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STATE OF NEVADA

BEFORE THE NEVADA GAMING CONTROL BOARD

**In the Matter of Restricted Agenda
No. 01-11-16**

Re: SMG HOSPITALITY LLC, dba
OWL
3990 W RUSSELL RD STE 1
LAS VEGAS, NV 89118

ORDER OF DENIAL

STEPHAN MICHAEL GALDAU
Member/Manager

**APPLICATION FOR A
RESTRICTED GAMING
LICENSE**

**APPLICATION FOR LICENSURE
AS SOLE MEMBER AND
MANAGER**

**REQUEST TO WITHDRAW
APPLICATIONS**

This matter having come on for hearing before the Nevada Gaming Control Board (Board) on April 7, 2016, in Carson City, Nevada, and on November 3, 2016, in Las Vegas, Nevada, on the above-captioned Applications and Request, with STEPHAN MICHAEL GALDAU having appeared with counsel William R. Urga, Esq., at the April 7, 2016 hearing, and without counsel at the November 3, 2016 hearing, and the Board having received and reviewed all information relative thereto;

AND WHEREAS the Board having denied with prejudice the Request to Withdraw Applications in accordance with Nevada Gaming Commission (NGC or Commission) Regulation 4.140;

AND WHEREAS the Board determined that STEPHAN MICHAEL GALDAU failed to satisfy the burden of proving his qualifications to be licensed as a Mem-

1 ber/Manager of SMG HOSPITALITY LLC, dba OWL, pursuant to Nevada Revised Stat-
2 ute (NRS) 463.5735(1) as required by NRS 463.170(1), (2), and (3)(a), NRS 463.339, and
3 by NGC Regulations 3.090(1) and 4.040(1) and (2); and having specifically found:

4 1. STEPHAN MICHAEL GALDAU provided false testimony during the April
5 7, 2016 Board meeting in response to questions posed by the Board regarding his drug
6 use history, as evidenced by the positive results from drug tests from hair samples
7 obtained from STEPHAN MICHAEL GALDAU on or about March 3, 2016 and April 7,
8 2016, as well as testimony STEPHAN MICHAEL GALDAU provided during an interview
9 conducted by Board agents on or about July 12, 2016 and at the November 3, 2016 Board
10 meeting;

11 2. STEPHAN MICHAEL GALDAU has an extensive history of illegal drug use,
12 as evidenced in part by the positive results from drug tests from hair samples obtained
13 from STEPHAN MICHAEL GALDAU on or about March 3, 2016 and April 7, 2016, as
14 well as his testimony provided at the public Board meetings held on April 7, 2016 and
15 November 3, 2016, and during an interview of STEPHAN MICHAEL GALDAU conducted
16 by Board agents on or about July 12, 2016;

17 3. Through his business dealings, STEPHAN MICHAEL GALDAU has
18 demonstrated he does not possess the minimum level of business probity, competence and
19 experience necessary to own and operate a licensed gaming establishment in the State of
20 Nevada; and

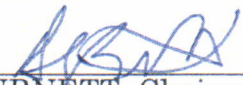
21 4. Through his past conduct, reputation, habits and dealings with the Board,
22 STEPHAN MICHAEL GALDAU has demonstrated that he is not a person of good
23 character, honesty or integrity.

24 IT IS HEREBY ORDERED, upon unanimous vote, that a recommendation of deni-
25 al of the Applications of SMG HOSPITALITY LLC, dba OWL for a Restricted Gaming Li-
26 cense and STEPHAN MICHAEL GALDAU for Licensure as Sole Member and Manager of
27 SMG HOSPITALITY LLC, dba OWL, be and is hereby issued to the Commission pursu-
28 ant to NRS 463.1405(3) and NRS 463.210(3), said recommendation being based upon

1 NRS 463.170(1), (2), and (3)(a), NRS 463.339, and by NGC Regulations 3.090(1) and
2 4.040(1) and (2).

3 DATED THIS 16th day of November, 2016.

4 NEVADA GAMING CONTROL BOARD

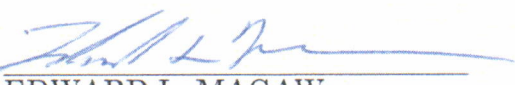
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6 _____
A.G. BURNETT, Chairman

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8 _____
SHAWN R. REID, Member

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10 _____
TERRY JOHNSON, Member

11 Submitted by:

12 ADAM PAUL LAXALT
13 Attorney General

14 By: 
15 _____
EDWARD L. MAGAW
16 Deputy Attorney General
Gaming Division

17 **ORDER OF THE NEVADA GAMING COMMISSION**

18 Pursuant to NRS 463.220(7), the Nevada Gaming Commission adopts and hereby
19 incorporates herein by reference the findings of the Board.

20 Good cause appearing:

21 IT IS HEREBY ORDERED that the Applications of SMG HOSPITALITY LLC, dba
22 OWL for a Restricted Gaming License and STEPHAN MICHAEL GALDAU for Licensure
23 as Sole Member and Manager of SMG HOSPITALITY LLC, dba OWL, are hereby denied.

24 DATED THIS 17th day of November, 2016.

25 NEVADA GAMING COMMISSION

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TONY ALAMO, M.D., Chairman