



COMMONWEALTH CASINO COMMISSION
Commonwealth of the Northern Mariana Islands
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COMMISSION ORDER NO: 2020-004

Order Requiring Casino Licensee to Settle Accounts Payable

For good cause determined at the June 25, 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, it has come to the attention of the Commission that the casino licensee has outstanding accounts payable owed to public entities, or owed pursuant to agreements with

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

7. WHEREAS, it has come to the attention of the Commission that the casino licensee has at least one outstanding amount payable owed to a private entity, has been ordered by the federal district court to make such payment, and has failed to make the payment ordered by the court, thereby requiring the authorities to execute on the judgment, which calls into question the casino licensee's willingness or ability to comply with its contractual, regulatory, and statutory obligations; and

8. 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 an obligation to a public entity or contribution required by an agreement with a public entity when due is inimical to the public health, safety, morals, good order, and general welfare of the people of the Commonwealth and reflects discredit upon the gaming industry; and

9. WHEREAS, the Commission deems any licensee's unwillingness or inability to comply with an order of the federal district court an unsuitable method of operation and indicia of unsuitability to hold a license, and further specifically deems that the failure to pay an amount in full when ordered by a court of competent jurisdiction is inimical to the public health safety, morals, good order, and general welfare of the people of the Commonwealth and reflects discredit upon the gaming industry; and

10. WHEREAS, the Commission deems it necessary and proper to ensure the casino licensee is financially suitable and operating suitably by requiring the casino licensee to settle any outstanding obligations owed to the United States of America, the Commonwealth of the Northern Mariana, and the political agencies of either, make any contribution required by an agreement with a public entity, and immediately pay any outstanding obligation to any private entity if so ordered by a court of competent jurisdiction; **NOW, THEREFORE,**

11. **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 payable or contribution owed to a public entity, including but not limited to the United States of America, the Commonwealth of the Northern Mariana, and the political agencies of either; immediately make any payment or contribution required by an agreement with a public entity; immediately pay any outstanding obligation to any private entity if so ordered by a court of competent jurisdiction; and immediately pay any debt owed to any private entity which is more than 89 days old; and

12. **IT IS HEREBY FURTHER ORDERED** that, "settle in full" referenced in paragraph 11 above means pay in full the amount owed if no settlement agreement or payment schedule exists, or paying the amount necessary to become current with any settlement agreement or payment schedule such that the licensee is not in arrears; and

13. **IT IS HEREBY FURTHER ORDERED** that, no later than thirty (30) calendar days from the effective date of this Order, the Chairman and highest ranking executive 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 as of the date of certification; 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 90 days of their accrual such that no debt older than 89 days old exists as of the date of certification; and
- D. The casino licensee has the present ability to pay to public and private entities all payments required by contract, and the casino licensee has no such uncontested payment older than 89 days old as of the date of certification; and
- E. The casino licensee has the present ability to fully construct the entirety of the Initial Gaming Facility located in Garapan, Saipan, CNMI in accordance with all applicable laws, regulations and codes; and

14. **IT IS HEREBY FURTHER ORDERED** that, if the Chairman and highest ranking executive of the casino licensee cannot make some or all of the required certifications, the Chairman and executive 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

15. **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

16. **IT IS HEREBY FURTHER ORDERED** that this Order in no way amends or affects the casino licensee’s obligations pursuant to Commission Order 2020-001; and

17. **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 25th day of June 2020.

Signature: 
EDWARD DELEON GUERRERO
CHAIRMAN