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5 **STATE OF NEVADA**

6 **BEFORE THE NEVADA GAMING COMMISSION**

7 NEVADA GAMING CONTROL BOARD,

8 Complainant,

9 vs.

10 UNITED COIN MACHINE CO.,
11 dba CENTURY GAMING TECHNOLOGIES,
db at CHEERS,

12 Respondent.

COMPLAINT

13
14 The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD
15 (BOARD), Complainant herein, by and through its counsel, AARON D. FORD, Attorney
16 General, and JOHN S. MICHELA, Senior Deputy Attorney General, hereby files this
17 Complaint before the Nevada Gaming Commission (Commission) for disciplinary action
18 against UNITED COIN MACHINE CO., dba CENTURY GAMING TECHNOLOGIES,
19 doing business at CHEERS, RESPONDENT herein, pursuant to Nevada Revised Statute
20 (NRS) 463.310(2), and alleges as follows:

21 **JURISDICTION**

22 1. Complainant, BOARD, is an administrative agency of the State of Nevada
23 duly organized and existing under and by virtue of Chapter 463 of NRS and is charged with
24 the administration and enforcement of the gaming laws of this State as set forth in Title
25 41 of NRS (Nevada Gaming Control Act) and the Regulations of the Commission.

26 2. RESPONDENT, UNITED COIN MACHINE CO., dba CENTURY GAMING
27 TECHNOLOGIES, doing business at CHEERS (RESPONDENT), located at 320 South
28 Bridge Street, Winnemucca, Nevada, currently holds a restricted gaming license, and, as

1 such, is charged with the responsibility of complying with all of the provisions of the
2 Nevada Gaming Control Act and the Regulations of the Commission.

3 3. RESPONDENT is also licensed as an operator of a slot machine route and
4 located at 600 Pilot Road, Suite E, Las Vegas, Nevada, and, as such, is charged with the
5 responsibility of complying with all of the provisions of the Nevada Gaming Control Act
6 and the Regulations of the Commission.

7 INTRODUCTION

8 4. On March 12, 2020, Nevada Governor Sisolak declared an emergency due to
9 the COVID-19 pandemic declared by the World Health Organization. COVID-19 is a highly
10 contagious respiratory illness spread through the close proximity of persons and that has
11 been spreading throughout the world, including Nevada. In an effort to contain the
12 COVID-19 pandemic and in an effort to save lives, protect property, and protect the health
13 and safety of the public, Governor Sisolak has imposed restrictions on individuals and
14 businesses as further described herein. The BOARD, tasked with ensuring that all
15 establishments where gaming is conducted and where gaming devices are operated be
16 licensed, controlled and assisted to protect the public health, safety, morals, good order and
17 general welfare of the inhabitants of the State, is therefore making every effort to ensure
18 compliance by Nevada gaming licensees with Governor Sisolak's directives.

19 RELEVANT LAW

20 5. The Nevada Legislature set forth the importance of the gaming industry to
21 the State of Nevada and its responsibility to the State's inhabitants in NRS 463.0129(1),
22 which provides in relevant part as follows:

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

25 (b) The continued growth and success of gaming is
26 dependent upon public confidence and trust . . . that
27 establishments which hold restricted and nonrestricted licenses
28 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.

(c) Public confidence and trust can only be maintained
by strict regulation of all persons, locations, practices,

1 associations and activities related to the operation of licensed
2 gaming establishments

3 (d) All establishments where gaming is conducted and
4 where gaming devices are operated . . . must therefore be
5 licensed, controlled and assisted to protect the public health,
6 safety, morals, good order and general welfare of the inhabitants
7 of the State, to foster the stability and success of gaming and to
8 preserve the competitive economy and policies of free
9 competition of the State of Nevada.

10 (e) To ensure that gaming is conducted honestly,
11 competitively and free of criminal and corruptive elements, all
12 gaming establishments in this state must remain open to the
13 general public and the access of the general public to gaming
14 activities must not be restricted in any manner except as
15 provided by the Legislature.

16 NRS 463.0129(1).

17 6. To ensure proper oversight and control over the gaming industry, the Nevada
18 Legislature has granted the Commission "full and absolute power and authority to limit,
19 condition, restrict, revoke or suspend any license . . . or fine any person licensed . . . for any
20 cause deemed reasonable by the Commission." NRS 463.1405(4).

21 7. The BOARD is authorized to observe the conduct of licensees in order to
22 ensure that gaming operations are not being operated in an unsuitable manner or by an
23 unqualified or unsuitable person. NRS 463.1405(1) and Nev. Gaming Comm'n Reg. 5.040.

24 8. Nevada Revised Statute 463.170 provides in relevant part as follows:

25 1. Any person who the Commission determines is
26 qualified to receive a license, to be found suitable or to receive
27 any approval required under the provisions of this chapter, or to
28 be found suitable regarding the operation of a charitable lottery
under the provisions of chapter 462 of NRS, having due
consideration for the proper protection of the health, safety,
morals, good order and general welfare of the inhabitants of the
State of Nevada and the declared policy of this State, may be
issued a state gaming license, be found suitable or receive any
approval required by this chapter, as appropriate. The burden of
proving an applicant's qualification to receive any license, be
found suitable or receive any approval required by this chapter
is on the applicant.

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

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

(b) A person whose prior activities, criminal record, if
any, reputation, habits and associations do not pose a threat to
the public interest of this State or to the effective regulation and
control of gaming or charitable lotteries, or create or enhance the

1 dangers of unsuitable, unfair or illegal practices, methods and
2 activities in the conduct of gaming or charitable lotteries or in
the carrying on of the business and financial arrangements
incidental thereto; and

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

4 3. A license to operate a gaming establishment or an
inter-casino linked system must not be granted unless the
applicant has satisfied the Commission that:

5 (a) The applicant has adequate business probity,
competence and experience, in gaming or generally; and

6 (b) The proposed financing of the entire operation is:

7 (1) Adequate for the nature of the proposed operation;
and

8 (2) From a suitable source.

9 ↳ Any lender or other source of money or credit which the
Commission finds does not meet the standards set forth in
subsection 2 may be deemed unsuitable.

10 4. An application to receive a license or be found suitable
constitutes a request for a determination of the applicant's
11 general character, integrity, and ability to participate or engage
in, or be associated with gaming or the operation of a charitable
12 lottery, as appropriate. Any written or oral statement made in
the course of an official proceeding of the Board or Commission
13 by any member thereof or any witness testifying under oath
which is relevant to the purpose of the proceeding is absolutely
14 privileged and does not impose liability for defamation or
constitute a ground for recovery in any civil action.

15 ...

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

19
20 NRS 463.170(1)-(4) and (8).

21 9. The burden of proving a licensee's qualifications to continue to hold a license
22 rests at all times on the licensee. Nev. Gaming Comm'n Reg. 5.040.

23 10. Nevada Gaming Commission Regulation 5.010(1) states that it is "the policy
24 of the Commission and the Board to require that all establishments wherein gaming is
25 conducted in this state be operated in a manner suitable to protect the public health, safety,
26 morals, good order and general welfare of the inhabitants of the State of Nevada."

27 11. Nevada Gaming Commission Regulation 5.010(2) states that responsibility
28 "for the employment and maintenance of suitable methods of operation rests with the

1 licensee, and willful or persistent use or toleration of methods of operation deemed
2 unsuitable will constitute grounds for license revocation or other disciplinary action.”

3 12. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as
4 follows:

5 1. The Board and the Commission deem any activity on
6 the part of a licensee, registrant, or person found suitable by the
7 Commission, or an agent or employee thereof, that is inimical to
8 the public health, safety, morals, good order, or general welfare
9 of the people of the State of Nevada, or that would reflect or tend
10 to reflect discredit upon the State of Nevada or the gaming
11 industry, to be an unsuitable method of operation and shall be
12 grounds for disciplinary action by the Board and the Commission
13 in accordance with the Nevada Gaming Control Act and the
14 regulations of the Commission. The following acts or omissions,
15 without limitation, may be determined to be unsuitable methods
16 of operation:

17 (a) Failure to exercise discretion and sound judgment to
18 prevent incidents which might reflect on the repute of the State
19 of Nevada and act as a detriment to the development of the
20 industry.

21 ...

22 (h) Failure to comply with or make provision for
23 compliance with all federal, state, or local laws and regulations
24 and with all conditions and limitations approved by the
25 Commission relating to the operations of a licensed gaming
26 establishment or other gaming business

27 ...

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

...

2. The Commission, in the exercise of its sound
discretion, may make its own determination as to whether or not
a licensed gaming establishment or other gaming business has
failed to comply with a law or regulation described in paragraph
(h) of subsection 1, but any such determination shall make use
of established precedents when interpreting the applicable
statute. Nothing in this section affects the right of a licensee to
judicial review.

27 Nev. Gaming Comm'n Reg. 5.011(1)(a), (h), and (k), and (2).

28 ...

1 13. NRS 414.070 provides in relevant part the following:

2 The provisions of this section are operative only during the
3 existence of a state of emergency or declaration of disaster. The
4 existence of such an emergency or disaster may be proclaimed by
5 the Governor or by resolution of the Legislature if the Governor
6 in his or her proclamation, or the Legislature in its resolution,
7 finds that an attack upon the United States has occurred or is
8 anticipated in the immediate future, or that a natural,
9 technological or man-made emergency or disaster of major
10 proportions has actually occurred within this State, and that the
11 safety and welfare of the inhabitants of this State require an
12 invocation of the provisions of this section. Any such emergency
13 or disaster, whether proclaimed by the Governor or by the
14 Legislature, terminates upon the proclamation of the
15 termination thereof by the Governor, or the passage by the
16 Legislature of a resolution terminating the emergency or
17 disaster. During the period when a state of emergency or
18 declaration of disaster exists or continues, the Governor may
19 exercise the following additional powers:

20 4. To provide for and compel the evacuation of all or part
21 of the population from any stricken or threatened area or areas
22 within the State and to take such steps as are necessary for the
23 receipt and care of those persons.

24 ...

25 7. To perform and exercise such other functions, powers
26 and duties as are necessary to promote and secure the safety and
27 protection of the civilian population.

28 NRS 414.070(4) and (7).

14. 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, the licensee's agent or
employee shall be deemed contrary to the public health, safety,
morals, good order and general welfare of the inhabitants of the
State of Nevada and grounds for suspension or revocation of a
license. Acceptance of a state gaming license or renewal thereof
by a licensee constitutes an agreement on the part of the licensee
to be bound by all of the regulations of the Commission as the
same now are or may hereafter be amended or promulgated. It
is the responsibility of the licensee to keep informed of the
content of all such regulations, and ignorance thereof will not
excuse violations.

Nev. Gaming Comm'n Reg. 5.030.

...

...

1 15. Nevada Revised Statute 463.310 states in relevant part as follows:

2 1.The Board shall make appropriate investigations:

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

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

6 ...

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

8 (a) A license, registration, finding of suitability,
preliminary finding of suitability, pari-mutuel license or prior
9 approval by the 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,
10 conditioned, suspended or revoked; or

11 (b) A person or entity which is licensed, registered, found
suitable pursuant to this chapter or chapter 464 of NRS or which
12 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,
13 the Board shall initiate a hearing before the Commission by
filing a complaint with the Commission in accordance with NRS
14 463.312 and transmit therewith a summary of evidence in its
possession bearing on the matter and the transcript of testimony
15 at any investigative hearing conducted by or on behalf of the
Board.

16
17 NRS 463.310(1)(a) and (b), and (2).

18 **BACKGROUND**

19 16. On or about March 12, 2020, Steve Sisolak, Governor of the State of Nevada,
20 issued a Declaration of Emergency for COVID-19 to facilitate the State's response to the
21 COVID-19 pandemic declared by the World Health Organization.

22 17. On or about March 17, 2020, in furtherance of his Declaration of Emergency,
23 Governor Sisolak verbally mandated that all gaming machines, devices, table, games, and
24 any equipment related to gaming activity be shut down effective at midnight.

25 18. On or about March 18, 2020, Governor Sisolak issued Declaration of
26 Emergency Directive 002, reaffirming his March 17, 2020 verbal order wherein he ordered
27 that "the Nevada general public shall cease gathering at gaming establishments, and all
28 gaming devices, machines, tables, games, and any equipment related to gaming activity

1 shall cease operations effective March 17, 2020, at 11:59 p.m., for the duration that this
2 Directive shall be in effect.”

3 19. On or about April 29, 2020, Governor Sisolak issued Declaration of Emergency
4 Directive 016 wherein he ordered in relevant part the following:

5
6 Section 13: Gaming operations, not including licensed online
7 gaming or mobile wagering operations, shall remain closed until
8 the Gaming Control Board determines that operations may
9 safely resume. The Gaming Control Board shall promulgate
10 guidance for a phased and incremental resumption of gaming
11 operations, as well as criteria regarding when operations may
12 resume.

13 20. On or about May 7, 2020, Governor Sisolak issued Declaration of Emergency
14 Directive 018 – Phase One Reopening wherein he ordered in relevant part the following:

15 Section 17: The prohibition on onsite dining at restaurants and
16 food establishments in Section 3 of Directive 003 is hereby
17 amended. All restaurants and food establishments operating
18 during the state of emergency due to the COVID-19 pandemic
19 are strongly encouraged to accommodate vulnerable persons by
20 providing to-go, curbside, and delivery options for customers.
21 Restaurants and food establishments, including bars and
22 taverns licensed to serve food, may provide onsite dining subject
23 to the following provisions:

- 24 1. The maximum occupancy for onsite dining shall be 50% of the
25 maximum seating capacity under normal circumstances,
26 excluding bar seating.
- 27 2. Tables or available booths must be spaced, or customers
28 seated a minimum of 6 feet apart from other customers.
3. Bar tops and bar areas shall remain closed to customers, but
bar beverages may be served at tables for onsite consumption.
4. Customers waiting to dine onsite must wait outside the
establishment until they can be seated and must practice
social distancing by maintaining a minimum of 6 feet of
separation between customers not residing in the same
household.
5. To the maximum extent practicable, restaurants and food
establishments should require reservations to manage
occupancy.

Restaurants and food establishments unable to comply with
Items 1-4, above, may not open for onsite dining, but may
continue to offer to go, curbside and home delivery to customers.
Buffets, cafeterias, and self-serve dining facilities shall remain
closed until further notice. All other provisions of Section 3 of
Directive 003 not in conflict with this Section shall remain in
effect.

...

1 Section 21: Section 13 of Directive 016 is hereby amended.
2 Gaming operations, not including licensed online gaming or
3 mobile wagering operations, shall remain closed through Phase
4 One. The Gaming Control Board shall promulgate guidance for
5 a phased and incremental resumption of gaming operations.

6 21. On or about May 28, 2020, Governor Sisolak issued Declaration of Emergency
7 Directive 021 – Phase Two Reopening Plan wherein he ordered in relevant part the
8 following:

9 Section 35: Directive 002 and Section 021 of Directive 018 are
10 hereby terminated. The Nevada Gaming Control Board shall
11 promulgate requirements for a phased and incremental
12 resumption of gaming operations, with openings commencing no
13 sooner than 12:01 am June 4, 2020. Failure of a gaming licensee
14 to comply with any such requirements shall be considered
15 injurious to the public health, safety, morals, good order and
16 general welfare of the inhabitants of the State, and constitute a
17 failure to comply with this Directive. The Nevada Gaming
18 Control Board is hereby authorized to enforce this Directive as
19 necessary, including, but without limitation, pursuing
20 disciplinary action to limit, condition, suspend, and/or revoke a
21 license, and/or impose a monetary fine against a licensee in
22 accordance with the Gaming Control Act.

23 22. On or about July 10, 2020, Governor Sisolak issued Declaration of Emergency
24 Directive 027 wherein he ordered in relevant part the following:

25 Section 5: Directive 021, Section 25 is hereby rescinded.
26 Restaurants and food establishments, and bars, pubs, taverns,
27 breweries, distilleries, and wineries licensed to serve food in a
28 restaurant-type setting, whether or not in a restricted or
nonrestricted gaming establishment, shall operate under the
Phase One conditions set forth in Section 17 of Directive 018, as
amended above, when located in a county with an Elevated
Disease Transmission and according to the criteria published by
the Department of Health and Human Services. Bar tops and
bar areas in any establishment in a county with an Elevated
Disease Transmission and according to the criteria published by
the Department of Health and Human Services shall be closed to
customers, but bar beverages may be served at tables for onsite
consumption. Customers must only be served via table services
and may not order from bar top areas.

...

1 Section 12: This Directive is effective at 11:59 p.m. on Friday,
2 July 10, 2020 and shall remain in effect until terminated by a
3 subsequent Directive promulgated pursuant to the March 12,
4 2020 Declaration of Emergency to facilitate the State's response
to the COVID-19 pandemic.

5 23. At all times relevant to this Complaint, Humboldt County, Nevada was
6 designated a county with an Elevated Disease Transmission according to the criteria
7 published by the Department of Health and Human Services.

8 24. RESPONDENT at its Cheers location in Winnemucca is located in Humboldt
9 County, Nevada.

10 COUNT I
11 VIOLATION OF NEVADA GAMING COMMISSION REGULATION 5.011

12 25. The BOARD realleges and incorporates the above paragraphs by reference as
13 though set forth in full herein.

14 26. On or about July 16, 2020, at approximately 6:00 p.m., a BOARD agent
15 conducted observations of RESPONDENT at its Cheers location in Winnemucca.

16 27. While conducting observations, the BOARD agent observed that all six of the
17 bar top slot machines were still in service and available for patron play.

18 28. While conducting observations, the BOARD agent observed a patron actively
19 playing one of the six machines.

20 29. The BOARD agent reported to RESPONDENT that these six machines were
21 still in service shortly after the agent's observations and on July 16, 2020. The business
22 operator did, immediately after the agent's observations, cover the slot machines so they
23 were no longer available to patrons for play.

24 30. RESPONDENT shut off the machines on July 17, 2020, at approximately
25 11:30 a.m.

26 31. The failure to comply with Nevada Gaming Commission Regulation 5.011 is
27 an unsuitable method of operation and provides grounds for disciplinary action against
28 RESPONDENT. *See Nev. Gaming Comm'n Reg. 5.010(2) and 5.030.*

1 PRAYER FOR RELIEF

2 WHEREFORE, based upon the allegations contained herein, which constitute
3 reasonable cause for disciplinary action against RESPONDENT, pursuant to NRS 463.310
4 and/or NGC Regulations 5.010, 5.011, and/or 5.030, the Board prays for relief as follows:

5 1. That the Commission serve a copy of this Complaint on RESPONDENT
6 pursuant to NRS 463.312(2);

7 2. That the Commission fine RESPONDENT a monetary sum pursuant to the
8 parameters defined at NRS 463.310(4) for each separate violation of the provisions of the
9 Nevada Gaming Control Act or the Regulations of the Commission;

10 3. That the Commission take action against RESPONDENT'S licenses pursuant
11 to the parameters defined in NRS 463.310(4); and

12 4. For such other and further relief as the Commission may deem just and
13 proper.

14 DATED this 29th day of July, 2020.

15 NEVADA GAMING CONTROL BOARD

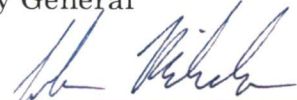
16 
17 SANDRA MORGAN, Chairwoman

18 
19 TERRY JOHNSON, Member

20 
21 PHILIP KATSAROS, Member

22 Submitted by:

23 AARON D. FORD
24 Attorney General

25 By: 
26 JOHN S. MICHELA
27 Senior Deputy Attorney General
28 Gaming Division