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STATE OF NEVADA

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BEFORE THE NEVADA GAMING COMMISSION

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NEVADA GAMING CONTROL BOARD,

8

Complainant,

9

vs.

COMPLAINT

10

BOB KINGSTON PRODUCTIONS, INC.,  
dba SADDLE N SPURS SALOON,

11

12

Respondent.

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The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD

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(BOARD), Complainant herein, by and through its counsel, AARON D. FORD, Attorney

15

General, and JOHN S. MICHELA, Senior Deputy Attorney General, hereby files this

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Complaint before the Nevada Gaming Commission (Commission) for disciplinary action

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against BOB KINGSTON PRODUCTIONS, INC., dba SADDLE N SPURS SALOON,

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herein, pursuant to Nevada Revised Statute (NRS) 463.310(2), and alleges as follows:

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JURISDICTION

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1. Complainant, BOARD, is an administrative agency of the State of Nevada

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duly organized and existing under and by virtue of Chapter 463 of NRS and is charged with

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the administration and enforcement of the gaming laws of this State as set forth in Title

23

41 of NRS (Nevada Gaming Control Act) and the Regulations of the Commission.

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2. RESPONDENT, BOB KINGSTON PRODUCTIONS, INC., dba SADDLE N

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SPURS SALOON (RESPONDENT), located at 2333 N. Jones Boulevard, Suite 108, Las

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Vegas, Nevada 89108, currently holds a restricted gaming license and, as such, is charged

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with the responsibility of complying with all provisions of the Nevada Gaming Control Act

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and the Regulations of the Commission.

1           3.     The Nevada Legislature set forth the importance of the gaming industry to  
2 the State of Nevada and its responsibility to the State's inhabitants in NRS 463.0129. The  
3 Legislature specifically set out that the continued growth and success of gaming is  
4 dependent on public confidence and trust and that such public confidence and trust "can  
5 only be maintained by strict regulation of all persons, locations, practices, associations and  
6 activities related to the operation of licensed gaming establishments..." NRS 463.0129.

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

11          5.     The BOARD is statutorily charged with determining whether a violation of  
12 the Gaming Control Act has occurred. NRS 463.310(1). If the BOARD is satisfied that  
13 discipline is warranted, it shall initiate disciplinary action by filing a complaint with the  
14 Commission. NRS 463.310(2).

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

18          7.     A person approved by the Nevada Gaming Commission has an ongoing  
19 obligation to meet the standards required to obtain such approval including, without  
20 limitation, to be a person of good character, honesty and integrity and to refrain from  
21 activities and associations which may impact the interests of Nevada, the regulation of  
22 gaming, or the reputation of gaming in Nevada. NRS 463.170.

23          8.     In addition to remedies the Nevada Gaming Commission has against a  
24 holding or intermediary company for its actions, the Nevada Gaming Commission may also  
25 take action against the licensee. NRS 463.615.

26          9.     The Nevada Gaming Commission may take action with regard to a  
27 registration or finding of suitability on the same grounds as it may take action with regard  
28 to a license. Nev. Gaming Comm'n Reg. 3.080.

1 10. Nevada Gaming Commission Regulation 5.030 provides as follows:

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

14 Nev. Gaming Comm'n Reg. 5.030.

#### 15 GENERAL ALLEGATIONS

16 11. On May 26, 2023, the Board received an electronic mail from a licensed  
17 operator of a slot route (SRO) concerning RESPONDENT. RESPONDENT was approved  
18 for a restricted gaming license on June 19, 2014, and is in a participation agreement with  
19 SRO. SRO informed the Board about the SRO's concerns that RESPONDENT was not  
20 maintaining its required bankroll and that RESPONDENT was in the process of selling its  
21 location to an individual named Walter Rines.

22 12. Based on this information, the BOARD's Tax and License Division (T&L)  
23 conducted a compliance review of RESPONDENT. Based on the compliance review, T&L  
24 noted two major issues: 1) RESPONDENT's bankroll was deficient and 2) an unlicensed  
25 owner was participating in the business, including the revenue of the business.

#### 26 Bankroll

27 13. T&L performed a bankroll calculation for RESPONDENT on June 6, 2023,  
28 and determined RESPONDENT's required bankroll was deficient by \$10,250.00.

14. In discussing the bankroll issue with Robert Kingston, director, president,  
secretary, and treasurer for RESPONDENT, T&L discovered that RESPONDENT was  
unaware of the bankroll requirements and had not performed any bankroll calculations  
from the time it activated its license on July 1, 2014.

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1 Ownership/Revenue

2 15. On or about December 5, 2022, RESPONDENT entered into an asset sale  
3 agreement with Two Brothers Ventures, LLC (TBV). The members of TBV are Jamie  
4 Edgecomb and Walter Rines.

5 16. This agreement set out that TBV would own all of RESPONDENT's assets by  
6 January 1, 2023. The first payment of \$105,000.00 was due on December 5, 2022.

7 17. On February 27, 2023, TBV's attorney sent a demand letter to  
8 RESPONDENT. The demand letter indicated that the first payment under the agreement  
9 had been made.

10 18. In an electronic mail to T&L, RESPONDENT stated TBV demanded financial  
11 participation in the location prior to the first payment.

12 19. The demand letter also indicated that "all of the bar and its contents are the  
13 property of [TBV]..." and that RESPONDENT "does not 'share' or retain ownership of those  
14 assets in any way."

15 20. According to the demand letter, RESPONDENT only retained ownership over  
16 "the status of license of Key Person and Licensee with Gaming and Liquor regulatory  
17 bodies."

18 21. Subsequent to the original asset purchase agreement, TBV's attorney issued  
19 a settlement letter dated March 30, 2023, and, on August 7, 2023, RESPONDENT and TBV  
20 entered into a new asset purchase agreement.

21 22. T&L examination of TBV bank statements for the period of January through  
22 May of 2023, found that RESPONDENT made regular payments to TBV titled "shift  
23 payment proceeds."

24 23. This examination showed regular payments by TBV to pay RESPONDENT's  
25 utilities, payroll, insurance, and sales tax.

26 24. This examination showed TBV received the proceeds of food and beverage  
27 credit card transactions and sales revenue for RESPONDENT. Most of these proceeds were  
28 transferred electronically; however, there were a number of these payments made by check

1 including one which explicitly stated "gaming proceeds" on the memo line. The other  
2 payments may have also included gaming revenue.

3 25. RESPONDENT stated at least one payment included gaming revenue so that  
4 TBV had enough funds to pay state sales tax.

5 26. In an electronic mail to T&L, RESPONDENT stated that TBV has not paid  
6 rent for the premises of RESPONDENT's location for July/August of 2023, and the owner  
7 of the premises has served an eviction notice which TBV is "battling as the lease holder."

8 27. On October 3, 2023, the BOARD received an incomplete application from TBV  
9 for a restricted gaming license.

10 COUNT ONE  
11 UNSUITABLE METHOD OF OPERATION  
12 REGARDING BANKROLL ISSUES

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

15 29. The Chair of the BOARD has adopted minimum bankroll requirements for  
16 restricted gaming licensees pursuant to Nevada Gaming Commission Regulation 6.150.  
17 Nev. Gam'g Comm'n Reg. 6.150 (1) through (4). Each restricted gaming licensee is required  
18 to maintain cash or cash equivalents on the licensee's premises in accordance with the  
19 Chair's bankroll formula. Nev. Gam'g Comm'n Reg. 6.150(5). If a restricted gaming  
20 licensee's cash or cash equivalents should fall below the amount required by the bankroll  
21 formula, the licensee shall immediately notify the BOARD. *Id.* The failure of a restricted  
22 gaming licensee to maintain cash or cash equivalents at or above the minimum bankroll  
23 requirement or failure to notify the BOARD as required if such amounts fall below the  
24 minimum bankroll requirement is an unsuitable method of operation. *Id.*

25 30. As set out above, RESPONDENT's bankroll was deficient in the amount of  
26 \$10,250.00 on June 6, 2023.

27 31. RESPONDENT admitted it never performed a bankroll calculation between  
28 July 1, 2014, and June 6, 2023.

1           32.     RESPONDENT never notified the BOARD concerning its failures to comply  
2 with the minimum bankroll requirements.

3           33.     RESPONDENT's actions as set out above are violations of Nevada Revised  
4 Statute 463.170 and/or Nevada Gaming Commission Regulations 5.010, 5.011, and/or  
5 6.150. This constitutes an unsuitable method of operation, and, as such, is grounds for  
6 disciplinary action. *See* NRS 463.170(8); Nev. Gaming Comm'n Regs. 5.010(2), 5.011(1) and  
7 5.030.

8   **COUNT TWO**  
9   **UNSUITABLE METHOD OF OPERATION**  
10    **REGARDING THE OPERATOR OF THE PRIMARY BUSINESS AND**  
  **GAMING REVENUE**

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

13           35.     A restricted gaming license may only be granted to the operator of the primary  
14 business or an operator of a slot route. NRS 463.161(1).

15           36.     No money may be paid over for the acquisition of a licensed gaming operation  
16 until the legal prerequisites are satisfied, including Commission approval for the transfer  
17 and new owners. Nev. Gam'g Comm'n Reg. 8.050. This includes payments for the assets  
18 of a currently operating restricted gaming licensee.

19           37.     A license is required to share in revenue derived from gaming activities. NRS  
20 463.160(1).

21           38.     Until on or about February 6, 2024, RESPONDENT was exposing slot  
22 machines for play under its restricted gaming license.

23           39.     As set out above, RESPONDENT has only retained ownership over "the status  
24 of license of Key Person and Licensee with Gaming and Liquor regulatory bodies."  
25 RESPONDENT "does not 'share' or retain ownership of those assets in any way."  
26 RESPONDENT has not been the operator of the primary business from sometime before  
27 August 21, 2023, and potentially as far back as before February 27, 2023.

28           40.     As set out above, RESPONDENT was required by the parties' agreement to

1 allow TBV to participate financially in the business in order to receive TBV's first payment  
2 for the business. This financial participation includes the payment of food and beverage  
3 revenues and, to some extent, gaming revenues.

4 41. TBV made its first payment for the assets of RESPONDENT's active gaming  
5 operation on or about December 5, 2022.

6 42. RESPONDENT's actions as set out above are violations of Nevada Revised  
7 Statutes 463.170, NRS 463.160, and/or NRS 463.161 and/or Nevada Gaming Commission  
8 Regulations 5.010, 5.011, and/or 8.050. This constitutes an unsuitable method of operation,  
9 and, as such, is grounds for disciplinary action. See NRS 463.170(8); Nev. Gaming Comm'n  
10 Regs. 5.010(2), 5.011(1) and 5.030.

11 **PRAYER FOR RELIEF**

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

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

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

20 3. That the Commission take action against RESPONDENT's licenses pursuant  
21 to the parameters defined in NRS 463.310(4); and

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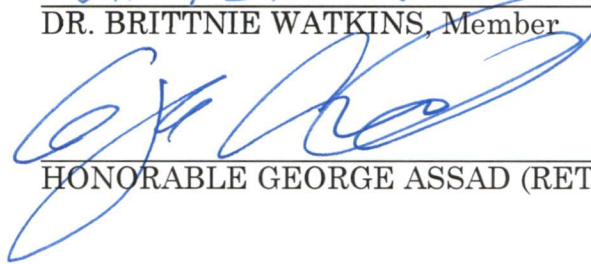
1 4. For such other and further relief as the Commission may deem just and  
2 proper.

3 DATED this 27 day of February 2024.

4  
5 NEVADA GAMING CONTROL BOARD

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KIRK D. HENDRICK, Chairman

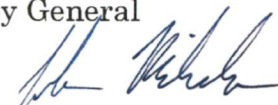
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DR. BRITTNE WATKINS, Member

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HONORABLE GEORGE ASSAD (RET.), Member

14 Submitted by:

15 AARON D. FORD  
16 Attorney General

17 By:

  
18 \_\_\_\_\_  
19 JOHN S. MICHELA  
20 Senior Deputy Attorney General  
21 Gaming Division  
22 (775) 687-2118  
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