



WHERE ARE THEY NOW? Four Former Chairmen of the State Gaming Control Board Share Their Thoughts About Their Time as Chairmen

By Andrew D. Moore

Introduction

While I generally disfavor broad generalizations, I believe it is safe to say that Americans love nostalgia and reminiscing. *People*, America's most popular reading material while standing in line at the grocery store, has published numerous "Where Are They Now?" retrospective issues detailing the post-television show careers of stars from programs as varied as *ER* to *Family Matters*. Last year, Jimmy Fallon, host of *Late Night with Jimmy Fallon*, attempted to reunite the cast of the beloved 1990s sitcom *Saved By The Bell*, to no avail. Admittedly, while at the office diligently taking care of business, I find my mind wandering to thoughts like, "Geez, I wonder what the kid that played Wesley on *Mr. Belvedere* is up to these days." And this summer, moviegoers will be treated to a multitude of remakes and spinoffs of previous movies and television shows. In May and June 2010 alone, a remake of *Nightmare on Elm Street*, a remake of the 1984 classic *The Karate Kid*, and a spinoff of 1980s television hit *The A-Team* were released in movie theatres across America.

With such a fondness for nostalgia in mind, this article will provide a brief overview of what four former Chairmen of the Nevada State Gaming Control Board ("Board") Bart Jacka, Michael

Rumbolz, William Bible, and Steve DuCharme - have been doing since their tenure on the Board ended and will relate some of the regulators' memories of their time spent as Board Chairman. Before providing a summary of my conversations with these four individuals, I will provide a brief primer on the gaming regulatory structure in Nevada and the selection criteria related to serving as a Member or Chairman on the Board.

Brief Overview of Nevada's Gaming Regulatory Structure

It cannot be overstated that the gaming and tourism industries are vital to Nevada's economy. Even in these tough economic times, 36,351,469 people visited the metropolitan Las Vegas area in 2009 and Nevada casinos collected \$10.932 billion from gamblers in 2009.¹ Given the large volume of visitors to Nevada's resort casinos and the money these visitors spend in this state, Nevada has established a comprehensive regulatory system to ensure that Nevada casinos are operated in an efficient and reputable manner so that Nevada remains a first-rate tourist destination for Americans and those around the world.

In Nevada's two-tiered regulatory system, the Board administers and enforces the provisions of the Nevada Gaming Control Act ("Act") and the Nevada Gaming Commission Regulations ("Regulations"). In licensing matters, where it has its most public role, the Board investigates applicants and makes recommendations to the Nevada Gaming Commission ("Commission") at regularly scheduled monthly meetings.² The Commission, however, is tasked with the ultimate decision of whether to

grant or deny licenses or other approvals. The Board also serves as a prosecutor in disciplinary matters related to a gaming licensee and serves as



an adjudicatory body for customer disputes.

Given the Board's vital role in Nevada's economy, there are guidelines pertaining to the selection and service of members of the Board. The Governor of Nevada appoints all three members of the Board and must designate one member to serve as Chair and Executive Director to coordinate the activities of the Board.³ The members of the Board, including the Chairman, serve four year terms that commence on the last Monday in January.⁴ Members of the Board must be American citizens and residents of Nevada but may not hold any elective office in Nevada state government or hold an officer position in any political party.⁵ The Chair must have "at least 5 years of responsible administrative experience in public or business administration or possess broad management skills."⁶ One member of the Board must have an accounting or corporate finance background and another member must have experience in "investigations, law enforcement, law or gaming."⁷ In order to ensure impartiality, members of the Board must not possess an interest in any business holding a gaming license or do business with any person holding a gaming license.⁸

Recent Board Chairmen

Since January 1971, when Frank Johnson's term as Board Chairman expired, nine individuals have served as Chair and Executive Director of the Board. Following Mr. Johnson's tenure, Philip Hannifin became Chairman in 1971 and was reappointed to the position in 1973 and 1977. Following Mr. Hannifin's resignation in July 1977, Roger Trounday became Chairman and served in that capacity until

December 1979. Mr. Trounday was replaced by Richard Bunker, who served as Chairman for three years from 1980-1982. James Avance became Chairman in January 1983 and served in that capacity until December 1984.

Bart Jacka was appointed as a Member of the Board in September 1984 with the intention that he was to become Chairman when Chairman Avance finished his term. Beginning in January 1985, Mr. Jacka served as Chairman until he was replaced by Michael Rumbolz in May 1987. Mr. Rumbolz, who became a Member of the Board in January 1985, served as Chairman from May 1987 until December 1988. William Bible followed Mr. Rumbolz as Chairman, and served as Chairman from January 1989 until September 1998. Steve DuCharme, who became a Member of the Board in January 1991, replaced Mr. Bible as Chairman in September

1998 and served in that capacity until he was replaced by current Chairman Dennis Neilander in January 2001.

With the exception of Frank Johnson, who passed away in November 1980, the Board Chairmen listed above are all living. Given the constraints of this publication, however, I limited my discussions to Messrs. Jacka, Rumbolz, Bible, and DuCharme for this article. Depending on the reception of this article (which I am sure will be superlative across the board), I may revisit this topic and speak to Messrs. Hannifin, Trounday, Bunker, and Avance for a future article.

Discussions with Chairmen Jacka, Rumbolz, Bible, and DuCharme

I began my conversations with Chairmen Jacka, Rumbolz, Bible, and DuCharme by asking each of them what they have been up to since their tenure with the Board ended.

Bart Jacka (Chairman: January 1985 to May 1987): Right after his tenure with the Board ended, Mr. Jacka was hired by Bally Manufacturing and Bally International where he served in a variety of positions, including Director of Corporate Gaming Compliance and Vice President. Mr. Jacka's employment with Bally ended in April 1996. From March 1997 until July 2003, Mr. Jacka served as a Member of the Board of Directors of Elsinore Corporation, owner of the Four Queens Hotel & Casino in downtown Las Vegas. Additionally, beginning in 1996, Mr. Jacka has chaired a number

of corporate compliance committees including: (1) Peppermill Hotel & Casino in Reno; (2) Golden Phoenix Hotel and Casino in Reno; (3) the aforementioned Elsinore Corporation; (4) Starwood Lodging Corporation in Las Vegas; (4) Sierra Design Group in Reno; (5) Universal Distributing of Nevada, Inc. in Las Vegas; (6) Barrick Gaming Corporation in Las Vegas; (7) NevStar Gaming Entertainment in Mesquite; (8) American Wagering, Inc. in Las Vegas; (9) Planet Hollywood Resort & Casino in Las Vegas; and (10) Buffalo Wild Wings in Las Vegas. Mr. Jacka has also done some consulting work on an occasional basis.

Mr. Jacka currently resides in Reno, Nevada, with his wife Joanie, who was a former executive assistant at the Board.

Michael Rumbolz (Chairman: May 1987 to December 1988): Mr. Rumbolz worked in assorted jobs at various casinos while growing up in southern Nevada. After graduating from law school and following a brief stint in private practice, Mr. Rumbolz served as the Chief Deputy Attorney General of the Gaming Division of the State of Nevada Attorney General's Office.

Following his service on the Board, Mr. Rumbolz has been heavily involved in various facets of the gaming industry beginning with his time at the Trump Corporation between 1988 and 1991, where he assisted with the opening of the Trump Taj Mahal in Atlantic City and served as an executive at Trump Castle. In 1991, he began working for Circus Circus Enterprises and assisted with discovering development opportunities outside of Nevada. During his time with Circus Circus Enterprises, Mr. Rumbolz served as President of Casino Windsor in Ontario, Canada. Beginning in 1995, Mr. Rumbolz was President and Chief Executive Officer of Anchor Gaming, a slot machine manufacturer based out of Las Vegas. Under Mr. Rumbolz's direction, the company developed casinos in Colorado and the Wheel of Fortune slot machine in partnership with IGT. In 2000, Mr. Rumbolz became Vice Chairman of the Board for Casino Data Systems and served in that position until 2002 when Casino Data Systems was sold to Aristocrat Technologies. Mr. Rumbolz next served as Chairman and Chief Executive Officer of Cash Systems, a company that handled cash transaction processing, from 2005 until 2008. In February 2008, Mr. Rumbolz was appointed to serve on the Board of Directors of Seminole Hard Rock Entertainment, Inc., and as Manager of Seminole Hard Rock International, LLC. Mr. Rumbolz has also served as managing director of a consulting company he owns since 2001.

Mr. Rumbolz currently resides in the Las Vegas area with his wife, Geri, who previously served as a Deputy Chief in the Board's Investigations Division and headed its Corporate Securities branch that later became the Corporate Securities Division.

Bill Bible (Chairman: January 1989 to September 1998) Following his tenure as Chairman, Mr. Bible continued as a member of the National Gambling Impact Study Commission, a position to which Bill Clinton had appointed him in 1997. Mr. Bible's service on this Commission terminated in June 1999 when the Commission published its report and findings. Governor Bob Miller appointed Mr. Bible to serve on the State Ethics Commission in



September 1998 and Mr. Bible remained in that position for one year. Following his service on the State Ethics Commission, Mr. Bible served as President of the Nevada Resort Association ("NRA"). In that position, which he held from 1999 until 2010, Mr. Bible appeared before many lawmaking bodies during many legislative sessions to advocate on behalf of Nevada's gaming and resort industry. In March 2010, Mr. Bible left his position with the NRA when he was elected to the Board of Directors of MGM Resorts International.

Mr. Bible currently resides in Southern Nevada with his wife, Charlotte, who once served as a Deputy Attorney General in the Gaming Division of the State of Nevada Attorney General's Office.

Steve DuCharme (Chairman: September 1998 to December 2000) During his last year with the Board, Mr. DuCharme served one term as the

Chairman of the International Association of Gaming Regulators. Since leaving the Board in 2000, Mr. DuCharme has served as an independent member of numerous compliance committees for various publicly traded companies and private equity companies. Mr. DuCharme also currently serves as Chairman of the Pokagon Band of Potawatomi Indians Gaming Commission. The Pokagon Band of Potawatomi Indians operates the Four Winds Casino in southwest Michigan.

Mr. DuCharme resides in southern Nevada with his wife, Patty Becker, a former Chief Deputy Attorney General of the Gaming Division of the State of Nevada Attorney General's Office, as well as a former Member of the Board, having served as its first, and to date its only, female member. Ms. Becker currently serves as the Executive Director of UNLV's International Gaming Institute.

While serving as Chairman, what were some of the most significant matters over which you presided?

Jacka: For Mr. Jacka, the first hearing he attended after being appointed to the Board was his most significant and memorable hearing. Not only was it his first hearing as a Member of the Board, but Bobby Baldwin, one of the more prominent figures in Nevada gaming over the past 30 years was licensed for the first time at that hearing. (For those that are not familiar with Mr. Baldwin, before he became a casino executive, he was a prominent professional poker player. He won the World Series of Poker Main Event in 1978. In 1984, he became

President of the Golden Nugget in Las Vegas and has served as President at The Mirage, President at the Bellagio, and he is the current Chief Design and Construction Officer of MGM Resorts International and President and CEO of CityCenter.)

Rumbolz: Mr. Rumbolz detailed two memorable matters in which he was involved. During his tenure as Chairman, the Board wrestled with Martin Sosnoff's attempted hostile takeover of Caesars World, the first hostile takeover bid of a publicly traded Nevada casino company. Mr. Rumbolz noted that he served as Chairman when Frank Rosenthal was added to the Board's List of Excluded Persons, which is better known as the Black Book, due to his ties to organized crime, which thereby prevented Mr. Rosenthal from ever being allowed to enter a Nevada casino again.

Bible: In the disciplinary context, Mr. Bible noted that the most memorable matter he handled while serving as Chairman was the disciplinary matter involving American Coin Enterprises. In the 1990s, American Coin Enterprises rigged video poker machines to prevent players from hitting jackpots. During the investigation, authorities from the Board seized thousands of machines. From a regulatory standpoint, the matter was eventually resolved via stipulations with the owners of American Coin Systems under which the owners agreed to relinquish their gaming licenses. Mr. Bible recalled this being one of the first disciplinary matters involving tampering with electronic equipment.

Additionally, Mr. Bible noted that he served as



Chairman during licensing matters that created the modern Las Vegas Strip. Casinos expanded in size as the investment community realized that the Nevada gaming market was a solid investment option as the industry was well-regulated. During his time as Chairman, the Board approved gaming licenses for The Mirage and Treasure Island properties developed by Steve Wynn, assorted Circus Circus Enterprises/Mandalay Resort Group properties (e.g. Excalibur and Luxor), the New York/New York Hotel & Casino, the MGM Grand Hotel & Casino, and the Venetian Casino Resort.

DuCharme: For Mr. DuCharme, the most significant matter over which he presided as Chairman was the approval of the first private



equity ownership structure of a Nevada casino. In 1998, Colony Capital Inc. purchased Harveys Casino Resorts, which at the time operated the largest gambling resort in Lake Tahoe. In discussing the Colony Capital purchase of Harveys, Mr. DuCharme noted that this was an incredibly significant matter in that neither the Act nor the Regulations, on their face, clearly authorized the private equity ownership structure. The approval of the Colony Capital acquisition required a liberal reading of the Act and Regulations. Following the Colony Capital acquisition of Harveys, numerous private equity ownership structures have been approved by the Commission. Mr. DuCharme stated his belief that the jury is still out on whether private equity firms owning Nevada casinos has been beneficial for the State.

While serving as Chairman, what was the most unusual matter over which you presided?

Jacka: Mr. Jacka recalls that one of the more unusual matters he handled during his chairmanship was the investigation and licensing of Japanese businessman Ginji Yasuda, who purchased the Aladdin Hotel & Casino in early 1987. Mr. Yasuda was one of the first foreign residents to obtain a nonrestricted gaming license in Nevada and the Board faced significant burdens and barriers in obtaining access to information and records in Japan.

Mr. Jacka also recalled a hearing over which he presided where the applicant claimed to be unable to walk and was forced to use a wheelchair. Yet when Mr. Jacka told the applicant that if he could walk up to the podium, the Board would approve the pending application for licensure, the applicant ascended from his wheelchair and walked to the podium.

Rumbolz: For Mr. Rumbolz, he recalls the more memorable moments of his tenure occurring during hearings on restricted license matters. In one matter, an applicant, when asked why he fired five bullets into his own car, told the Board that it was to prevent his employee from driving his car. In another matter, an applicant used a dog as the "puck" in a game of bar-top shuffleboard (i.e. the bar owner would push a dog along the top of the bar in order to alert and wake up a passed-out individual at the end of the bar). When asked why he used the dog in such a manner, the applicant declared something to the effect of "What else am I supposed to do with a drunken dog?"

Bible: In response to this question, Mr. Bible again pointed to the American Coin Enterprises disciplinary matter given that it was one of the first examples of individuals rigging electronic gaming equipment. Additionally, similar to Mr. Rumbolz, Mr. Bible remembers that the more unusual or amusing incidents at Board hearings generally occurred during restricted licensing matters. Unlike the stuffy nonrestricted agendas which usually involved attorneys and sophisticated clients in suits, the restricted licensing matters were less formal and more off-the-cuff. Mr. Bible recalled restricted applicants passing out at the lectern during hearings. In one instance, owners of assorted taverns holding restricted licenses freely admitted to operational violations on the record without being questioned about any allegations of impropriety or wrongdoing. After the unsolicited and unprompted disclosures, the Board filed a complaint against the tavern owners given their

admissions on the record.

DuCharme: Mr. DuCharme recalled one particular family squabble that occurred during a hearing. The hearing pertained to a nonrestricted gaming operation in a rural Nevada community. The property was owned by a husband and wife who later divorced, with the wife receiving a 50% ownership interest in the property. After the wife passed away, her ownership interest passed to her daughter. The father/daughter ownership arrangement did not work particularly well and some operational concerns presented themselves. During a disciplinary matter before the Board, the father and daughter had a full blown family feud, replete with harsh words thrown around. The father made statements about his daughter's sexual orientation with the daughter countering by questioning the faithfulness of her father's current wife, with all of these statements being made in a public Board hearing.

What advice, if any, do you have for the current members of the Board and Commission or for the Nevada gaming industry in general?

Jacka: Mr. Jacka declined to give advice to the current members of the Board and Commission. He said he believes that since there are so many facts and circumstances that are unique and often not publicly known, that to give advice to the regulators would not be appropriate. Jacka said that if a regulator called him for advice, he would be happy to provide such advice.

Rumbolz: In jest, Mr. Rumbolz said that his advice to Nevada's current gaming regulators is simply, "Please approve my applications when I appear in front of you." Similar to Mr. Jacka, Mr. Rumbolz declined to give advice to the current members of the Board and Commission. However, he did note that he wished them luck because he knows firsthand how difficult the job can be. He noted that the current regulators are experiencing an economic climate that Nevada has never seen before.

Bible: Mr. Bible echoed the words of Grant Sawyer, the Nevada Governor who was instrumental in creating the Board in the 1950s, when asked about advice for current and future Nevada gaming regulators. Mr. Bible noted that obtaining a Nevada gaming license is a privilege, and not a right. The burden is on the applicants to illustrate their suitability for a gaming license. If there's any doubt as to an applicant's suitability, the regulators should err in the favor of the State of Nevada and deny the

application. Mr. Bible noted that he has great respect for Nevada's gaming regulators as they have shown that they are adept at adapting to new technology and innovative financing structures.

DuCharme: Rather than providing advice to current Nevada gaming regulators, Mr. DuCharme expressed his admiration for the job they are doing. He believes that Nevada regulators have done an excellent job of providing stability with their regulatory approach. The Board and Commission are flexible and adapt well to new trends, whether financial or technological. Unlike some regulatory agencies that want to flex their muscle, Mr. DuCharme noted that Nevada's regulators act in a fair-minded and consistent manner.

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See "2009 Las Vegas Year-to-Date Executive Summary," published by the Las Vegas Visitors and Convention Authority, found at <http://www.lvcva.com/getfile/479/ES-YTD2009.pdf>; see also "2009 Gaming Revenue Report," published by the State Gaming Control Board, found at http://gaming.nv.gov/documents/pdf/19_09dec.pdf.

² Nev. Rev. Stat. § 463.1405 (2003).

³ *Id.* at § 463.050(2) (2007).

⁴ *Id.* at § 463.050(1).

⁵ *Id.* at § 463.040(1)-(2).

⁶ *Id.* at § 463.040(4).

⁷ *Id.* at § 463.040(5)-(6).

⁸ *Id.* at § 463.060(3).