



COMMONWEALTH CASINO COMMISSION
Commonwealth of the Northern Mariana Islands
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Juan M. Sablan, Chairman
Joseph C. Reyes, Vice Chairman
Ramon M. Dela Cruz, Secretary
Alvaro A. Santos, Treasurer
Diego M. Songao, Media Relations

COMMISSION ORDER NO: 2020-001

Order Requiring Casino Licensee to Settle Uncontested Accounts Payable

For good cause determined at the January 30, 2020 public meeting of the Commonwealth Casino Commission, which was duly publicly noticed, and based on the authority granted by the laws of the Commonwealth (including but not limited to Public Laws 18-56 and 19-24) and the Regulations of the Commonwealth Casino Commission, NMIAC Chapter 175-10.1, the Commonwealth Casino Commission hereby finds and **ORDERS AS FOLLOWS:**

1. WHEREAS, Section 2314(b)(2) of Title 4 of the Commonwealth Code requires the Commission to promulgate regulations as may be necessary to properly supervise, monitor and investigate to ensure the suitability and compliance with the legal, statutory and contractual obligations of owners, operators, and employees of casinos; and
2. WHEREAS, Section 2314(b)(3) of Title 4 of the Commonwealth Code requires the Commission to promulgate regulations which provide for “[t]he examination, supervision and monitoring of the continuing fiscal and financial capability of casino owners, operators, concessionaires and other parties with any direct relation to the sole casino and to protect the public in the event that such capability is significantly diminished”; and
3. WHEREAS, the Commission has, pursuant to the above statutory mandate, promulgated regulations found at NMIAC Chapter 175-10.1 et. seq. which address the financial suitability of the casino licensee for the protection of the gaming industry and the residents of the Commonwealth of the Northern Mariana Islands; and
4. WHEREAS, Regulation §175-10.1-1805(a) states: “The Commission deems any activity on the part of the casino gaming licensee, its agents, or employees, that is inimical to the public health, safety, morals, good order, and general welfare of the people of the Commonwealth, or that would reflect or tend to reflect discredit upon the Commonwealth of the Northern Mariana Islands or the gaming industry, to be an unsuitable method of operation and shall be grounds for disciplinary action by the Commission in accordance with the Act and the regulations.” and
5. WHEREAS, Regulation §175-10.1-1805(b)(15) declares the breaching of any contract an unsuitable method of operation which subjects the casino licensee to discipline; and
6. WHEREAS, at meetings of the Commission, vendors have come to publicly complain that they have not received payment as may be required by contracts with or for the benefit of the

casino licensee, which calls into question the casino licensee's willingness or ability to comply with its contractual, regulatory, and statutory obligations; and

7. WHEREAS, the Commission deems any licensee's unwillingness or inability to comply with contractual, regulatory, and statutory obligations an unsuitable method of operation and indicia of unsuitability to hold a license, and further specifically deems that the failure to pay a ninety (90) days or older uncontested contractual obligation is inimical to the public health, safety, morals, good order, and general welfare of the people of the Commonwealth and reflects or discredit upon the gaming industry; and

8. WHEREAS, the Commission deems it necessary and proper to ensure the casino licensee is financially suitable by requiring the casino licensee to settle any outstanding obligations owed by contract, license agreement, regulation, statute, or otherwise which are ninety (90) days or more past due; **NOW, THEREFORE,**

9. **IT IS HEREBY ORDERED** that no later than thirty (30) calendar days from the effective date of this Order, the casino licensee shall settle in full any uncontested account payable with a licensed vendor, licensed service provider, or private entity which need not hold a vendor or service provider license which is ninety (90) days or more due; and

10. **IT IS HEREBY FURTHER ORDERED** that, no later than thirty (30) calendar days from the effective date of this Order, the Chairman or highest ranking executive of the casino licensee and Chief Financial Officer of the casino licensee must each, in writing, certify that:

- A. The casino licensee is a "going concern" as that phrase is commonly used in the area of financial accounting; and
- B. The casino licensee, as a business entity, is solvent as that word is commonly used in the area of financial accounting; and
- C. The casino licensee has the present ability to pay debts as they mature and become due, and the casino licensee has paid all such debts within ninety (90) days of their accrual; and
- D. The casino licensee has the present ability to pay to private entities all payments required by contract, and the casino licensee has no such uncontested payables ninety (90) days or older; and
- E. The casino licensee has the present ability to fully construct the entirety of the Initial Gaming Facility located in Garapan, Saipan, CNMI; and

11. **IT IS HEREBY FURTHER ORDERED** that, no later than thirty (30) calendar days from the effective date of this Order, the Chairman or highest ranking executive of the casino licensee and Chief Financial Officer of the casino licensee must each, in writing, list all contested accounts payable ninety (90) days or more past due including the contracting parties, amounts due, amounts contested, and reason for the dispute; and

12. **IT IS HEREBY FURTHER ORDERED** that, if the Chairman and Chief Financial Officer of the casino licensee cannot make some or all of the required certifications, the Chairman and Chief

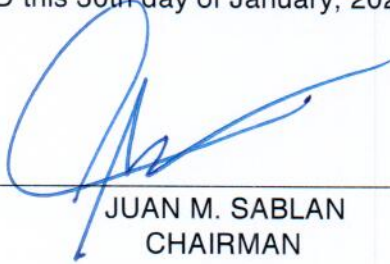
Financial Officer must explain in writing the inability to so certify and provide an explanation why the certification cannot be made, and outline the steps the casino licensee will take to ensure that the required certifications can be made; and

13. **IT IS HEREBY FURTHER ORDERED** that the Chairman or the Executive Director shall take steps necessary to ensure that this Order is published in the Commonwealth Register without reasonable delay; and

14. **IT IS HEREBY FURTHER ORDERED** that this Order is to take effect immediately or at the earliest time allowed by law, and shall remain in effect until it is repealed or replaced by subsequent Order of the Commission.

SO ORDERED this 30th day of January, 2020.

Signature: _____



JUAN M. SABLAN
CHAIRMAN