliance with the Clark County Code relating to the business  
18 operations of SCOUNDRELS.

19 52. SCOUNDRELS and/or ZDERIC knew, or should have known, of the conduct that  
20 resulted in the issuance of the above-referenced citations and failed to take the necessary  
21 measures to comply with the Clark County Code.

22 53. The failure to comply with the Clark County Code, as set forth herein, constitutes a  
23 failure by SCOUNDRELS and/or ZDERIC to continue to meet the applicable standards and  
24 qualifications necessary to hold a gaming license and/or a finding of suitability in violation of  
25 NRS 463.170(8).

26 54. SCOUNDRELS and/or ZDERIC's failure to prevent the above-described conduct  
27 and/or incidents that formed the basis for the citations described above, either in whole or in  
28 part, constitutes a failure to exercise discretion and sound judgment to prevent incidents which

1 might reflect on the reputé of the State of Nevada and act as a detriment to the development  
2 of the industry in violation of NGC Regulation 5.011(1).

3 55. The failure of SCOUNDRELS and/or ZDERIC and/or the employees and/or agents of  
4 SCOUNDRELS and/or ZDERIC to comply with the Clark County Code, as described above,  
5 constitutes a failure to comply with or make provisions for compliance with all federal, state  
6 and local laws and regulations pertaining to the operation of a licensed gaming establishment  
7 in violation of NGC Regulation 5.011(8).

8 56. SCOUNDRELS and/or ZDERIC's failure to prevent the above-described conduct  
9 and/or incidents that formed the basis for the citations described above, either in whole or in  
10 part, constitutes a failure to conduct gaming operations in accordance with proper standards  
11 of custom, decorum and decency and/or reflects or tends to reflect on the reputé of the State  
12 of Nevada and act as a detriment to the gaming industry in violation of  
13 NGC Regulation 5.011(10).

14 57. The failure to comply with NRS 463.170 and/or NGC Regulation 5.011, 5.011(1),  
15 5.011(8) and/or 5.011(10) is an unsuitable method of operation and provides grounds for  
16 disciplinary action against SCOUNDRELS and/or ZDERIC. See Nev. Gaming Comm'n Reg.  
17 5.010(2) and 5.030.

18 **PRAYER FOR RELIEF**

19 WHEREFORE, based upon the allegations contained herein, which constitute  
20 reasonable cause for disciplinary action against SCOUNDRELS and ZDERIC, pursuant to  
21 Nevada Revised Statute 463.310, and Nevada Gaming Commission Regulations 5.010, 5.011  
22 and 5.030 the BOARD prays for the relief set forth as follows:

23 1. That the Nevada Gaming Commission serve a copy of this Complaint on  
24 SCOUNDRELS and ZDERIC pursuant to Nevada Revised Statute 463.312(2);

25 2. That the Nevada Gaming Commission fine SCOUNDRELS and ZDERIC a monetary  
26 sum pursuant to the parameters defined at Nevada Revised Statute 463.310(4) for each  
27 separate violation of the provisions of the Nevada Gaming Control Act or the Regulations of  
28 the Nevada Gaming Commission;

1 3. That the Nevada Gaming Commission take action against SCOUNDRELS' and  
2 ZDERIC's license or licenses or findings of suitability pursuant to the parameters defined at  
3 Nevada Revised Statute 463.310(4); and

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

6 DATED this 16<sup>th</sup> day of August, 2016.

7 NEVADA GAMING CONTROL BOARD

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9 \_\_\_\_\_  
A.G. BURNETT, Chairman

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11 \_\_\_\_\_  
SHAWN R. REID, Member

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13 \_\_\_\_\_  
TERRY JOHNSON, Member

14 Submitted by:

15 ADAM PAUL LAXALT  
16 Attorney General

17 By: 

18 \_\_\_\_\_  
EDWARD L. MAGAW  
19 Deputy Attorney General  
Gaming Division  
(702) 486-3224