



1 Case No. 21-04

2  
3 STATE OF NEVADA

4 BEFORE THE NEVADA GAMING COMMISSION

5  
6 NEVADA GAMING CONTROL BOARD

7 Complainant,

8 vs.

STIPULATION FOR SETTLEMENT  
AND ORDER

9 STATION CASINOS LLC;  
10 NP RED ROCK LLC, dba  
RED ROCK CASINO RESORT SPA,

11 Respondent[s].

12 The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD  
13 (BOARD), Complainant herein, filed and served a Complaint, NGC Case No. 21-04, against  
14 the above-captioned RESPONDENTS alleging certain violations of the Nevada Gaming  
15 Control Act and Regulations of the Nevada Gaming Commission.

16 IT IS HEREBY STIPULATED AND AGREED to by the BOARD and  
17 RESPONDENTS that the Complaint, NGC Case No. 21-04, filed against RESPONDENTS  
18 in the above-entitled case shall be settled on the following terms and conditions:

19 1. RESPONDENTS do not admit or deny the allegations set forth in the  
20 Complaint, NGC Case No. 21-04.

21 2. RESPONDENTS specifically make the following statements with regard to  
22 their position in this matter and the settlement thereof:

23 a. RESPONDENTS admit they failed to maintain their virtual servers on  
24 which the Stadium software operated, and that this failure may have  
25 contributed to certain of the inadvertent, involuntary “acceptance” of  
26 ostensible past-posted wagers as set out in Count I of the Complaint. This  
27 failure occurred after RESPONDENTS’ response to an Order to Show  
28 Cause served by the BOARD on or about August 29, 2019.

1 b. However, RESPONDENTS assert that the ability of customers to make  
2 the ostensible past-posted wagers was caused in the first instance by a flaw  
3 or defect in the Stadium software.

4 c. Based on the instances of ostensible past posted wagers, RESPONDENTS  
5 are in the process of replacing the Stadium software with new software to  
6 operate RESPONDENTS' mobile sports wagering application.  
7 RESPONDENTS' replacement of the software operating its mobile sports  
8 wagering application is a very significant financial commitment.

9 d. RESPONDENTS self-reported all instances of ostensible past-post  
10 wagering referenced in the Complaint to the BOARD, and the State of  
11 Nevada was not deprived of any tax revenue.

12 3. RESPONDENTS fully understand and voluntarily waive the right to a public  
13 hearing on the charges and allegations set forth in the Complaint, the right to present and  
14 cross-examine witnesses, the right to a written decision on the merits of the Complaint,  
15 which must contain findings of fact and a determination of the issues presented, and the  
16 right to obtain judicial review of the Nevada Gaming Commission's decision.

17 4. RESPONDENTS agree to pay a fine in the amount of EIGHTY THOUSAND  
18 DOLLARS and NO CENTS (\$80,000.00) electronically transferred to the *State of Nevada,*  
19 *Nevada Gaming Commission* on or within two (2) business days after the date this  
20 stipulated settlement agreement is accepted by the Nevada Gaming Commission. Said  
21 payment shall be made by a method of electronic payment approved by the Tax and License  
22 Division of the BOARD pursuant to NRS 353.1467. Interest on the fine shall accrue  
23 pursuant to NRS 17.130 on any unpaid balance computed from the date payment is due  
24 until payment is made in full.

25 5. In consideration for the execution of this Stipulation for Settlement and  
26 effective on the acceptance by the Nevada Gaming Commission of this Stipulation for  
27 Settlement, RESPONDENTS hereby indemnify and hold harmless the State of Nevada,  
28 the Nevada Gaming Commission, the Nevada Gaming Control Board, the Nevada Attorney

1 General, and each of their members, agents, and employees in their individual and  
2 representative capacities against any and all claims, suits and actions, brought against the  
3 persons named in this paragraph by reason of the investigation of the allegations in the  
4 Complaint, filed in this disciplinary action, NGC Case No. 21-04, and all other matters  
5 relating thereto, and against any and all expenses, damages, charges and costs, including  
6 court costs and attorney fees, which may be sustained by the persons and entities named  
7 in this paragraph as a result of said claims, suits and actions.

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

14         7.     RESPONDENTS and the BOARD acknowledge that this Stipulation for  
15 Settlement is made to avoid litigation and economize resources. The parties agree and  
16 understand that this Stipulation for Settlement is intended to operate as full and final  
17 settlement of the Complaint filed against RESPONDENTS in the above-entitled  
18 disciplinary case, NGC Case No. 21-04.

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

1 Stipulation for Settlement and shall survive in the event the other provisions are  
2 withdrawn as null and void.

3 9. RESPONDENTS and the BOARD agree and understand that this Stipulation  
4 for Settlement is intended to operate as the full and final settlement of the Complaint filed  
5 in NGC Case No. 21-04. The parties further agree and understand that any oral  
6 representations are superseded by this Stipulation for Settlement and that only those  
7 terms memorialized in writing herein shall be effective. RESPONDENTS and the BOARD  
8 agree that nothing contained in this Stipulation for Settlement shall affect in any way  
9 RESPONDENTS' rights against any individuals or entities arising out of or related to the  
10 subject matter of the Complaint, other than the individuals and entities identified in  
11 paragraph 5.

12 10. RESPONDENTS agree and understand that although this Stipulation for  
13 Settlement, if approved by the Nevada Gaming Commission, will settle the Complaint filed  
14 in NGC Case No. 21-04, that the allegations contained in the Complaint filed in NGC Case  
15 No. 21-04, and the terms of this Stipulation for Settlement, may be considered by the  
16 BOARD and/or the Nevada Gaming Commission, regarding any and all applications by  
17 RESPONDENTS that are currently pending before the BOARD or the Nevada Gaming  
18 Commission, or that are filed in the future with the BOARD. Neither RESPONDENTS'  
19 agreement and understanding contained in this paragraph nor the terms of this Stipulation  
20 for Settlement will prevent RESPONDENTS from responding fully and completely to any  
21 of such allegations in connection with any current or future applications.

22 11. RESPONDENTS and the BOARD shall each bear their own costs incurred in  
23 this disciplinary action, NGC Case No. 21-04.

24 12. RESPONDENTS, by executing this Stipulation for Settlement, affirmatively  
25 waive all notices required by law for this matter including, but not limited to, notices  
26 concerning consideration of the character or misconduct of a person (NRS 241.033), notices  
27 concerning consideration of administrative action against a person (NRS 241.034), and  
28 notices concerning hearings before the Nevada Gaming Commission (NRS 463.312).

1 Regardless of the waiver of legal notice requirements, the BOARD and the Nevada Gaming  
2 Commission will attempt to provide reasonable notice of the time and place of the hearing.  
3 Further, in negotiating this Stipulation for Settlement, RESPONDENTS acknowledge that  
4 the BOARD has provided RESPONDENTS with the date and time of the Nevada Gaming  
5 Commission hearing during which the BOARD anticipates the Nevada Gaming  
6 Commission will consider approving this Stipulation for Settlement.

7 13. This Stipulation for Settlement shall become effective immediately upon  
8 approval by the Nevada Gaming Commission.

9 DATED this 10<sup>th</sup> day of June, 2022.

10 NP RED ROCK LLC, dba  
11 RED ROCK CASINO RESORT SPA

12   
13 JEFFREY T. WELCH  
14 Senior Vice President; Secretary

15 STATION CASINOS LLC

16   
17 JEFFREY T. WELCH  
18 Executive Vice President;  
19 Chief Legal Counsel; Secretary

20 REID RUBINSTEIN BOGATZ

21   
22 MARC H. RUBINSTEIN  
23 Attorney for Respondents  
24 (702) 776-7005

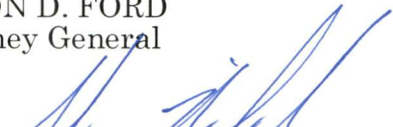
NEVADA GAMING CONTROL BOARD

25   
26 J. BRIN GIBSON, Chairman

27   
28 PHILIP KATSAROS, Member

  
BRITTNIE WATKINS, Member

AARON D. FORD  
Attorney General

By:   
JOHN S. MICHELA  
Senior Deputy Attorney General  
Attorneys for the Nevada Gaming  
Control Board  
(775) 687-2118

23 **ORDER**

24 IT IS SO ORDERED in NGC Case No. 21-04.

25 DATED this 23<sup>rd</sup> day of June, 2022.

26 NEVADA GAMING COMMISSION

27   
28 HON. JENNIFER P. TOGLIATTI (RET.), Chair