

The meeting was called to order at 9:00 a.m. Senator Close was in the Chair.

SENATE MEMBERS PRESENT:

Senator Close
Senator Hernstadt
Senator Dodge
Senator Raggio
Senator Sloan
Senator Ford
Senator Don Ashworth

ASSEMBLY MEMBERS PRESENT:

Co-Chairman Hayes
Mr. Stewart
Mr. Banner
Mr. Brady
Mr. Coulter
Mr. Fielding
Mr. Horn
Mr. Malone
Mr. Polish
Mr. Prengaman
Mr. Sena

SENATE MEMBERS ABSENT:

None

ASSEMBLY MEMBERS ABSENT:

None

Senator Close stated that the purpose of the joint hearing was to take testimony on the following measures:

- SB 122 Increases commission deducted and tax payable by licensee for certain pari-mutual betting.
- SB 131 Increases penalties for violation of certain gaming laws.
- SB 132 Requires licensing of persons selling tickets to shows in gaming establishments.
- SB 165 Tightens certain provisions relating to gaming licensing and control.
- SB 178 Transfers revenues received from casino entertainment tax to counties and incorporated cities in which it was collected.
- SB 185 Permits interception of communications and use of evidence derived from such interceptions in certain circumstances involving gaming violations.
- SB 236 Makes various changes to laws regulating gaming.

Ed Bowers, Executive Director of the Gaming Industry Association and Nevada Gaming Association stated he is here to represent these associations, consisting of approximately 35 casinos, in 8 Nevada counties. He stated that his purpose was not only to give testimony but to introduce some of the people that will offer testimony here. They are, Robbins Cahill, Consultant to the Nevada Resort Association, which is the State's counter-part association. Mr. Bernard Segelin, Vice President and General Counsel for MGM. Mr. Bruce Aguillaro, Associate General Counsel to Caesars World. Mr. David Russell, with the Clark Guild Law Firm, and Counsel for the

Association. Mr. Robert Feez, of Lionel, Sawyer and Collins and Counsel for the Nevada Resort Association. Frank Johnson, Vice-President of Hilton Corporation. John Gianotti, who is Vice-President of Harrah's.

Roger Trounday, Chairman for the Gaming Control Board, stated he would be testifying on most of these bills, and introduced Phil Pro, Attorney General, for the Control Board, who would also testify on these bills.

SB 185

Mr. Trounday stated that on Page 2, lines 16 and 17, immediately following the statement "or in any proceeding before the", there should be included, "the State Gaming Control Board or the Nevada Gaming Commission." The particular approach we are taking is an expansion of the current wire tap laws which are in existence, so that we can have the availability as an instrument for gaming enforcement. There has been a lot of concern in the press about wire taps or interceptions. It is believed to be a common place thing. That is not the case. Wire interceptions are extremely difficult to come by. We have found that in the last four years there has only been one interception in Clark County and one in Washoe.

Mr. Trounday stated that the reason this legislation was asked for is that in the last few years we have had several instances where we have suspected that there may be hidden ownership situations existing in some of our licensees in the state. There was a concern over a hidden ownership in the Aladdin Hotel. We suspected this, tried to pursue it with all the investigative tools available to us, and we were not able to come to any firm conclusion. Subsequently, the FBI and Strike Force did use interceptitude to show their potential of hidden interest. That court case is now in Detroit. That case is primarily a violation of Nevada law and Federal law. So the Federal Government is supportive of the enforcement of part of our Nevada law. However, he doesn't feel that puts Nevada in the position they want to be in, in controlling the chief industry in this state. We do need to work with these other people because there will be times, even if we have the capability of wire tapping, we would have to turn to the nationwide capability of the bureau and others. He would like to have the capability of following up the Boards own areas of concern without depending on an outside agency.

Phil Pro stated he supports Mr. Trounday's position. He would like to talk about two specific amendments proposed. Under the present law, the subject of court authorized interceptions of oral and wire communications is governed by Nevada Revised Statute 179, beginning at Subsection 410 and going through Subsection 515. There are certain types of criminal activity for which courts may authorize law enforcement agencies to conduct interceptions. They include murder, robbery, kidnapping, extortion, bribery, destruction of public property by explosion, and various narcotic felony violations. The first change would add to the criminal offenses, included under NRS 179.460, the felony offenses in violation of gaming. Specifically bookmaking, cheating, or skimming offenses. The second amendment is to NRS 179.465, Subsection 2. This particular amendment would expand the

use for which evidence is obtained, pursuant to a court authorized interception. It provides that evidence of gaming violations could not only be used before a court of law, but could also be used in administrative proceedings before the Gaming Control Board and the Commission.

Mr. Pro stated there are three areas of concern. The procedure by which authorization for an interception is obtained. How the actual interception is conducted. Finally, how the evidence is derived from such an interception and is used in court proceedings. The procedure for applying for a court authorized interception, under Chapter 179 is quite specific. It provides that application may only be made by the Attorney General or by a District Attorney. If members of the Board, in their investigative activity, become aware that certain individuals were engaged in a bookmaking operation, had exhausted all investigative means, they would be able to seek a court authorized interception only by the Attorney General or through the D.A. An agent cannot make application to a court for an interception. Under regulation the procedure would be that before any application was sought by the Board, at least two members of the Control Board, independently authorized, would request of the Attorney General or the appropriate D.A., this authorization. This should allay any fears that an agent would indiscriminately be able to seek wire tap authorization on his own. You would then approach a District Court Judge or the Supreme Court Justice to get the order authorizing that particular interception. That would be done by an application that would be supported by an affidavit. The affidavit would make it clear to the particular judge that there is probable cause to believe that there is a crime within the Statutes, of a gaming violation. The most important thing under NRS 179.470 is that it must be demonstrated that all other investigative means have been exhausted to obtain the same information. The court being satisfied of that fact, may then enter an order authorizing an interception. By Statute, it must be for 30 days with an extension of 30 days, under certain circumstances. If this is adopted, we should set strict guidelines, which must be adhered to, concerning the operation of that interception. Among the precautions that must be taken by the agency, is to make sure that each agent involved in monitoring understands the complete scope of the investigation. That he has read and signed the court order and the application. There must be constant supervision by a supervising agent. A supervising attorney should be available to answer any questions that come up. The agent must understand that when a court order is granted, it is directed either to specific people and/or specific types of activity. When it becomes apparent to the monitoring agent that the conversation has nothing to do with the criminal activity, he is required to turn that machine off. With regard to the use of the information, NRS 179.465 covers the disclosure and use of the evidence obtained. It permits the investigative or law enforcement officers involved, to disclose the comments to other investigative or law enforcement officers. In the performance of his duties, it authorizes testimony based upon this information before Grand Juries and courts of law. In the case of the proposed amendment, we can get administrative proceedings before the Nevada Gaming Control Board and the Commission. It does not authorize

any general use of this information or any publication of this information.

Senator Dodge asked if this proposal was similar to the existing Statutes of the law in the United States Code.

Mr. Pro stated that they are very similar. The Nevada Act was patterned after the provision of Title 18 of the U.S. Code, Sections 2510 and 2520. However, the applications are not made by the FBI or IRS agents, they are made by the Attorney General of the United States or a specific designate of his. They are not limited as to the crimes they may seek wire tap authorization for.

Senator Hernstadt asked if New Jersey does this now at the state level?

Mr. Trounday stated that their gaming people have the availability to do this.

Senator Hernstadt asked what kind of electronic devices are you talking about?

Mr. Pro stated the most common is telephonic, but the means provided by Statute include other mechanical means, such as a bugging device.

Senator Hernstadt asked what the agent would do if he overheard the perpetration of another crime.

Mr. Pro stated that under the Statutes it would allow him to listen to that. He can then make disclosure under NRS 465. It provides that the evidence he obtained could not be used, but he could disclose it to the appropriate law enforcement agency, either with or without a court order.

Mr. Sena asked if there shouldn't be a fiscal note attached to this bill.

Mr. Trounday stated that his office would have to look at the money that was appropriated by the Legislature. They then at that point would determine whether to shift some of the priorities on the total allotment, or get the enabling legislation and funding in the next session.

Senator Ford asked if the Board would have any objection to having the two independent members of the Board written into the Statute.

Mr. Pro stated he felt it should be left in the regulations. It would be a little more formal than if it were just a guideline within the Board itself.

Senator Dodge asked if a hidden interest was a felony.

Mr. Pro stated that not at the present time. There is some pending legislation which would amend NRS 463.160 to correct that.

Mr. Pike, also with the Gaming Control Board, stated that existing

felonies that might address this, deal with tax evasion, if they are connected with the hidden ownership. Also, if they are connected with payouts that were concealed in some way so that licensing and taxes were in some way knowingly and intentionally, with intent, being passed on.

Senator Dodge asked if tax evasion would be a sanction against the licensee.

Mr. Pike stated that if the licensee is participating in the hidden ownership and their money is being funneled out, That would be the only situation under the present felony Statute.

Senator Dodge asked why they had not addressed this problem in this particular bill.

Mr. Pro stated that there is another bill that covers this, and there are other felonies involved.

Senator Hernstadt asked if it would be possible to have proper enforcement of the state's gaming interests, without bringing in the federal people, if this bill were not passed.

Mr. Trounaday stated "no." The problem is that there can be as good an investigation as possible, but there are many fine ways of being able to cover up the hidden interest or bookmaking type situation. It is extremely difficult for us to be able to cross the goal line. We always have to pass it off to someone else when we get to the final crunch. It has historically been the FBI.

Senator Raggio stated that it used to be that you did not need a court order if one party to the conversation was aware of the interception. Is that still in the law?

Mr. Pro stated he believed so. If two people are having a conversation and one is equipped with a listening device, then that would be appropriate. That would preclude the telephone situation. In that case you would still need the court order under Nevada Statute.

Larry Semenza, a practicing attorney and a former Assistant United States Attorney for the district of Nevada, stated he is here in support of this bill. My concern is that if Nevada does not maintain strong control over the gaming industry, the Federal Government will intervene.

Mr. Semenza stated that because more states will be entering into the gaming industry the Federal government will be led to believe they can better regulate the industry than we do in our own state. He also felt it was necessary to amend the legislation that is presently enacted in this state to authorize state gaming control board to intercept in those specific circumstances that have been outlined. Mr. Semenza felt that increased manpower was necessary. He said that New Jersey has 12 Deputy Attorney Generals to regulate the gaming industry in that state, Nevada presently has 3.

Mr. Semenza stated that the most trouble they had when wire tapping was necessary was with the Watts line. In the State of Nevada, for law enforcement purposes, one person cannot consent to the recording of his telephone conversation. Mr. Semenza cited an example of how the Federal Government would step in. On certain instances we would apply through the Attorney General's office of the United States who in turn would designate a state law enforcement officer to be designated as a Deputy U. S. Marshall so that that Deputy U. S. Marshall, who is a Federal Officer at that point in time, can record those telephone conversations that he would come across during his investigation.

In answer to Senator Raggio's question as to whether the telephone company is required to comply with an inception order, Mr. Semenza stated that yes, they are. When dealing with a pen register, which is a device which records impulses, there is no specific authorization in the Federal Wire Interception statutes authorizing that type of procedure with or without a court order. The telephone companies have, in the past, balked at this and refused to place pen registers on telephones without a court order. The Department of Justice of the United States has refused to seek such an order compelling telephone companies because they did not cover pen registers. It has been a Supreme Court decision that says pen registers are not considered interception of oral communication since all they do is record electronic impulses. The phone companies are required to place equipment on the lines and they are also compensated at the prevailing rates for utilization of telephone equipment and telephone lines. The telephone companies are compelled to give whatever assistance is reasonably necessary to effect optimum efficiency. Mr. Semenza stated that towards the end of an investigation it is required that you make a report to the court as to what progress is being made every 5 days. Presentation must be made to the court giving a list of communications, number of communications intercepted, number of communications as they pertain to the particular violation and number of privileged communications that were disconnected.

Mr. Robbins Cahill, Consultant to the Nevada Resort Association, felt this concept was wrong and stated that this industry was opposed to this power, they felt it was too broad. Mr. Cahill did not feel the industry will be so poorly regulated that they have to worry about the Federal Government coming in.

Mr. Trounday stated that many of the people of Nevada felt that there were some undesirable elements involved with the ownership of some of the casinos and their feelings must be taken into consideration.

Assemblyman Stewart said he could understand why the industry would be alarmed if they felt that their conversations would be wire tapped. Mr. Stewart said that the provisions of this bill only had application to those who are cheating and skimming and engaged in illegal bookmaking or who have hidden interests. There must be a strong showing before any judge will allow any wire taps. Mr. Stewart felt there was undue alarm for the industry to think that now all their telephones will be tapped.

Mr. Ed Bowers, Executive Director of the Gaming Industry, stated that members of the Association were extremely apprehensive and concerned about the possibility there might be some abuse of implementation of wire taps. The Association does not feel the integrity of the gaming industry is such to be questioned; there must be some degree of confidence in the industry.

SENATE BILL 131

Increases penalties for violation of certain gaming laws.

Mr. Raymond Pike, Deputy Attorney, Gaming Division, stated that he had been asked by the Board to present discussion with respect to SB 131. The suggested changes would be with respect to Page 1, Line 19, amended to read as follows: To violate any provisions of NRS 463.160, add "except for Subsection 6 thereof." This provides for any licensee who puts additional games of slot machines or who displays such games or slot machines in a public area without authorization of the commission to do so, are subject to penalties provided in NRS 463.310. In the past NRS has made a distinction between commission of crime and attempt to commit a crime. Normally a sentence is about one half of what it would be if a crime was actually accomplished. Mr. Pike questioned the rational if the penalty is as great for attempting to do something as actually doing it. Mr. Pike felt it should be made consistent with NRS 465.010 and 020. It should enunciate the crimes that would be made felonies in 160; this should not be a misdemeanor under one section and a felony under another. It would simply add under Penalty Provision 046.010 and 020 that those crimes that are subject to penalties in violation of NRS 463.160.

Mr. Robert Feez stated that NRS 463.160 had been amended eight times since it first appeared in 1955. It has grown into a rather complex statute. The Association suggested that by making a violation of any section a felony and providing for a forfeiture of property would make this very difficult unless there are some clarifying amendments to 463.160.

Mr. Feez further stated that a licensee has to be licensed for each individual game and slot machine and be put in for special events. Mr. Feez felt this should be subject to administrative sanctions. Mr. Feez also felt that the problem with NRS 463.160 is that it does not go far enough in providing protection because it deals only in state law. He suggested that Subsection 6 be excluded or further be amended to provide that in such events licensee have administrative sanction not only by the state but by the local licensing authority. Mr. Feez suggested that NRS 463.160 be rewritten and make SB 131 applicable only to those sections.

Mr. Sloan asked if it would be more palatable to the industry if the crimes were limited to Subsection of 463.160. Mr. Feez said possibly, but did want to make sure Subsection 6 was amended.

SENATE BILL 122

Increases commission deducted and tax payable by licensee for certain pari-mutual betting.

Mr. Jack Stratton, Gaming Control Board, stated in 1974 a study was made on the percentage and at that time it was 15% to 19%, he does not feel this is out of line at all. The state would receive an additional increase and this would also increase tax revenue to the state.

Mr. Bernard Segelin, MGM, stated that cost figures were up substantially during the past five years. This bill would bring the commission in line with the commission that is taken in horse racing. By allowing the Association to withhold up to 18% would not reduce the amount the state would take from its share because that is not a deduction.

SENATE BILL 132

Mr. Jeffrey N. Clontz, Attorney at Law representing five show ticket companies in Las Vegas, wanted the record to reflect that presentation was presented to the Committee for their consideration, see Exhibit A. Mr. Clontz stated that he had discussed this with Senator Lamb and the amendments he suggested would do away with SB 132 and place them in with the other gaming control board bills and make it a discretionary function of the gaming control board if they felt there was a problem with a certain ticket seller. Mr. Clontz stated the ticket companies were totally opposed at this time to mandatory licensing. Mr. Clontz introduced several exhibits so that they could become part of the record in the event that SB 132 is not incorporated into another Senate bill, see Exhibit B.

Senator Raggio requested the record to indicate Mr. Feez as a member of the law firm he is associated with and although there may not be any items to vote on Senator Raggio wanted it known that he would not propose to vote on any matter in view of the representation.

Mr. Robbins Cahill stated that this was where most of the problems in Clark County were. The Association is opposed to SB 132 as it is presently written, particularly the provision in Section 4, the selling and pricing of tickets which involve package deals. Mr. Cahil did not think that this authority belonged with the Gaming Control Board.

Mr. Fred Davis, Registered Lobbyist representing the Reno-Sparks Chamber of Commerce, stated that the Chamber had some problems with this bill. Mr. Davis stated that the Chamber of Commerce puts together community wide packages and then wholesales them throughout the United States through approved travel agencies. As the Chamber of Commerce now reads and understands the bill they would come under the provisions of this bill.


Mr. Robert Crowell, Attorney for Gray Line Tours of Southern Nevada, submitted to the Committee Clerk copies of his prepared testimony, see Exhibit C.

Mr. Crowell stated that Gray Line Tours had problems with SB 132 and its counterpart AB 164 in that it appeared to require licensing Gray Line Tours. Gray Line Tours deals directly with gaming licensees, they buy their tickets directly from the gaming licensee and publish those tickets, along with night club or casino tours, to several airline and travel agencies throughout the world. The rate for the shows is also published in one lump sum and they are sold throughout the world. The problem is that under the language of the bill as it now stands or may be amended, it would probably require not only Gray Line Tours of Southern Nevada but also its airline agents and travel agents throughout the world to become licensed or otherwise become suitable to operate and sell tickets.

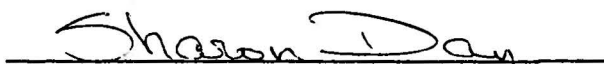
Mr. Crowell stated that Grayline Tours does not and cannot make a profit on ticket sales. Its transportation rate is on file with the Public Service Commission. The rate which Grayline Tours can pay an agent to sell its tours is also regulated and on file with the Public Service Commission.

The meeting was adjourned at 10:57 a.m.

Respectfully submitted,



Virginia Letts, Senate Secretary



Sharon Day, Assembly Secretary

PRESENTATION TO: SENATE JUDICIARY COMMITTEE

REGARDING: S.B. 132

BY: JEFFREY N. CLONTZ, ATTORNEY AT LAW

REPRESENTING: ALL STATE TOURS (DON & BOB ADAMS)

AMERICAN TOUR & TRAVEL (GAYLE MONEYHAN)

VEGAS STAR TIME (BILL McFEE)

MR. A'S TRAVEL/ LAS VEGAS CONVENTION COORDINATORS
(MICHAEL ADAMS)

NEAL BERRY ENTERPRISES (NEAL BERRY)

S.B. 132 is designed to regulate the show ticket industry by requiring that the individuals within the industry apply for and obtain a license issued by the Nevada Gaming Commission in order to engage in the business of selling show tickets to entertainment to be performed at licensed gaming establishments.

For those of you who may not be acquainted with the way in which the show ticket industry operates, let me give you a little background.

The selling of show tickets is a relatively new industry in Nevada, one which originated less than 6 years ago. The industry, like any other service oriented industry originated and prospered because it was able to provide a service that people were willing to pay for. Nevada has long been recognized as the entertainment capital of the world, however, prior to 1973 the tourist who wanted to attend an entertainment function had only two alternatives; he could either make reservations at the particular hotel involved, or stand in line and take his chances on getting a seat at show time.

The arrival of the show ticket industry offered the tourist a third alternative, one which he was already familiar with from experiences in his own home town. The opportunity to prepurchase a guaranteed seat for the entertainment he wanted to see, at a price he wanted to pay, and with the added convenience of being able to purchase the ticket at a wide variety of locations.

The concept of prepaid admission tickets was a novel one in 1973, however, it is no longer novel as evidenced by the continued acceptance and growth of the show ticket industry.

Essentially, the industry operates in the following fashion: A hotel will determine that it wishes to utilize the services of a show ticket seller to help fill its showroom. It then establishes a fixed retail price, including the 3-1/2% State sales tax, the 10% casino entertainment tax, and the 15% gratuity required by culinary union contract whenever an admission ticket is used, for the specific entertainment function, and further establishes the wholesale price at which it will offer these tickets to ticket sellers.

The ticket seller then prints a ticket whose retail price has already been established by the hotel, and sells that ticket to an individual who wishes to view the entertainment. The ticket seller's profit is generated by the difference in the wholesale and retail prices set by the hotel, less his own operating expenses. The ticket purchased by the consumer allows him to view the entertainment plus enjoy dinner or cocktails as appropriate, and includes the cost of admission plus all taxes and gratuities.

As a practical matter it seems clear that show ticket sellers are performing a valuable service, not only to the tourists, but also to the hotel/casinos which choose to have their entertainment facilities marketed in this fashion. If the service were not a valuable one, the laws of economics would have dictated the industry's demise long ago.

The service is basically one of convenience for the tourist; the tickets are convenient to purchase, the seats are guaranteed, and the admission, taxes and gratuities are prepaid; and one of economics for the hotel/casinos; their entertainment facilities are marketed on a much larger scale, at a minimal cost, and they are reasonably assured that they have a better chance of attracting large numbers of patrons to their premises.

During my testimony I will introduce several exhibits which will give you even more insight into the workings of the show ticket industry.

As I mentioned earlier, S.B. 132 appears designed to regulate the show ticket industry by requiring, first, that the members of the industry be licensed by and under the control of the Nevada Gaming Commission, and, second, that certain affirmative actions be taken by the industry for the protection of the tourist public.

As you will see through the exhibits I will offer, the members of the industry have, for years, instituted voluntary safeguards for the protection of the tourist public, so in this respect the bill is superfluous, it doesn't require them to do anything that they haven't voluntarily done for years.

In the context of the licensing requirements of this bill, the companies that I represent take the position that the proposed legislation is both unwise from a policy standpoint, and unworkable from a practical standpoint.

The foremost objection that we have to this piece of proposed legislation is that it simply doesn't accomplish anything; it does not grant the Nevada Gaming Commission any power that it does not already have.

The bill requires show ticket sellers to be licensed by the Commission, however most ticket sellers maintain sales booths on the premises of licensed gaming establishments, and under the existing language of the Gaming Control Act, those persons may be called in for a finding of suitability, a form of Commission scrutiny closely akin to the licensing process, at any time the Commission deems appropriate.

NRS 463.160(9) provides in pertinent part that:

"If the premises of a licensed gaming establishment are directly or indirectly owned or under the control of the licensee therein, or of any person controlling, controlled by, or under common control with such licensee, the commission may, upon recommendation of the board, require the licensee to present the application of any business or person doing business on the premises for a determination of suitability to be associated with a gaming enterprise in accordance with the procedures set forth in this chapter. If the commission determines that such business or person is unsuitable to be associated with a gaming enterprise, such association shall be terminated. ..."

This method of scrutinizing potentially undesirable persons or businesses who are collaterally connected with licensed gaming has been used successfully many times in the past, and there is nothing to prevent its use against selected show ticket sellers in the

future if the Commission desires to do so.

As an example of the statute's use in the past, let me point out the way the Nevada Gaming Commission normally deals with junket representatives. When a junketeer associates with a casino the casino is required to notify the Commission of this fact. If the Commission has any doubts about the junketeer's suitability, they require the casino to present his application for a finding of suitability, and if he is subsequently found unsuitable, the casino is ordered to terminate his services. The point is, however, that the scrutiny is conducted on a selective case by case basis.

As another example, in the early 1970's, Anthony Spilotro, the Nevada Gaming Commission's most recent addition to the list of excluded persons, operated the gift shop at a major Las Vegas strip casino. The Commission became concerned with Mr. Spilotro's collateral association with licensed gaming and, using the provisions of NRS 463.160(9) as authority, ordered him to submit an application for a finding of suitability to do business on the premises of a licensed gaming establishment. When Mr. Spilotro was ultimately found unsuitable, the casino was ordered to terminate its contractual relationship with him and the particular problem was solved.

If the State Gaming Control Board or the Nevada Gaming Commission have similar concerns regarding a person who sells show tickets on the premises of a licensed gaming establishment, they have the same ability and authority to call them forward for examination, so the mandatory licensing requirements of this bill do not offer any unique solution to an existing problem.

The second major issue that we find objectionable regarding this proposed legislation is the way in which it broadens and extends the scope of the Gaming Control Act. The method by which it accomplish this is not only objectionable, but in our opinion is downright dangerous to the continued validity of gaming control in the State of Nevada. For years the policy of the State of Nevada towards licensed gaming has been embodied in the language of NRS 463.130, and the touchstone of this policy is that gaming is a matter of privilege and not one of right. This policy was most recently reaffirmed by the Nevada Supreme Court in their famous 1977 decision concerning the licensing attempts of Frank Rosenthal.

The point is this; mandatory licensing by the Nevada Gaming Commission has traditionally been reserved for those persons or entities who have a very real, direct and substantial involvement with gaming; whether that involvement manifests itself in the form of control or a share of the profits or otherwise, the involvement is direct and the licensing is mandatory if you want to enter the privileged industry of gaming.

This bill, however, drastically broadens the concept of mandatory licensing by requiring that persons only indirectly and collaterally associated with gaming be licensed and, in doing so, weakens the very foundation of gaming control in Nevada.

Throughout this proposed legislation the language "state gaming licenses and manufacturer's, seller's and distributor's licenses" is replaced with the word "licenses". In other words, mandatory licensing is no longer restricted to those persons who have

a direct involvement with gaming. As an attorney I can envision the very real possibility of a Constitutional challenge to this legislation by the first show ticket seller who is not doing business on the premises of a licensed gaming establishment but who is required to come forward for mandatory licensing by the Nevada Gaming Commission. I wouldn't care to be the Deputy Attorney General who had to argue that the selling of show tickets in a motel lobby where no gaming was present fell within the ambit of the privileged industry of gaming.

In our opinion, this bill's attempt to broaden the existing mandatory licensing requirements of the Gaming Control Act does nothing more than weaken the overall efficacy of the Act itself by exposing it to Constitutional and other legal challenges that it need not be exposed to.

This brings me to another point. I have no doubt regarding the Commission's ability to utilize the provisions of NRS 463.160(9) to scrutinize someone who does business on the premises of a licensed gaming establishment, but I very much doubt the validity of such scrutiny applied to locations other than licensed gaming establishments. Another objectionable provision of this bill is that it requires Commission approval of all locations where show tickets are sold, not just the ones which are contained within the physical confines of a hotel/casino, but all locations, including those where no licensed gaming is present. In our opinion this is an unwarranted extension which would not properly fall within the jurisdiction of the Nevada Gaming Commission.

In addition to the problems posed by this bill in the context of policy considerations which I have just discussed, let me also point out some practical problems with the bill's language:

Section 2(2): An employee of one gaming licensee must be licensed to sell show tickets for a performance to be held at another gaming licensee's location. This would require licensing of the currently existing in-house show ticket sales operation at Circus Circus Hotel & Casino.

Section 3(2): Sales locations may not always be fixed. Tickets are often sold to travel agents or tour groups who then re-sell them on airplanes or at orientation meetings after arrival in Las Vegas, at various locations.

Additionally, this language raises the jurisdictional problem of the Nevada Gaming Commission attempting to regulate locations where no gaming exists, or locations which may even be outside of the territorial boundaries of the State of Nevada.

Section 3(3): As a practical matter, contractual changes between gaming licensees and ticket sellers cannot be approved 30 days in advance. Oftentimes the ticket prices set by the hotels will change on a day to day or week to week basis.

Additionally, the language giving the Commission the power to arbitrarily disapprove any contract between a ticket seller and a hotel appears to be Unconstitutionally vague for lack of discernable standards. The legislation sets up no guidelines to govern the Commission's action.

Section 4(1): It is impractical to require that all ticket

prices be printed on the tickets. Since ticket prices set by the hotels vary with great rapidity, the prices of some tickets must be hand-written.

Section 4(2)(b): None of the business that I represent have any legal or equitable objection to a provision which would prevent ticket scalping, however, there are situations where, for example, a tour group will request a ticket seller to arrange a group admission to an entertainment facility which does not discount its admission prices (like Hallelujah Hollywood at the MGM Grand Hotel) and the ticket seller must, with the full knowledge and acquiescence of the tour group, add a small service charge to the price of the ticket to cover its costs in providing the requested service.

EXHIBITS

- 1 through 5: Statements of internal policy of each business represented by this presentation.
- 6 through 14: Letters from various hotels to various ticket sellers establishing that the hotels set the ticket prices and dictate the amount of the discount that the ticket seller will receive.
- 15 and 16: Contracts between hotels and ticket sellers which specify both wholesale and retail prices for the tickets.
- 17 through 20: Ticket samples, both new and used, with preprinted and handwritten prices to illustrate that the consumer receives full disclosure and protection

against ticket scalping. The tickets also contain code symbols or seller's initials which allow the companies to verify that the tickets were not sold to the consumers in a manner that is inconsistent with company policy.

The above exhibits are designed to illustrate that the existing show ticket industry is not a fly-by-night operation which preys on the unwary tourist. The industry is already extensively regulated, both externally, by the licensed gaming establishments who utilize its services, and internally, by its own members who recognize that they cannot continue to exist and prosper unless they act in a responsible and businesslike fashion.

The proposed legislation that you are considering today is totally superfluous. It creates more problems than it rectifies for it offers the Nevada Gaming Commission no authority that it does not already possess, and it contains the very real potential of subjecting the mandatory licensing requirements of the Gaming Control Act to Constitutional challenges that it could not withstand.



LOCATIONS

Maxim Hotel - Show ticket and tour booth - Lobby of hotel
Jockey Club - Show ticket and tour booth - Lobby of hotel
Flamingo Hotel - Tour desk (tickets and tours sold) - Tour lobby
Hilton Hotel - Tour desk (tickets and tours sold) - Tour lobby
Stardust Hotel - Tour desk (tours only sold) - Tour lobby

PRICING POLICIES

The sales prices of all our tickets are governed by the Showrooms of each individual hotel. They advise us of the minimum price to which we add the 28 1/2% applicable taxes. We do not sell any of our tickets at a rate higher than authorized by the hotels. (This price is the same as if a person did not have a ticket and paid the showroom direct.) This applies to tours as well as show tickets. Our rates are based on those quoted to us by each of the transportation companies.

PREVENTION OF SCALPING

Some hotels have set prices which do not change with each entertainer and are usually good for approximately one year. We have the price of these shows printed right on the ticket

EXHIBIT 1

EXHIBIT B



to prevent anyone from selling them at a different price. Because there are several showrooms which change their prices with each entertainer, it is not feasible to print prices on these tickets. When our girl calls in the reservation, the current price is quoted to her. She writes this on the ticket and then initials it. This way we can verify that none of our girls are charging prices higher than those authorized by the hotels.

REFUNDING & OVERBOOKING

We refund on all our tickets regardless of the reason for a party cancelling. Even if the party does not request a refund until after the date of the show, we still refund since we are billed on consumption only by the hotels.

None of our girls are allowed to sell a single ticket to any show without calling our Reservation Office for authorization. Certain hotels do not allow pre-selling of tickets so these tickets are sold on a day to day basis only. These showrooms are called each morning to see if we can get a block for that day. If we are not allowed a block, we call each of

E X H I B I T B -



our locations and advise them of this.

Other hotels guarantee us a minimum block each day. We pre-sell these tickets only up to the amount we have been guaranteed. If we find that we need more seats on a particular day, we then call and request more seats. Overbooking only causes us a lot of embarrassment -- and therefore we have a strict policy with our girls regarding this matter. Because we have our girls initial each ticket sold, we are able to see who over sold and take the necessary action if this girl's actions put us in an oversold position. This situation has happened only once and resulted in a girl being fired. This made our policy very clear to our other employees.

E X H I B I T B -

BOOTH LOCATIONS

Flamingo Capri- In lobby next to front desk
Flamingo Capri Tower- In lobby next to gift shop
Gold Key Motel- In lobby by front desk
Holiday Inn Center Strip- In lobby across from front desk
Holiday Inn Downtown- In lobby across from front desk
Holiday Inn South- Next to front desk
Marina Hotel- Next to bell desk in lobby
Royal Las Vegas- Inside front door-across from registration
Travelodge Caravan- Across from front desk
Union Plaza Hotel- Across from front desk
Westward Ho Motel- Behind front desk

PRICING POLICIES

All ticket prices are given to us by the hotels, including 10% Nevada Cabaret tax, 3½% Nevada sales tax and 15% gratuity (part of the Culinary contract). We never sell tickets for more than the price given us by the hotels. All of the prices are noted on every ticket; written in on the tickets that are for shows that change prices for each entertainer or printed in by our computer for those tickets that do not change price. We do not sell any of our tickets at a rate higher than authorized by the hotels. All of our prices are the same as if an individual were to go direct to a showroom and pay on his own, including the taxes and tip. When our girls call in the reservation, the current price is quoted to her. She writes this on the ticket and initials it. This way, we can verify that none of the girls are charging prices higher than those authorized by the hotel. All tickets (used) are fed back into the computer by show number and ticket number to verify that they are All State Tours, Inc.'s tickets.

EXHIBIT B

EXHIBIT 2

ALL STATE TOURS

4220 S. Maryland Parkway - Suite 108 Las Vegas, Nevada 89109 Phone (702) 733-7233

335

REFUNDS AND SHOW BLOCKS

We make refunds for any reason, even the day after the show was reserved for; we pay for only the number of tickets that are used. We refund by mail many times if the customer sends us the tickets and a letter of explanation.

None of the girls are allowed to sell a single ticket to any show without first calling our reservation office for authorization. Certain hotels do not allow pre-selling of tickets, so these tickets are sold on a day-to-day basis only. When a new show opens at any hotel, confirmation of pre-selling the tickets before opening day is received from the proper people at the various hotels. All showrooms are called each morning to set up a block for that day. If we are not allowed a block for any particular day, we call each of our locations and advise them of this. In the event that we sell out our block for that day, we contact the showroom and ask them for an increase in our original block. Dinner show counts are confirmed at 3 P.M. daily. If we need to sell more tickets for the dinner shows after the confirmation is given the showroom, we first get confirmation that space is available from that showroom. Late show counts are confirmed with the showrooms at 7 P.M. daily.

Since we are on computer, each ticket has a complete breakdown of employee number and show number, as well as prices on those that do not change with each entertainer.

E X H I B I T B

ALL STATE TOURS

4220 S. Maryland Parkway - Suite 108 Las Vegas, Nevada 89109 Phone (702) 733-7233

336



SHOW TICKET BOOTH LOCATIONS:

Landmark Hotel-----booth in lobby of hotel
Castaways Hotel-----booth in lobby of hotel
Golden Nugget-----run their own booth, use our tickets

SET TICKET PRICING POLICIES:

All ticket prices are given us by the hotels, including 10% Nevada Cabaret tax, 3½% Nevada sales tax and 15% gratuity (part of the Culinary contract). We never sell tickets for more than the price given us by the hotels. All our prices are written on every ticket we sell. These prices are the same as if an individual would go direct to a show room and pay on his own, including the taxes and tip. We would have our prices printed on the tickets but because so many of the hotels change prices with each different entertainer this is impossible.

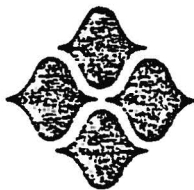
REFUNDS AND SHOW BLOCKS:

We make refunds for any reason, even the day after the show was reserved for; we pay for only the number of tickets that are used. (even though the tickets are marked "no refunds" we still do)

Each day we block a certain number of seats at the various shows. If we use the block up, we ask for more but if the show room is sold out we notify all of locations and they are "cut off". No one is allowed to sell a ticket without first getting an ok from the office. Some of the show rooms will let us sell in advance (other than the particular day ticket is sold) and other hotels will only give us daily blocks. No one is allowed to sell in advance for the hotels that will only give us daily blocks.



EXHIBIT 6



Punes
HOTEL AND COUNTRY CLUB LAS VEGAS

THE DUNES HOTEL AND COUNTRY CLUB
 is pleased to offer you
 Our Ticket Incentive Program
 for both the dinner and cocktail shows
 of award-winning producer Frederic Apcar's
 lavish French spectacular

FREDERIC APCAR'S
Casino
 de Paris
 '79

It's a magnificent show, with exciting
 dance numbers and music, gorgeous
 costuming, hilarious comedy, dazzling
 lighting effects, beautiful show
 girls and a cast of 100.

For this incomparable show, we're offering incomparable incentives:

- TICKETS WILL BE SOLD AT THE SAME PRICE TO ALL AGENTS.
- TICKETS WILL BE THE SAME AS THE WALK-IN PRICE.
- TICKETS APPLY TO THE FULL MENU AT THE DINNER SHOW; 3 COCKTAILS AT THE LATE SHOW.
- THERE WILL BE A \$4.00 COMMISSION PER TICKET.

We feel that this incentive program is an excellent one, and very much to your advantage, in that you're getting a world-famous show, plus a competitive price which applies to a full menu at the dinner show and 3 cocktails at the late show, plus the \$4.00 commission per ticket.

If you would like further information,
 please call Ray Pistilli at 737-4741.

THIS OFFER IS EFFECTIVE IMMEDIATELY

You may either pay cash when you purchase your tickets, or post a \$10,000 bond.

MENU PRICES	TAX	TIP	TOTAL	YOU PAY
BONELESS OF CAPON MARYLAND	16.50	2.23	21.21	17.21
WHOLE BONELESS TROUT GRENOBLOISE	18.50	2.50	23.78	10.78
BREADED VEAL CUTLET PIEMONTAISE	18.50	2.50	23.78	19.78
ROAST PRIME RIB OF BEEF AU JUS	22.00	2.97	28.27	24.27
MIDNIGHT SHOW [Includes 3 Drinks]	14.00	1.09	17.99	13.99

E X H I B I T B

RECEIVED JAN 11 1979



FRONTIER HOTEL • Las Vegas, Nevada

January 8, 1979

Mr. Bennett Collins
VEGAS STAR TIME
4310 Paradise Road, Suite 202
Las Vegas, Nevada 89109

Gentlemen:

Effective Thursday, January 11, 1979, thru
January 31, 1979, during the SERGIO FRANCHI/
NIPSEY RUSSELL SHOW, there will be a \$16.50
(2 drink) minimum at both the early and late
Cocktail Shows.

Your company may sell coupons for either
show at prices indicated below:

<u>EARLY OR LATE COCKTAIL SHOWS</u>	<u>COUPON INCLUSIVE PRICE</u>	<u>TICKET AGENT ALLOWED TO SELL COUPON FOR</u>
\$16.50	\$16.50	\$20.50

If the above is satisfactory, please sign the
enclosed copy of this letter, and return it to my attention.

Very truly yours,

FRONTIER HOTEL

Jim Parker
Jim Parker
Vice President
Food & Beverage

JP/jmd

AGREED TO: _____ DATE: _____



• Las Vegas, Nevada

January 16, 1979

Mr. Don Adams
ALL STATE TOURS
4220 Maryland Parkway South
Las Vegas, Nevada 89105

Gentlemen:

Effective Friday, January 19, 1979, thru
January 31, 1979, during the SERGIO FRANCHI/
NIPSEY RUSSELL SHOW, there will be a \$20.00 minimum
for the Dinner Show, and a \$16.50 (2 drink) minimum
for the Late Show.

Your company may sell coupons at prices indicated:

<u>FRONTIER</u>	<u>MENU PRICE</u>	<u>COUPON INCLUSIVE PRICE</u>	<u>TICKET AGENT ALLOWED TO SELL TICKET FOR</u>
CAPON	\$20.00	\$20.00 ✓	\$24.00
PRIME RIB	\$22.95	\$22.95	\$26.95
LATE SHOW (2 drinks)	\$16.50	\$16.50 ✓	\$20.50

If the above is satisfactory, please sign the
enclosed copy of this letter, and return it to my attention.

Very truly yours,

FRONTIER HOTEL

Jim Parker
Jim Parker
Vice President
Food & Beverage

JP/jmd

AGREED TO: *Robert G. Adams* DATE: 1-19-78



3805 LAS VEGAS BOULEVARD SOUTH
LAS VEGAS, NEVADA 89109
702 739-1500

October 23, 1978

TO: ALL WHOLESALERS
FROM: BOB BROOKER
SUBJECT: MARINA SHOW PRICES

Effective Monday, October 23, 1978, the "Bare Touch of Vegas" Show, will be \$9.95, to the public, including two (2) drinks.

The wholesalers cost will be \$9.00, which includes taxes and tip, including two (2) drinks. The wholesaler will be allowed to sell the show for \$12.80.

Thank you,

A handwritten signature in cursive script that reads "Bob Brooker".

BOB BROOKER
Executive Financial Officer

BB/pm

NOTE: There will be no one (1) drink ticket from this date forward.

*35 W-MO & COMPANY
50 @ \$12.80*

REDD FOX SHOW
TICKET SALES

DEC. 24, 25, & 26-----SHOWROOM IS DARK

DEC. 27, 28, 29, 30, & JAN. 1, 1979-----TWO (2) SHOWS NIGHTLY
11:00 P.M. & 2:30 A.M.
\$22.50 PLUS TAX
INCLUDES TWO DRINKS

DEC. 31--NEW YEARS EVE-----TWO (2) SHOWS
* 10:30 P.M.
\$35.00 PLUS TAX
INCLUDES ONE BOTTLE OF
CHAMPAGNE PER COUPLE
AND FAVORS.
* 2:30 A.M.
\$25.00 PLUS TAX
INCLUDES THREE (3) DRINKS

. NO TICKETS WILL BE SOLD NEW YEARS EVE. DEC. 31, 1978.

JAN. 1, 1979-----TWO (2) SHOWS
11:00 P.M. & 2:30 A.M.
\$22.50 PLUS TAX
INCLUDES TWO DRINKS

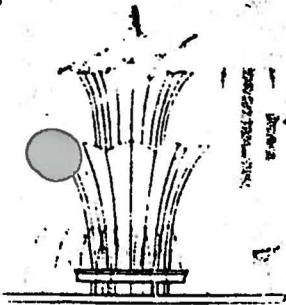
JAN. 2, 1979-----SHOWROOM IS DARK
(THIS WEEK ONLY)

JAN. 3, 4,-----ONE (1) SHOW ONLY
\$17.50 PLUS TAX
INCLUDES TWO DRINKS

JAN. 5, & 6,-----TWO (2) SHOWS
\$17.50 PLUS TAX
INCLUDES TWO DRINKS

JAN. 7-----ONE (1) SHOW ONLY
\$17.50 PLUS TAX
INCLUDES TWO DRINKS

DARK ON MONDAY AGAIN.....



TELEPHONE
302-733-1111

Hotel and Country Club

December 21st 1978

Allstate Tours
4220 Maryland Pkwy #108
Las Vegas, Nevada
89109

Dear Preferred Client,

We would like to take this opportunity to thank you for bringing your tour groups to our "Folies Bergere" show at the Tropicana Hotel and Country Club. It is our pleasure to see that your clients have an enjoyable and pleasant stay while in Las Vegas.

Due to rising costs, effective February 1, through September 1, 1979, please see attached list for new prices.

If you have any questions concerning the above price changes, please feel free to contact my office. We look forward to your continued business in the coming year.

Sincerely,

TROPICANA HOTEL AND COUNTRY CLUB

Shirley Fowler
Shirley Fowler
Convention Coordinator

SF/mc

EXHIBIT B

TELEPHONE
302-733-1111

TELEPHONE
302-733-1111

EXHIBIT 11

TROPICANA HOTEL AND COUNTRY CLUB
 "FOLLIES BERGERE" SHOW

TIFFANY THEATER

PRICES EFFECTIVE: FEBRUARY 1 - SEPTEMBER 1, 1979

WHOLESALE

<u>CAPON</u>	<u>17.40</u>
BASE	13.01
10% ENT. TAX	1.30
15% TIP	2.63
3.5% SALES TAX	.46
	<u>17.40</u>
COMMISSION	4.50
SELLING PRICE	<u>21.90</u>

— 22.00 —

<u>PRIME RIB</u>	<u>20.65</u>
BASE	15.55
10% ENT. TAX	1.56
15% TIP	3.00
3.5% SALES TAX	.54
	<u>20.65</u>
COMMISSION	4.50
SELLING PRICE	<u>25.15</u>

25.15

<u>LATE SHOW</u>	<u>12.90</u>
BASE	9.52
10% ENT. TAX	.95
15% TIP	2.10
3.5% SALES TAX	.33
	<u>12.90</u>
COMMISSION	4.50
	<u>17.40</u>

17.40

LOUNGE SHOW EFFECTIVE JANUARY 1, 1979....COUPONS ARE FOR ONE (1) COCKTAIL IN LOUNGE & SHOW \$1.75 INCLUSIVE PER COUPON.

HACIENDA HOTEL & CASINO



TELEPHONE: (702) 739-8911
LAS VEGAS, NEVADA 89119

27 December 1978

Mr. A's Travel Service
Airport Center
5030 Paradise Road
Suite 101-B
Las Vegas, Nevada 89109

Attn: Mr. Mike Adams

Good Morning!

Due to our increased food costs and expected wage increases due next year, we are forced to increase our Prime Rib dinner show prices effective this date. Our "Special Cut" Prime Rib dinner will be increased in price by \$1.00 from \$8.95 to \$9.95. The retail cost will now be \$12.78 including tax and tip. Your wholesale cost will increase from \$8.50 to \$9.50 including tax and tip. You will be billed at the increased prices as your tickets pass thru the showroom starting January 5th, 1979.

The Fish or Fowl prices and the late show prices will remain the same as they have been in the past. You will find a new price schedule enclosed with this letter.

Please contact myself, Jim Ranney or my assistant, Gloria Phinick for any of your wholesale ticket purchases or to have any questions you may have answered.

We at the Hacienda Hotel and Casino would like to thank you for your past patronage.

Sincerely,

A handwritten signature in cursive script that reads "Jim Ranney".

Jim Ranney
Director of Bus Promotions

EXHIBIT 12

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HACIENDA HOTEL & CASINO



TELEPHONE: (702) 739-8911
LAS VEGAS, NEVADA 89119

EFFECTIVE: 27 December 1978

DINNER SHOW
(Seating 6:45 - Show 8:00 P. M.)

MENU

MIXED GREEN SALAD
Choice of
Roquefort, Thousand Island or House Dressing

STUFFED BAKED POTATO

<u>ENTREES</u>		Plus 28 1/2% (Taxes & Gratuities)	<u>Net To You</u>	<u>Profit To You</u>
BREAST OF CHICKEN CORDON BLEU, RICE PILAF, SUPREME SAUCE.....	\$12.95	\$16.64	\$11.50	\$5.00
BONED MOUNTAIN TROUT, VERONIQUE.....	\$12.95	\$16.64	\$11.50	\$5.00
ROAST PRIME RIB OF BEEF "SPECIAL CUT".....	\$ 9.95	\$12.78	\$ 9.50	\$3.25

Vegetable on Request
Assorted Rolls
Coffee or Tea

MIDNIGHT SHOW
(Seating at 10:30 PM)

SHOW AND TWO (2) DRINKS.....	\$ 6.95	\$ 8.93	\$ 6.50	\$2.43
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PLEASE NOTE:
SHOWROOM "DARK" EACH MONDAY



3555 Las Vegas Boulevard Las Vegas, Nevada 89109 (702) 711-1111

Horst Dziura
Vice President and General Manager

October 10, 1978

Mr. Don Adams
Allstate Tours, Inc.
99 Convention Center Drive
Las Vegas, Nevada 89109

Dear Don:

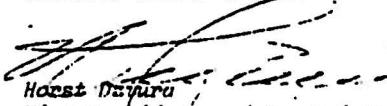
Under the terms of my letter of September 20, 1978, I am pleased to advise you that on October 16th the Flamingo Hilton will begin its dinner show. Again, I would like to emphasize that the price structure quoted to you, namely the Chicken Coq au Vin and the Prime Rib dinner, plus the show itself, is a price which is no doubt a bargain to those who enjoy an evening of entertainment.

If the requirements outlined in my letter of September 20th have been met by you, please proceed with the selling of our dinner show.

I certainly look forward to a mutually beneficial business venture and hope that we can receive a productive show count through your referrals. In the meantime, if I may answer any further questions, please do not hesitate to advise me.

Very truly yours, .

FLAMINGO HILTON & TOWER


Horst Dziura
Vice President and General Manager

HD:bh

EXHIBIT 13

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EXHIBIT B

September 21, 1978

Mr. Don Adams
ALLSTATE TOURS, INC.
99 Convention Center Drive
Las Vegas, Nevada 89109

Dear Mr. Adams:

This will acknowledge receipt of your check #7245 in the amount of \$2000 which represents the security deposit in question as specified in my letter to you dated September 20.

This security deposit will be returned to you should our relationship ever end, and should there be any outstanding balances due from AllstateTours, they will be subtracted from this amount.

Very truly yours,

FLAMINGO HILTON AND TOWER

Forest Dziura
Vice President and General Manager

RD:mlm

cc: Miss Barbara Viardo

Mr. Don Adams

September 20, 1978

Prime Rib Dinner

entree

Net	\$10.00
Sales Tax	.35
Entertainment Tax	1.00
Gratuity	1.95
Total Gross	\$13.30

16.75 total

any cost

The Flamingo Hilton offers this entree at \$16.75 and again we ask that under no circumstances will tickets be sold for more than what the Flamingo Hilton is advertising.

Before show tickets or reservations are accepted, it will be necessary that my office reviews and approves a sample of the layout and design of your ticket. Also, it is requested that we receive a \$2,000 security cash deposit or a letter of credit to secure any outstanding balances. The deposit will be periodically reviewed, depending upon the number of referrals and the amount of cash transactions. Also, prepayment for all tickets is mandatory.

All reservations have to be called into our Show Reservation Office - 733-3333 - by 3:00 p.m. on the day of the reservation request.

I look forward to working with Allstate Tours and hope that we can establish a relationship which is mutually beneficial. I also look forward to monitoring your efforts on our behalf.

Very truly yours,

FLAMINGO HILTON AND TOWER

Horst Dzura
Vice President and General Manager

HD:mim

P.S. If the foregoing meets with your approval, please indicate same by signing and returning the enclosed copy of this letter with your security deposit. Thank you.

APPROVED: _____
Don Adams, Allstate Tours, Inc.

Date



3555 Las Vegas Boulevard, Las Vegas, Nevada 89109 (702) 733-3111

Horst Dziura
Vice President and General Manager

September 20, 1978

Mr. Don Adams
ALLSTATE TOURS, INC.
89 Convention Center Drive
Las Vegas, Nevada 89109

Dear Don:

This will confirm our discussion today, September 20, where the Flamingo Hilton will offer the sale of show tickets to Allstate Tours with the following price structure:

Early and Late Shows - Two cocktails only - Main Showroom

Net	\$5.55
Sales Tax	.19
Entertainment Tax	.56
Gratuity	1.20
Total Gross	\$7.50

The Flamingo Hilton advertises and sells tickets for the same offering at a total gross price of \$10.28. We request and understand that under no circumstances will you sell your tickets for a higher price than the Flamingo Hilton. Further, upon completion of our kitchen facilities, we will feature our first show as a dinner show, and the Midnight show will remain a cocktails-only show.

To this effect, the Flamingo Hilton will offer Allstate Tours two selections of entrees:

Chicken Coq au Vin	Net	\$6.00
<i>entree on ticket</i>	Sales Tax	.21
	Entertainment Tax	.60
	Gratuity	1.34
	Total Gross	\$8.15 <i>your cost</i>

The Flamingo Hilton sells the same offering for a gross total price of \$11.50.

relax



FRONTIER HOTEL • Las Vegas, Nevada

January 20, 1979

Mr. Mike Adams
MR. A'S TRAVEL
LAS VEGAS CONVENTION COORDINATORS
4220 South Maryland Parkway Suite 108
Las Vegas, Nevada 89109

Gentlemen:

Please be advised that during the WAYNE NEWTON/
DAVE BARRY/JIVE SISTERS SHOW, starting Thursday,
February 1, thru March 7, 1979, coupons from your
company will not be accepted in the Music Hall.

ROY CLARK is scheduled to appear March 8,
thru March 14, 1979. Prices will be advised
as soon as established.

Very truly yours,

FRONTIER HOTEL

Jim Parker
Vice President
Food & Beverage

JP/jmd

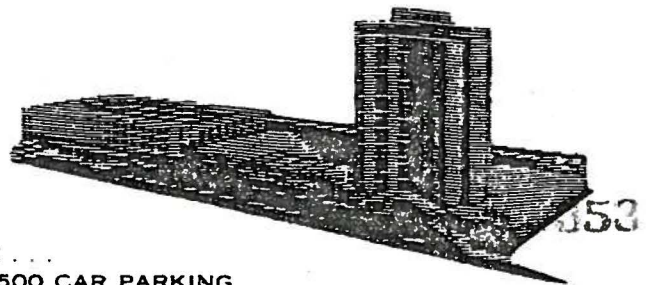


Number One Main Street
Las Vegas, Nevada 89101
Phone (702) 386-2110

LETTER OF AGREEMENT

The Union Plaza Hotel and Mr. Bob Adams of Allstate Tours have agreed to enter into the following business agreement on the 21st day of January, 1976 as specified below:

- 1) Allstate Tours shall print and market tickets to the Union Plaza Showroom during the calender year 1976.
- 2) The Union Plaza Hotel shall present a dinner show performance and a late show performance daily except Mondays when the showroom is dark.
- 3) The production NORMAN, IS THAT YOU? will run indefinately.
- 4) Allstate shall print dinner show tickets and late show tickets in accordance with the specification attached hereto as enclosure (1).
- 5) Allstate shall submit ticket proofs to the Director of Special Projects of the Union Plaza Hotel for approval before printing.
- 6) The value of the capon dinner show ticket shall be \$7.00 including taxes and gratuity. The Union Plaza Hotel shall charge \$7.00 for each capon dinner show ticket Allstate markets. Allstate agrees to market the ticket at \$10.00 per ticket to cover Allstate services charges of \$3.00 per ticket.



650 SEAT SHOWROOM . . . 2 ENTERTAINMENT LOUNGES . . .
4 DINING AREAS . . . MARTINI-GLASS POOL . . . SHOPPING ARCADE . . .
504 ROOMS AND SUITES . . . 4 BARS . . . 2 GOURMET ROOMS . . . 1500 CAR PARKING . . .

- 7) The value of the broiled Del Monico steak dinner ticket shall be \$9.00 including tax and gratuity. The Union Plaza Hotel shall charge \$9.00 for each steak dinner ticket Allstate markets. Allstate agrees to market the ticket at \$13.00 to cover Allstate's service charge of \$4.00 per ticket.
- 8) The value of the late show ticket shall be \$2.00 including tax and gratuity. The Union Plaza Hotel shall charge Allstate \$2.00 for each late show ticket Allstate markets. Allstate agrees to market late show tickets at \$5.00 per ticket to cover Allstate service charges of \$3.00 per ticket.
- 9) To insure proper service to all showroom customers, Allstate agrees to notify the Union Plaza Hotel showroom reservations (386-2110, extensions 444, 445) each performance day as follows:
 - (a) not later than 4 p.m., the number and type of dinner show tickets sold by Allstate for that evening's show.
 - (b) not later than 8 p.m., the number of late show tickets sold by Allstate for that evening's late show.
- (10) Anytime sales of fifty (50) or more tickets to any given performance is made, or anticipated, Allstate shall notify the Union Plaza Hotel showroom reservations as soon as possible, and in no event later than the times specified in (a) and (b) above. The Union Plaza Hotel reserves the right to limit Allstate tickets to fifty (50) per performance, unless 24 hours prior approval has been granted by the Union Plaza Hotel showroom reservations.
- (11) To insure its performance under this letter of agreement, Allstate Tours agrees to post a \$2,500 Indemnity Bond in favor of the Union Plaza Hotel. This bond will be in effect for the entire calendar year of 1976.
- (12) The dinner show and late show ticket prices in paragraphs 6-7-8 above are valid through June 30, 1976. The service charges of \$3.00 for the capon dinner ticket, \$4.00 for the steak dinner show ticket and \$3.00 for the late show ticket are valid through December 31, 1976.

- (13) Allstate shall be billed for their showroom tickets redeemed at the Union Plaza Hotel Showroom at \$7.00 or \$9.00 per ticket for dinner show tickets, and \$2.00 each for late show tickets. The service charges credited to Allstate will be computed on the actual number of tickets redeemed by the Union Plaza Hotel Showroom at each performance.
- (14) The Union Plaza Hotel shall bill Allstate every Monday for the Allstate tickets redeemed at the Union Plaza Showroom the previous week.
- (15) Allstate agrees to pay its account promptly to the Union Plaza Hotel, within 5 days after receipt of the bill and in no event later than the following Monday.
- (16) This Agreement can be voided by either party within 24 hours by written notice.

AGREED AND ACCEPTED

FOR: All State Tours Co. Robert A. Gilbert
FOR: _____ President

FOR THE UNION PLAZA HOTEL: William L. Churchill

FOR THE UNION PLAZA HOTEL: _____



EXECUTIVE OFFICE

August 3, 1978

Mr. Bob Adams
All State Tours
4220 South Maryland Pkwy.
Las Vegas, Nevada

Dear Bob:

This letter will confirm the agreement between the Sands Hotel and All State Tours, whereby your company will sell showroom tickets for our Copa Showroom from your various outside outlets. I have listed below the items we discussed and agreed upon.

- 1) All State Tours will furnish a letter of credit in the amount of \$25,000 to the Sands Hotel. The Sands Hotel will bill All State Tours on a weekly basis and will expect remittance within seven (7) days of invoice.
- 2) During the term of this agreement, the Sands Hotel will accept All State Tour tickets as admission to the Copa Room, provided that the bearer of the ticket complies with the stipulations pre-printed on the ticket with respect to date and time. All seating for All State customers is subject to availability and the Sands Hotel cannot guarantee location of seats within its showroom. All show reservations are subject to availability and the Sands Hotel retains the right to close its showroom without notice for whatever cause. In case of such occurrence, All State Tours agrees to refund to its customers the entire purchase price of the tickets.
- 3) It will be the responsibility of All State Tours to coordinate price changes and showroom blocks with the Copa Room Maitre'd and All State Tours will be responsible to pay the respective minimum prices agreed upon for each respective show as follows:

-continued-

A Place in the Sun

EXHIBIT B

EXHIBIT 16

Mr. Bob Adams
All State Tours

August 3, 1978
Page 2

- a) Dinner Show: You will collect from the customer the published menu price for prime rib entree plus 28½% taxes and tips. The Sands Hotel will bill you for this amount less \$3.00 which is the All State commission.
- b) Cocktail Show: You will collect from the customer the published minimum price for the respective late show plus 28½% taxes and tips. The Sands will bill you for this amount less \$3.00. The customer will be responsible for any cocktail ordered exceeding the minimum drink allowance.
- 4) It is understood that All State Tours will train its sales personnel so that no customer of All State Tours is led to believe that preferential treatment in the form of seating or line passes exists at the Sands Hotel unless specifically authorized and confirmed by a responsible executive of the Sands Hotel on a case-by-case basis.
- 5) It is further understood that the Sands Hotel may, for any reason, cancel this license upon a 24-hour written notice to All State Tours.

Upon presentation of your letter of credit, and upon your signing your acceptance to the contents of this letter on the attached copy provided, you may begin sales of Copa Room show tickets.

We look forward to a fine future together.

Sincerely yours


Roger Wagner
Director of Project Planning
and Purchasing

RW:ms

CC: R. G. Danner
L. Draskovic
B. Wood

357

E X H I B I T B

ALL STATE TOURS

DINNER

ADMIT ONE
(INCLUDING TAX AND TIP)

ALL STATE
TOURS
GRATUITY STUB

VALID ON

PRICE

EXPIRES ON
8/20/79

*** DUNES HOTEL ***

DINNER SHOW

TROUT/VEAL CUT. \$23.30

SEATING AT-
ASTOUR 8030-05-05-1

DUNS DUNS

DS DS

TRVC TRVC

8030-05-05-1 8030
960418

960418

Please Present To Maitre d' At Showroom Door.
Coupon Must Be Presented Before Ordering.

No Cash Value — Non Refundable
Not Exchangeable — Subject to Change

960418

ALL STATE TOURS

DINNER

ADMIT ONE
(INCLUDING TAX AND TIP)

ALL STATE
TOURS
GRATUITY STUB

VALID ON

PRICE

EXPIRES ON
4/10/79

*** SANDS HOTEL ***

DINNER SHOW

PRIME RIB

SEATING AT-
ASTOUR 8030-20-01-1

SAND SAND

DS DS

PRIB PRIB

8030-20-01-1 8030
867915

867915

Please Present To Maitre d' At Showroom Door.
Coupon Must Be Presented Before Ordering.

No Cash Value — Non Refundable
Not Exchangeable — Subject to Change

867915

ALL STATE TOURS

ADMIT ONE
(INCLUDING TAX AND TIP)

2/14
VALID ON

7.65
PRICE

EXPIRES ON
8/10/79

VOID

UNION PLAZA HOTEL

THE MICKEY FINN SHOW

TWO COCKTAILS \$7.65

SEATING AT- 130
ASTOUR 4030-25-32-1

951046

Please Present To Maitre d' At Showroom Door.
Coupon Must Be Presented Before Ordering.

No Cash Value — Non Refundable
Not Exchangeable — Subject to Change

EXHIBIT B

EXHIBIT 17

P-A0

LVCC
 ADMIT ONE
 (INCLUDING TAX AND TIP)
 Please Present To Maitre d' At Showroom Door.
 Coupon Must Be Presented Before Ordering.
 The price of this ticket includes required 10% Cabaret Tax, 3½% State Tax and 15% Gratuity.

30903

VALID ON 2/23/79

PRICE \$17.40

EXPIRES ON 01/15/81

TROPICANA
 TWO COCKTAILS
 LATE SHOW
 SEATING AT: 11:00 PM 2000-2422

LVCC 30903
 GRATUITY STUB
VOID
 TROPICANA
 LATE SHOW
 2000-2422

No Cash Value — Non Refundable
 Not Exchangeable — Subject to Change

P-A0

LVCC
 ADMIT ONE
 (INCLUDING TAX AND TIP)
 Please Present To Maitre d' At Showroom Door.
 Coupon Must Be Presented Before Ordering.
 The price of this ticket includes required 10% Cabaret Tax, 3½% State Tax and 15% Gratuity.

23462

VALID ON 2/23/79

PRICE \$23.80

EXPIRES ON 01/15/80

RIVIERA
 CHOICE OF MENU
 DINNER SHOW
 SEATING AT: 5:45 PM 2000-1811

LVCC 23462
 GRATUITY STUB
VOID
 RIVIERA
 DINNER
 2000-1811

No Cash Value — Non Refundable
 Not Exchangeable — Subject to Change

LVCC
 ADMIT ONE
 (INCLUDING TAX AND TIP)
 Please Present To Maitre d' At Showroom Door.
 Coupon Must Be Presented Before Ordering.
 The price of this ticket includes required 10% Cabaret Tax, 3½% State Tax and 15% Gratuity.

17538

VALID ON 2/23/79

PRICE \$23.80

EXPIRES ON 01/01/81

HACIENDA
 DINNER SHOW
 SPECIAL CUT PRIME RIB
 SEATING AT: 6:00 PM 2000-1102

LVCC 17538
 GRATUITY STUB
VOID
 HACIENDA
 SPEC CUT
 2000-1102

No Cash Value — Non Refundable
 Not Exchangeable — Subject to Change

359

101677 16-07-03-0009 16-07-03-0009

Vegas Star Time

BMA BMA

GRATUITY

FRONTIER

SAMPLE ONE LATE SHOW

TWO COCKTAILS

TWO COCKTAILS

SAMPLE

VALID ON

C0051F \$19.28

THIS TICKET MUST BE PRESENTED BEFORE ORDERING—TAX AND GRATUITY INCLUDED
NON-TRANSFERABLE AND NON-REFUNDABLE

WAITRESS NO.

111878 06-06-03-0050 06-06-03-0050

Vegas Star Time

EMA EMA

GRATUITY

FLAMINGO

SAMPLE

*** FLAMINGO HOTEL ***

RAZZLE CAZZLE

SAMPLE ONE EARLY SHOW

OR

ONE LATE SHOW

*** TWO COCKTAILS ***

TWO COCKTAILS

VALID ON

\$10.25

THIS TICKET MUST BE PRESENTED BEFORE ORDERING—TAX AND GRATUITY INCLUDED
NON-TRANSFERABLE AND NON-REFUNDABLE

WAITRESS NO.

101677 17-07-01-0001 17-07-01-0001

Vegas Star Time

BMA BMA

GRATUITY

FRONTIER

SAMPLE ONE DINNER SHOW --- 615PM SEATING

EAST OF CAPON

DINNER SHOW

CAPON

SAMPLE

VALID ON

C0071F \$21.85

THIS TICKET MUST BE PRESENTED BEFORE ORDERING—TAX AND GRATUITY INCLUDED
NON-TRANSFERABLE AND NON-REFUNDABLE

WAITRESS NO.

<p>LVGS A Division of PATTI, INC. ADMIT ONE</p> <p>UNION PLAZA RESTAURANT LAS VEGAS</p> <p>DINNER SHOW Broiled Delmonico Steak Bake Potato, Rolls and Butter Coffee, Tea or Milk NO SUBSTITUTIONS SHOWROOM DARK ON MONDAY</p> <p>Please Present Coupon to Maitre d' at Showroom Door no later than 8:00pm for seating No Cash Value • Not Exchangeable • Subject to Change.</p> <p>VALID ONLY MON <u>2/20/79</u> No. <u>835</u> Seating no later than 8:00 P.M.</p>	<p>LVGS A Division of PATTI, INC.</p> <p>GRATUITY STUB</p> <p>UNION PLAZA</p> <p>DINNER SHOW Delmonico Steak</p> <p>No. 895</p>
--	--

Facsimile valid for Valley Floor

<p>AMERICAN TOUR & TRAVEL ADMIT ONE</p> <p>Sands A HOWARD HUGHES HOTEL</p> <p>One Late Show TWO COCKTAILS</p> <p>This Ticket Includes Red. Tax 10% State Tax 3 1/2% Tip 15%</p> <p>Price \$ <u>22.50</u></p> <p>Please Present Coupon to Maitre d' at Showroom Door No Cash Value • No Refunds • Not Exchangeable. Seating No Later Than 11:00 P.M.</p> <p>VALID ONLY ON <u>2/20/79</u> No. <u>4516</u> Subject to Change</p>	<p>AT & T</p> <p>GRATUITY STUB</p> <p>SANDS</p> <p>One Late Show TWO COCKTAILS No. 4516</p>
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BEFORE THE SENATE AND ASSEMBLY JUDICIARY COMMITTEES

RE: SB132/AB164

HONORABLE MEMBERS OF THE SENATE AND ASSEMBLY JUDICIARY COMMITTEES, MY NAME IS ROBERT L. CROWELL AND I AM AN ATTORNEY LICENSED TO PRACTICE LAW IN THE STATE OF NEVADA AND I AM APPEARING BEFORE YOU ON BEHALF OF GRAYLINE TOURS OF SOUTHERN NEVADA.

MR. BARRY PEREA, EXECUTIVE VICE-PRESIDENT OF THE GRAYLINE COMPANY HAS HAD PREVIOUS CORRESPONDENCE WITH NUMEROUS MEMBERS OF YOUR COMMITTEES REGARDING SENATE BILL 132 AND ASSEMBLY BILL 164. UNFORTUNATELY, DUE TO A DEATH IN HIS FAMILY, HE IS UNABLE TO BE HERE TODAY TO PRESENT HIS VIEWS IN PERSON. HE HAS ASKED ME TO APOLOGIZE FOR HIS INABILITY TO BE HERE AND HAS FURTHER ASKED ME TO FORMALLY PRESENT HIS VIEWS ON BEHALF OF GRAYLINE TOURS OF SOUTHERN NEVADA.

AS YOU MAY OR MAY NOT KNOW, GRAYLINE TOURS OF SOUTHERN NEVADA IS A BUS COMPANY ENGAGED, PRIMARILY, IN SIGHT SEEING AND TOUR BUS OPERATION. IN THIS RESPECT, GRAYLINE TOURS OF SOUTHERN NEVADA, FOR APPROXIMATELY THE LAST TWELVE YEARS, HAS OFFERED AND WILL CONTINUE TO OFFER EVENING SIGHT SEEING TOURS WHICH INCLUDE DINNERS AND LATE SHOWS IN THE LAS VEGAS, NEVADA, AREA. SUCH SIGHT SEEING TOURS ARE OFFERED ON A PACKAGE ARRANGEMENT WHICH INCLUDES THE TRANSPORTATION OF THE PASSENGER FROM HIS OR HER MOTEL OR HOTEL, TO A DINNER, DINNER AND SHOW, OR ESCORTED ON A LUXURY TOUR OF THE DOWNTOWN LAS VEGAS CASINO AND STRIP, OR A LATE SHOW WITH TWO COCKTAILS, WITH RETURN TRANSPORTATION OF SUCH PASSENGER TO THEIR HOTEL OR MOTEL.

- 1 -

EXHIBIT C

362

THE TRANSPORTATION RATE CHARGED BY GRAYLINE TOURS OF SOUTHERN NEVADA FOR SUCH TOURS IS REGULATED BY THE PUBLIC SERVICE COMMISSION OF NEVADA. ADDITIONALLY, WHEN THE TOUR INCLUDES A DINNER OR SHOW, THE PRICE OF SUCH TOUR, BROKEN DOWN BY THE BASIC TRANSPORTATION RATE TOGETHER WITH THE RATE CHARGED FOR THE DINNER OR SHOW, IS FILED WITH THE PUBLIC SERVICE COMMISSION OF NEVADA IN THE FORM OF A MEMORANOU M TARIFF. ALSO SET FORTH IN THIS TARIFF IS THE AMOUNT OF THE COMMISSION FEE THAT GRAYLINE TOURS OF SOUTHERN NEVADA, AS A REGULATED MOTOR CARRIER, MAY PAY TO ITS AGENTS WHICH SELL ITS TOURS. BY AN ORDER OF THE PUBLIC SERVICE COMMISSION OF NEVADA THIS COMMISSION FEE IS SET AT TEN PERCENT OF THE TOTAL SELLING PRICE OF THE TOUR. I WOULD LIKE TO EMPHASIZE THAT THE COMPANY CANNOT AND DOES NOT MAKE ANY PROFIT ON ANY ITEM INCLUDABLE IN ANY SUCH SIGHT-SEEING TOUR OTHER THAN ON THE TRANSPORTATION PORTION OF THE SIGHT-SEEING TOUR; THAT IS, ALL COSTS ABOVE AND BEYOND THE TRANSPORTATION PORTION OF THE SIGHT-SEEING TOUR ARE PASSED ALONG TO GRAYLINE TOURS OF SOUTHERN NEVADA'S CUSTOMERS AT THEIR ACTUAL COST.

I HAVE BROUGHT EXTRA COPIES OF THE MEMORANDUM TARIFF TO WHICH I HAVE JUST REFERRED, FOR YOUR REVIEW SHOULD YOU SO DESIRE.

FURTHER, GRAYLINE TOURS OF SOUTHERN NEVADA BUYS ITS TICKETS FOR DINNERS AND SHOWS DIRECTLY FROM THE GAMING LICENSEE AND DOES NOT NOW PURCHASE, NOR DOES IT INTEND TO PURCHASE, SUCH TICKETS THROUGH A SHOW TICKET COMPANY. WHEN GRAYLINE TOURS OF SOUTHERN NEVADA BUYS A TICKET TO A DINNER OR LATE SHOW FROM SUCH GAMING

ESTABLISHMENT, IT PAYS FOR THE COST OF THE MEAL AND/OR COCKTAIL, TOGETHER WITH LOCAL SALES TAX WHICH IS 3 - 1/2 PERCENT, TOGETHER WITH A FIFTEEN PERCENT GRATUITY TO THE WAITERS AND WAITRESSES, TOGETHER FURTHER WITH THE TEN PERCENT CABARET TAX.

THE NIGHTCLUB TOURS THAT I HAVE JUST DESCRIBED ABOVE, ARE PUBLISHED BY GRAYLINE TOURS OF SOUTHERN NEVADA IN A SALES AND TOUR GUIDE WHICH IS DISTRIBUTED TO TRAVEL AGENCIES AND AIRLINE SALES OFFICES THROUGHOUT THE WORLD. SUCH AIRLINES AND TRAVEL AGENTS SELL THESE TOURS ON BEHALF OF GRAYLINE TOURS OF SOUTHERN NEVADA AND SUCH AGENTS LITERALLY NUMBER IN THE THOUSANDS.

AS I READ SENATE BILL 132, AND A PARTICULAR SUBSECTION 1 OF SECTION 2, THEREOF, IT IS MY OPINION THAT SUCH LANGUAGE COULD BE CONSTRUED TO REQUIRE GRAYLINE TOURS OF SOUTHERN NEVADA TO LICENSE NOT ONLY ITSELF AND ITS DIRECT EMPLOYEES, TO SELL SUCH TOURS, BUT ALSO TO LICENSE ALL ITS AIRLINE AND TRAVEL AGENTS SELLING SUCH TOURS.

GRAYLINE TOURS OF SOUTHERN NEVADA WISHES TO EXPRESS AND EMPHASIZE THAT IT IS NOT TAKING ANY POSITION BEFORE THIS COMMITTEE REGARDING THE MERITS OR CONCEPT OF THE REGULATIONS SOUGHT TO BE ESPOUSED IN EITHER SENATE BILL 132 OR ASSEMBLY BILL 164 INASMUCH AS WE DO NOT BELIEVE THAT IT IS EITHER COMMITTEE'S INTENT TO REQUIRE LICENSING OF THE EMPLOYEES AND AGENTS OF GRAYLINE TOURS OF SOUTHERN NEVADA IN THE CONDUCT OF THEIR SIGHT SEEING AND TOUR BUSINESS. HOWEVER, GRAYLINE TOURS OF SOUTHERN NEVADA WISHES TO EXPRESS ITS CONCERN WITH THE RATHER BROAD

LANGUAGE IN SENATE BILL 132 AND ITS COUNTERPART, ASSEMBLY BILL 164, INSOFAR AS BOTH OF THESE BILLS WOULD APPEAR TO REQUIRE LICENSING OF GRAYLINE TOURS OF SOUTHERN NEVADA AND ITS AGENTS AND EMPLOYEES.

TO REQUIRE LICENSING OF A SIGHTSEEING AND TOUR BUS OPERATION SUCH AS CONDUCTED BY GRAYLINE TOURS OF SOUTHERN NEVADA, WOULD BE BOTH ECONOMICALLY IMPOSSIBLE FOR GRAYLINE TOURS OF SOUTHERN NEVADA AS WELL AS IMPRACTICAL. IN SHORT, SUCH LICENSING REQUIREMENTS WOULD FORCE THE DISCONTINUANCE OF GRAYLINE TOURS NIGHTCLUB SEEING OPERATIONS. THIS WOULD, IN TURN, ENTAIL THE LAYING OFF OF DRIVERS AND TOUR HOSTESSES WHICH WOULD, IN TURN, DRASTICALLY REDUCE THE REVENUE-PRODUCING CAPABILITY OF GRAYLINE TOURS OF SOUTHERN NEVADA. COMMENSURATE THEREWITH, WOULD BE THE REMOVAL OF A VALUABLE SERVICE TO THE TOURISTS OF LAS VEGAS, NEVADA.

DURING 1978, GRAYLINE TOURS OF SOUTHERN NEVADA TRANSPORTED APPROXIMATELY 25,000 PERSONS ON NIGHTCLUB TOURS AND IT IS ANTICIPATED THAT APPROXIMATELY 27,000 PERSONS WILL ENJOY THESE NIGHTCLUB TOURS IN THE CALENDAR YEAR 1979. DURING SUCH TRANSPORTATION ACTIVITIES, IT IS OUR UNDERSTANDING THAT THE LAS VEGAS CHAMBER OF COMMERCE, CITY OF LAS VEGAS, COUNTY COMMISSION, AND THE LAS VEGAS CONVENTION AND VISITOR'S AUTHORITY HAVE NEVER RECEIVED A COMPLAINT REGARDING THE NIGHTCLUB TOURS OF GRAYLINE TOURS OF SOUTHERN NEVADA OR ANY OTHER TOUR OPERATED BY THIS COMPANY.

THEREFORE, IN LIGHT OF THE FACT THAT GRAYLINE TOURS OF SOUTHERN NEVADA IS A REGULATED MOTOR CARRIER IN THE STATE OF NEVADA WITH ITS RATES, NOT ONLY FOR

TRANSPORTATION, BUT ANY DINNERS AND SHOWS INCIDENTAL THERETO, ON FILE WITH THE PUBLIC SERVICE COMMISSION OF NEVADA, TOGETHER WITH THE FACT THAT GRAYLINE TOURS OF SOUTHERN NEVADA PURCHASES ITS TICKETS FOR DINNERS AND SHOWS DIRECTLY FROM THE GAMING LICENSEE INVOLVED AND MAKES NO PROFIT ON SUCH SHOWS AND DINNERS, THAT SENATE BILL 132 AND ITS COUNTERPART, ASSEMBLY BILL 164, BE AMENDED TO EXCLUDE OR EXEMPT THE TYPE OF SIGHT SEEING AND TOUR OPERATIONS CONDUCTED BY GRAYLINE TOURS OF SOUTHERN NEVADA AND OTHER SIMILARLY SITUATED MOTOR CARRIERS.

IN THIS RESPECT, I MIGHT SUGGEST THAT SUBSECTION 2 OF SECTION 2 OF SENATE BILL 132 BE AMENDED TO READ AS FOLLOWS:

"THIS SECTION DOES NOT APPLY TO ANY EMPLOYEE OF THE ESTABLISHMENT AT WHICH THE ENTERTAINMENT IS PERFORMED NOR DOES IT APPLY TO SIGHT SEEING AND TOUR BUS COMPANIES OR THEIR EMPLOYEES OR AGENTS, ENGAGED PRIMARILY IN THE TRANSPORTATION OF PASSENGERS TO PLACES OF ENTERTAINMENT WHERE SUCH BUS COMPANIES ARE REGULATED BY THE PUBLIC SERVICE COMMISSION OF NEVADA AND THE SALE BY SUCH BUS COMPANIES OR THEIR EMPLOYEES AND AGENTS OF ENTERTAINMENT TICKETS IS INCIDENTAL TO THE TRANSPORTATION OF PASSENGERS AND SIGHT SEEING OR TOUR BUS OPERATION".

I WOULD LIKE TO THANK THE COMMITTEE FOR LISTENING TO MY REMARKS AND WOULD BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU MAY HAVE.

1st Revised Page
 cancels
 Original Page 2

GRAY LINE TOURS OF SOUTHERN NEVADA

P.S.C.N. No. 5

MEMORANDUM TARIFF NO. 1

SUPPLEMENTARY CHARGES IN ADDITION TO THE TRANSPORTATION FARE
 (In dollars and cents per person, except as noted)

TOUR NO.	TOTAL SELLING COST OF TOUR	SUPPLEMENTARY CHARGES #	COMMISSION - 10% OF TOUR CHARGE (Except as noted)
C-20.	\$ 10.00	\$ 4.00	\$ 1.00
C-30(A)	\$ 38.20	\$ 28.20	\$ 3.82
C-30(B)	\$ 33.30	\$ 23.30	\$ 3.33
L-10	\$ 8.00	\$ 1.00@	\$ 1.00+
L-10	\$ 7.00	\$ 1.00@	None
L-20	\$ 15.70	\$ 7.70	\$ 1.57
L-20(A)	\$ 11.85	\$ 3.85	\$ 1.18
L-30	RESERVED FOR FUTURE USE		
S-10	\$ 13.20	\$ 7.70	\$ 1.32
S-20	RESERVED FOR FUTURE USE		
S-50	\$ 15.30	\$ 3.30	\$ 1.53

Supplementary charge may include any or all of the following:
 Lounge Shows, Main Shows, Dinners, Boat Tours, Meals, Entrance Fees and Gratuities.

@ Optional Charge assessed by Hoover Dam, if desired.
 + Flat commission fee, not based on 10% of tour cost.

Issued:

Effective:

Issued by:
 H. D. Peron
 1550 South Industrial Road,
 Las Vegas, Nevada
 89102

ACC
 NG
 EFFECTIVE
 JAN 1 1979

Correction No. 1



TOURS

January 29, 1979

The Honorable Keith Ashworth
Member Judiciary Committee
Nevada State Legislature
State Mailroom Complex
Carson City, Nevada 89710

Dear Senator Ashworth:

As you are a member of the Senate Judiciary Committee, I have enclosed a copy of my letter to Senator Floyd Lamb which expresses my concern over his proposed Senate Bill 132 and its effect on Gray Line Tours of Southern Nevada.

Our company operates several sight-seeing tours to points of interest in Southern Nevada such as Hoover Dam, Lake Mead, Old Nevada, a City Tour and two different Night Club Tours.

We are a common motor carrier certificated by the Public Service Commission State of Nevada who regulates all of our activities through Nevada Revised Statute Chapter 706 and its various sections, as well as General Orders No. 3 and No. 5. We are also subject to Rulings, Opinions and Orders which are issued by this Commission.

Although I have not yet had an opportunity to discuss this proposed legislation with Senator Lamb, I feel certain the intent of his Bill is directed at licensing and regulating those companies in the show ticket business.

I would ask you to please review my letter to Senator Lamb, as his proposed Bill would cause an economic hardship on our company, as well as deprive thousands of Las Vegas visitors from enjoying a sight-seeing tour we have been offering for many, many years.

Sincerely,

Barry Perea
Executive Vice President

Enclosures



TOURS

January 29, 1979

The Honorable Floyd Lamb
Nevada State Legislature
State Mailroom Complex
Carson City, Nevada 89710

Dear Senator Lamb:

I read a recent news article wherein you are proposing legislation (Senate Bill 132) which would require firms and employees selling tickets to casino shows to submit for gaming licenses and pay a \$100 license fee four times a year.

The purpose of this letter is to advise you that Gray Line Tours of Southern Nevada is a sight-seeing bus company and we have offered and continue to offer evening sight-seeing tours, which include dinner and late shows.

These night club tours have been in existence for approximately 12 years and are sold as an all-inclusive sight-seeing tour which includes our picking up the passenger at his hotel or motel, a dinner, or dinner and show, an escorted and lectured tour of the downtown casino area and strip, a late show with two cocktails and return transportation to the passengers' hotel or motel.

In all cases our company deals directly with the hotels and included in our payment to the hotels are the cost of the meal or cocktails, local sales tax of 3½%, 15% gratuity to the waiter or waitress (in accordance with their labor agreement) and the 10% cabaret tax.

We have never, nor do we intend to purchase our tickets through show ticket companies. To do so would add an expense to our tour price which would have to be passed on to the consumer.

The price we pay to the hotels for a dinner or late show is added to our transportation rate, which has been approved by the Public Service Commission State of Nevada.

This Commission regulates all of our company's rates and charges and we are required to have on file a memorandum tariff (a copy of which is included for your ready reference) which outlines our transportation rate, the amount of admission fees, dinner shows, etc., the total selling price of the tours and the commission fee we pay our agents.

You may be interested to know that the Public Service Commission regulates the amount of commission we may pay an agent for selling one of our tours to 10% of the selling price. Also, we cannot make a profit on any item we include in our sight-seeing tours, but rather can only pass along our actual costs. Our profits can only be made on the transportation portion of our sight-seeing tours.

The Gray Line is known throughout the world as a leader in motor coach sight-seeing and in this regard, we publish a sales and tour guide which is distributed to travel agents and airline sales offices on a worldwide basis.

These airlines and travel agents sell our tours and number in the thousands. If I understand the intent of your Bill, we would be required to have these agents licensed.

Your Bill, if passed as it now stands, would force our company to discontinue offering night club sight-seeing tours, as it would be economically impossible for our company to submit our agents for licensing as well as impractical.

Gray Line Tours of Southern Nevada transported approximately 25,000 persons on night club tours in 1978, and we anticipate we will have approximately 27,000 persons enjoying our night club tours in 1979. Your Bill would foreclose these Las Vegas tourists from taking a night club tour and would also require laying off drivers, and tour hostesses as well as reduce revenues to our company by thousands of dollars.

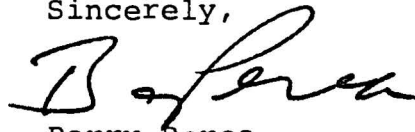
I appreciate your concern over the activities of certain show ticket companies, and I am aware that many Las Vegas tourists and hotels have complained about their method of operation. I am pleased to advise you that the Las Vegas Chamber of Commerce, the City of Las Vegas, County Commission and the Las Vegas Convention and Visitors Authority has never received a complaint concerning price gouging, scalping, hard sell, bait and switch tactics, etc., concerning our night club tours or any other tour we operate.

In view of the fact that Gray Line Tours of Southern Nevada is regulated by the Public Service Commission State of Nevada, as are other motor carriers, I would ask you to amend your proposed Senate Bill 132 to exclude or exempt motor carriers authorized to conduct night club tours and certificated by the Public Service Commission and our employees and agents from the licensing procedures you are recommending be adopted as law.

Our company offers a quality service and is highly regarded throughout the industry. We do not believe we should be cast in the same light as some unscrupulous companies because of their questionable activities, and I am convinced that your intent was not directed at precluding certificated motor carriers from conducting sight-seeing night club tours that have been approved by the Public Service Commission and which are enjoyed by thousands of tourists visiting our city.

I look forward to hearing from you and if you have any questions concerning my request, please feel free to contact me, or I would be willing to appear before your Committee.

Sincerely,



Barry Perea
Executive Vice President

cc: Senator Mel Close,
Chairman, Judiciary Committee
Dale L. Dullabaun
Drake DeLanoy

cancels

GRAY LINE TOURS OF SOUTHERN NEVADA

Original Page 2

MEMORANDUM TARIFF NO. 1

SUPPLEMENTARY CHARGES IN ADDITION TO THE TRANSPORTATION FARE
(In dollars and cents per person, except as noted)

TOUR NO.	TOTAL SELLING COST OF TOUR	SUPPLEMENTARY CHARGES #	COMMISSION - 10% OF TOUR CHARGE (Except as noted)
C-20	\$ 10.00	\$ 4.00	\$ 1.00
C-30(A)	\$ 38.20	\$ 28.20	\$ 3.82
C-30(B)	\$ 33.30	\$ 23.30	\$ 3.33
L-10	\$ 8.00	\$ 1.00@	\$ 1.00+
L-10	\$ 7.00	\$ 1.00@	None
L-20	\$ 15.70	\$ 7.70	\$ 1.57
L-20(A)	\$ 11.85	\$ 3.85	\$ 1.18
L-30	RESERVED FOR FUTURE USE		
S-10	\$ 13.20	\$ 7.70	\$ 1.32
S-20	RESERVED FOR FUTURE USE		
S-50	\$ 15.30	\$ 3.30	\$ 1.53

Supplementary charge may include any or all of the following:
Lounge Shows, Main Shows, Dinners, Boat Tours, Meals, Entrance Fees and Gratuities.

@ Optional Charge assessed by Hoover Dam, if desired

+ Flat commission fee, not based on 10% of tour cost.

PUBLIC SERVICE COMMISSION
OF NEVADA

Issued:

Effective:

ACC **ED FOR**
IG

Issued by:

B. D. Perea
1550 South Industrial Road,
Las Vegas, Nevada
89102

EFFECTIVE

JAN 1 1979 372

Correction No. 1

EXHIBIT C