

1 **COMP**
2 DANIEL J. ALBREGTS (SBN 4435)
3 **LAW OFFICES OF DANIEL ALBREGTS, LTD**
4 601 South 10th Street, Suite 202
5 Las Vegas, Nevada 89101-7072
6 Telephone: (702) 474-4004
7 Facsimile: (702) 474-0739

8 **PIERCE O'DONNELL** (Pro Hac Vice pending)
9 **STEVEN J. AARONOFF** (Pro Hac Vice pending)
10 **O'DONNELL & ASSOCIATES P.C.**
11 550 South Hope Street, Suite 1000
12 Los Angeles, California 90071

13 Attorneys for Plaintiff
14 **TERRY K. WATANABE**

15 **CLARK COUNTY DISTRICT COURT**
16 **STATE OF NEVADA**

17 **TERRY K. WATANABE**, an individual,
18 Plaintiff,
19 v.

20 **HARRAH'S ENTERTAINMENT, INC.**, a
21 Delaware corporation; **CAESARS PALACE**
22 **CORPORATION** dba **CAESARS PALACE**; a
23 Nevada corporation; **RIO PROPERTIES, INC.**
24 dba **RIO ALL SUITE HOTEL AND CASINO**, a
25 Nevada corporation; and **DOE** individuals 1
26 through 50, and **ROE** entities 1 through 50,
27 inclusive,
28 Defendants.

Case No.

A-09-603921-B
XXV

COMPLAINT

JURY TRIAL DEMANDED

COMPLAINT
CASE NO.

FILED
NOV 19 2009
Ann L. Blinn
CLERK OF COURT

1 Plaintiff Terry K. Watanabe (“Plaintiff” or “Watanabe”), for his Complaint against Defendants
2 Harrah’s Entertainment, Inc. (“Harrah’s”); Caesars Palace Corporation dba Caesars Palace (“Caesars
3 Palace”); and Rio Properties, Inc. dba Rio All Suite Hotel & Casino (“Rio”), upon knowledge as to his
4 own acts, and upon information and belief as to all other matters, hereby alleges:

5 **JURISDICTION AND VENUE**

6 1. This Court has subject matter jurisdiction because Watanabe seeks damages in excess of
7 the minimum jurisdictional requirements of the Court under Article 6, Section 6 of the Constitution of
8 the State of Nevada.

9 2. Venue in this judicial district is proper because a substantial part of the events, acts, and
10 omissions giving rise to this Complaint occurred in Clark County, Nevada and the defendants transact
11 business and are located in Clark County, Nevada.
12

13 **PARTIES**

14 3. At all times mentioned herein, Watanabe was and is a United States citizen residing in
15 Nebraska and/or California.
16

17 4. At all times mentioned herein, Defendant Harrah’s was and is a Delaware corporation
18 operating under the statutory and regulatory authority of the State of Nevada, with its principal place of
19 business in Las Vegas, Nevada. Harrah’s is a global provider of casino gambling and entertainment
20 services.

21 5. Defendant Caesars Palace is a corporation organized under the laws of the State of
22 Nevada, with its principal place of business in Las Vegas, Nevada. Caesars Palace is a wholly-owned
23 subsidiary of Harrah’s.

24 6. Defendant Rio is a corporation organized under the laws of the State of Nevada, with its
25 principal place of business in Las Vegas, Nevada. Rio is a wholly-owned subsidiary of Harrah’s.

26 7. The true names of the individuals and entities named respectively herein as DOES 1
27 through 50, and ROES 1 through 50, inclusive, are presently unknown to Watanabe who therefore sues
28 said defendants by such fictitious names. When the true names of DOES 1 through 50, and ROES 1

1 through 50, inclusive, are discovered, Watanabe will seek leave to amend this Complaint to substitute
2 the true names of said defendants. Watanabe is informed and believes, and therefore alleges, that the
3 DOE and ROE defendants designated herein are responsible in some manner for the events and
4 occurrences described in this Complaint.

5 8. At all relevant times, each of the defendants named herein was the agent, employee,
6 representative and/or co-conspirator of each of his/its fellow defendants, and in doing the actions herein
7 set forth, did so within the course and scope of such relationship, and/or with the knowledge and consent
8 of his/its fellow defendants, and where employment relationships may be alleged, for the benefit of the
9 employer and within the course and scope of employment. Each defendant named herein is subject to
10 vicarious liability, joint and several liability, liability under the doctrine of respondeat superior, liability
11 as a co-conspirator and aider and abettor, and/or is otherwise legally responsible for the actions and/or
12 omissions of each other defendant as alleged herein.

13 **GENERAL ALLEGATIONS¹**

14 9. Watanabe's significant play at Harrah's casinos began in 2003, at properties nearby his
15 home in Omaha, Nebraska. During 2006, Watanabe split his time primarily between the Rio, a Harrah's
16 casino, and the Wynn Las Vegas casino. By late 2006, he was residing at the Wynn, but primarily
17 gambled at Harrah's casinos. After leaving the Wynn casino in June 2007, Watanabe moved to the Rio.

18 10. After a short time at the Rio, Watanabe was moved by Harrah's from the Rio to Caesars
19 Palace, also a Harrah's casino. Watanabe then stayed and gambled at Caesars Palace, essentially non-
20 stop, until December 2007, a period of about six months. Watanabe began devoting himself to gambling
21 full-time as his primary income and livelihood source. He spent nearly all of his time either on the
22 casino floor or in his hotel room at Caesars Palace.

23 11. During his stay at Caesars Palace in 2007, Watanabe was continually surrounded by
24 supervisors and employees of Caesars Palace, including security guards, hosts, handlers, and corporate
25 executives, such that his physical movements were constantly monitored and/or controlled by Caesars

26 _____
27 ¹ Attached as Exhibit "A" to this Complaint and incorporated herein by this reference is a true and
28 correct copy of a letter dated November 18, 2009 and enclosures thereto from Watanabe's counsel to the
Nevada Gaming Commission, which describes in greater detail the relevant facts surrounding the
controversy between Watanabe and Defendants.

1 Palace, and freedom of movement, including but not limited to ingress to and egress from Caesars
2 Palace property as he saw fit, was limited.

3 12. During this time, Watanabe was also under constant personal and/or electronic
4 surveillance by Caesars Palace employees. Such surveillance was conducted in both public and private
5 settings and without Watanabe's express or implied consent. Instructions to have security personnel
6 constantly monitor Watanabe came from the highest management levels within Caesars Palace and
7 Harrah's. The primary purpose and effect was not to protect him, but to control his every movement,
8 ensuring that he remained on premises and gambling steadily at Caesars Palace and/or other Harrah's
9 properties.

10 13. In November 2006, Watanabe had negotiated with Harrah's an express agreement that
11 Harrah's would provide Watanabe with a package of "comps" and other incentives that would exceed in
12 value those that he had been receiving at the Wynn.

13 14. In April 2007, Harrah's executives apparently decided that they did not want to honor
14 their commitments to Watanabe regarding his comps and other incentives. In that month, without any
15 notice to or agreement from Watanabe, Harrah's unilaterally and materially changed the terms of his
16 comps and other incentives, to Harrah's own advantage and Watanabe's significant disadvantage.

17 15. Watanabe's losses escalated astronomically in the fall of 2007, just as his level of
18 intoxication was reaching its most extreme. Harrah's responded not only by increasing his credit limit
19 and providing him with a non-stop supply of alcohol and prescription pain killers, but also by increasing
20 his table limits beyond those available to other patrons. This further exacerbated Watanabe's noticeably
21 reckless gambling. By this time, he would frequently gamble for several days in a row with little
22 interruption or sleep. The effect of the table limit increases was that his average bet increased
23 significantly, meaning he would lose money even faster.

24 16. Harrah's executives and employees knew or should have known, as a result of events that
25 had occurred by the fall of 2007, that Watanabe was rapidly running out of money, was physically and
26 mentally impaired due to his chronic intoxication, and was severely addicted to gambling.

27 17. Harrah's is legally proscribed from using its direct and actual knowledge of a person's
28 addictions, or other psychological and medical conditions, in a way that exploits, manipulates and/or

1 controls those addictions for Harrah's own financial benefit. Despite Harrah's and its officers, agents,
2 employees and supervisors actual and constructive knowledge of Watanabe's alcohol and gambling
3 addictions, Harrah's contributed to and exacerbated Watanabe's addictions throughout the fall of 2007
4 by actively and continually furnishing him with large quantities of a prescription painkiller Lortab
5 without a prescription and with excessive amounts of alcohol, while continuing to extend him and more
6 credit and encouraging him to gamble and lose tens of millions of dollars

7 18. Due to Watanabe's advanced and severe state of intoxication, he was mentally and
8 legally incompetent and unable to comprehend and/or control his actions throughout the latter half of
9 2007, specifically including but not limited to the times of execution of markers in Las Vegas.

10 19. Previously, in November 2006, Watanabe had negotiated terms and conditions regarding
11 his play at Harrah's-owned casinos. An agreed-upon term was that Harrah's would hold Watanabe's
12 gambling markers for at least 60 days before presenting them for payment. As a result, the markers
13 were not checks payable on demand but, rather, documentation of a loan to Watanabe and a receivable
14 to Harrah's.

15 20. On January 31, 2008, despite its express agreement to the contrary and a long course of
16 dealing with Watanabe reflecting that agreement—and without any notice to Watanabe—Harrah's
17 presented various markers to Watanabe's bank for payment. In so doing, Harrah's breached the terms of
18 its agreement with Watanabe to the effect that all his markers would be held for at least 60 days before
19 Harrah's presented them for payment. In fact, many of the markers presented for payment on January
20 31, 2008, were not yet 60 days old. Watanabe's bank, which was not informed of the 60 day payment
21 term, proceeded to cash several of the markers that were not yet due to be paid.

22 21. Before presenting the markers for payment, casino employees at Caesars Palace and Rio
23 took the liberty of arbitrarily filling in missing dates on the markers, and in several instances, they also
24 arbitrarily filled in bank account information, selecting for themselves from which of Watanabe's bank
25 accounts the funds would be drawn. While most of the markers were duly paid with the funds remaining
26 in the account in question, some of the markers were returned by Watanabe's bank.

27 22. Watanabe was out of the country when the markers were deposited, was unaware that the
28 deposits were occurring, and was thus unable to object to the premature cashing of markers in violation

1 of Harrah's contract with Watanabe or to make arrangements that might otherwise have been made to
2 ensure that the other markers would be paid when deposited and/or re-direct markers to the appropriate
3 accounts.

4 23. In addition, Watanabe questioned Harrah's accounting of the money that it claimed was
5 owed by Watanabe. Among other things, Watanabe claimed in good faith that he was owed credits,
6 discounts, reimbursements, and other consideration that Harrah's had not given him. Moreover,
7 Watanabe believed that he had been defrauded by Harrah's and that he, not Harrah's, was owed money.

8 24. Notwithstanding this legitimate business dispute, on May 18, 2008, Harrah's abruptly
9 terminated negotiations with Watanabe, and Rio and Caesars formally submitted 38 bad check
10 complaints against Watanabe to the Clark County District Attorney's Bad Check Unit ("BCU"). In fact,
11 Watanabe had never given a check to the two Harrah's casinos but instead signed markers which are not
12 negotiable instruments payable on demand due in part to the above-referenced express agreement with
13 the casinos that they were not payable on demand.

14 25. In submitting its 38 complaints to the BCU, Caesars and Rio made material false
15 statements and omitted material information on the required BCU forms that were signed under penalty
16 of perjury by their authorized agent and employee William Case. For example, Harrah's did not
17 disclose to the BCU that Watanabe and Harrah's had the express agreement that Watanabe's markers
18 were not payable on demand and would be held for at least 60 days before they were presented for
19 payment. The false and omitted information on the BCU forms was highly material — evidencing at
20 most a good faith, civil business dispute and not any criminal activity by Watanabe — and would have
21 weighed heavily against the institution of criminal proceedings.

22 26. Harrah's, Caesars Palace and Rio have all breached their duty of care to Watanabe, their
23 contracts with him, and their obligations and duties to Watanabe under Harrah's "responsible gaming"
24 and other internal policies as well as their duties imposed by Nevada law and the Nevada Gaming
25 Control Board.

26 27. As a result of the facts and incidents described herein, Watanabe has sustained and
27 suffered significant injuries and damages, and will continue to sustain and suffer injuries and damages,
28 including but not limited to, financial losses; personal, physical and psychological injuries as a result of

1 the extreme amounts of alcohol and Lortab pills that were provided by Harrah's employees to
2 Watanabe; embarrassment, shame and humiliation in that his reputation, built on his storied success as a
3 businessman and his generous philanthropic work, has been irrevocably tarnished and damaged; and
4 Harrah's specific and deliberate theft of Watanabe's wealth through its predatory acts of keeping him
5 intoxicated and drugged while encouraging him to gamble relentlessly, all the while providing him with
6 ever-growing amounts of casino credit and increased table limits so as to siphon off his fortune for
7 Harrah's gain, leaving him to contend with monumental gambling debts and an unwarranted criminal
8 prosecution maliciously instituted at Harrah's behest.

9 28. As a result of the tortious conduct of Harrah's, Rio, and Caesars, Watanabe has been
10 forced to incur significant attorney's fees and costs to defend himself against the meritless criminal
11 prosecution for which Watanabe is entitled under the "tort of another" doctrine to full and complete
12 reimbursement.

13 **FIRST CLAIM FOR RELIEF**
14 **Fraud: Obtaining Money or Property Under False Pretenses**

15 **FIRST COUNT**

16 29. Plaintiff repeats and re-alleges Paragraphs 1 through 28 as though fully set forth herein.

17 30. On or about November 16, 2006, Harrah's entered into a written contract with Plaintiff
18 containing a promise that Harrah's would provide Plaintiff a repayment period for the loan of at least 60
19 (sixty) days for all gambling markers. Under this agreement, no marker was to be presented to
20 Plaintiff's bank for payment until at least 60 days had elapsed following Plaintiff's execution of such
21 marker. Said written agreement is attached hereto within Exhibit "A" to this Complaint, as part of the e-
22 mails dated November 10, 16 and 29, 2006 from Wilson Ning to Shannon Leather, and incorporated by
23 this reference. Also attached hereto within Exhibit "A" to this Complaint and incorporated by this
24 reference are pages bearing Bates stamp numbers P-00163, P-00216, P-00217, and P-00162, each of
25 which contain entries from Harrah's computer systems in which the existence of a 60-day (or later)
26 "hold" agreement was documented internally by Harrah's with respect to Watanabe.

27 31. At the time Harrah's made the aforementioned promise, Harrah's had no intention of
28 honoring it.

1 further agreed between Plaintiff and Harrah's that the monetary value of the aforementioned "comps,"
2 enticements and benefits would exceed those which had previously been provided to Plaintiff by the
3 Wynn Las Vegas casino prior to his departure from the Wynn in June 2007, and would effectively
4 induce Plaintiff to move his gaming activities to Harrah's casinos.

5 49. At the time Harrah's made the aforementioned promise to Plaintiff, Harrah's had no
6 intention of honoring it.

7 50. The promise was made by Harrah's with the intent to induce Plaintiff to sign markers and
8 accumulate losses and indebtedness to Harrah's.

9 51. At the time the promise was made and at all times during his dealings with Harrah's,
10 Plaintiff was ignorant of Harrah's secret intention not to perform and could not, in the exercise of
11 reasonable diligence, have discovered Harrah's secret intention.

12 52. In reliance on Harrah's promise, Plaintiff did sign markers and accumulate losses and
13 indebtedness to Harrah's. If Plaintiff had known of the actual intention of Harrah's, he would not have
14 done so.

15 53. Throughout the latter half of 2006 and the entirety of 2007, Harrah's repeatedly and
16 continually broke its promise by failing to cut off Plaintiff's gaming privileges, despite Harrah's
17 knowledge that he was a compulsive gambler and chemically dependent; by extending excessive credit
18 to Plaintiff; and by providing him with excessive and/or illegal intoxicants.

19 54. Starting at least as early as April, 2007, Harrah's broke its promise by unilaterally
20 changing the way it calculated "rewards credits" and/or "gift points," with no notice to Plaintiff, such
21 that Plaintiff's benefits thereunder were substantially less than previously agreed; by failing to fully
22 apply Plaintiff's discounts and cash back in the negotiated amounts; and by failing to provide food,
23 beverages and other hospitality-related goods and services to Plaintiff on a complimentary basis, as
24 agreed; and by providing a package of "comps," enticements and benefits that failed to exceed that
25 which had previously been provided to Plaintiff by the Wynn Las Vegas casino.

26 55. As a direct and proximate result of Harrah's wrongful actions, Plaintiff has been damaged
27 in an amount to be proven at trial.

1 56. The aforementioned conduct of Harrah's was an intentional misrepresentation, deceit, or
2 concealment of a material fact known to Harrah's, with the intention of thereby depriving Plaintiff of
3 property or legal rights or otherwise causing injury, and was despicable conduct that subjected Plaintiff
4 to a cruel and unjust hardship in conscious disregard of his rights, so as to justify an award of exemplary
5 and punitive damages.

6 FOURTH COUNT

7 57. Plaintiff repeats and re-alleges Paragraphs 1 through 56 as though fully set forth herein.

8 58. Table games at Harrah's casinos have posted "table limits," which purport to be the
9 maximum amount it is permissible to be wager at any one time. By posting table limits, Harrah's
10 effectively promises its patrons, including Plaintiff, that it will not accept larger amounts, and will pay
11 winners fairly based on the amount of the accepted wager.

12 59. At the time Harrah's made the aforementioned promise to Plaintiff, Harrah's had no
13 intention of honoring it.

14 60. The promise was made by Harrah's with the intent to induce Plaintiff to wager his money
15 in Harrah's table games.

16 61. At the time the promise was made and at all times during his dealings with Harrah's,
17 Plaintiff was ignorant of Harrah's secret intention not to perform and could not, in the exercise of
18 reasonable diligence, have discovered Harrah's secret intention.

19 62. In reliance on Harrah's promise, Plaintiff did wager his money in Harrah's table games.
20 If Plaintiff had known of the actual intention of Harrah's, he would not have done so.

21 63. On at least one occasion in late 2007, while playing table games at Caesars Palace,
22 Watanabe unintentionally placed bets that exceeded table limits. Dealers knowingly permitted him to
23 make such bets. If Watanabe lost, the dealer would cheat him by taking, for the house, the entire
24 amount wagered, including the amount that was in excess of the table limit. This happened with
25 Harrah's full knowledge, but without any knowledge whatsoever on the part of Watanabe. In this way,
26 Harrah's broke its promise regarding table limits and intentionally cheated and defrauded Plaintiff.

27 64. As a direct and proximate result of Harrah's wrongful actions, Plaintiff has been damaged
28 in an amount to be proven at trial.

1 75. Plaintiff repeats and re-alleges Paragraphs 1 through 74 as though fully set forth herein.

2 76. By engaging in the acts and omissions described above, including failing to cut off
3 Plaintiff's gaming privileges, extending excessive credit to Plaintiff, and providing him with excessive
4 intoxicants, Defendants' violated their duty of due care toward Plaintiff.

5 77. As a direct and proximate result of Defendants' negligence, Plaintiff suffered damages in
6 an amount according to proof, including but not limited to general and economic damages, medical and
7 related expenses, and great mental, physical, emotional, and nervous injury, pain and suffering.

8 **FIFTH CLAIM FOR RELIEF**
9 **Negligence Per Se**

10 78. Plaintiff repeats and re-alleges Paragraphs 1 through 77 as though fully set forth herein.

11 79. By engaging in the negligent acts and omission described above, Defendants violated
12 multiple Nevada statutes, ordinances, and/or regulations.

13 80. Said violations were the proximate cause of injuries to Plaintiff.

14 81. The injuries to Plaintiff resulted from occurrences the nature of which said statutes,
15 ordinances and/or regulations were designed to prevent.

16 82. Plaintiff is one of the class of persons for whose protection said statutes, ordinances,
17 and/or regulations were adopted.

18 83. As a direct and proximate result of Defendants' negligence, Plaintiff suffered damages in
19 an amount according to proof, including but not limited to general and economic damages, medical and
20 related expenses, and great mental, physical, emotional, and nervous injury, pain and suffering.

21 **SIXTH CLAIM FOR RELIEF**
22 **Breach of Written Contract: 60-Day Repayment Period**

23 84. Plaintiff repeats and re-alleges Paragraphs 1 through 83 as though fully set forth herein.

24 85. On or about November 16, 2006, Harrah's, Caesars Palace and Rio entered into a written
25 contract with Plaintiff granting to Plaintiff a repayment period of at least 60 (sixty) days for all gambling
26 markers. Under this agreement, no marker was to be presented to Plaintiff's bank for payment until at
27 least 60 days had elapsed following Plaintiff's execution of such marker.

1 86. On or about January 31, 2008, Harrah's, Caesars Palace and Rio breached the agreement
2 by presenting numerous markers for payment from Plaintiff's account at Wells Fargo Bank when said
3 markers had been outstanding for less than 60 days.

4 87. Plaintiff has performed all conditions, covenants, and promises required on his part to be
5 performed in accordance with the terms and conditions of the contract.

6 88. As a direct and proximate result of the breach of the contract by Harrah's, Caesars Palace
7 and Rio, Plaintiff has been damaged in an amount to be proved at trial.

8 **SEVENTH CLAIM FOR RELIEF**

9 **Breach of Written and Implied Contract: Responsible Gaming Policy**

10 89. Plaintiff repeats and re-alleges Paragraphs 1 through 88 as though fully set forth herein.

11 90. Harrah's, Caesars Palace and Rio claim to adhere to certain principles in the treatment of
12 their gambling customers, as set forth in Harrah's "Code of Commitment" and "Responsible Gaming"
13 policy, which are made generally available to all Harrah's patrons.

14 91. Harrah's, Caesars Palace and Rio patrons are invited to rely on these policies, which
15 amount to an enforceable contract, both express and implied, between Harrah's and its customers,
16 including Plaintiff.

17 92. Throughout the latter half of 2007, Harrah's, Caesars Palace and Rio repeatedly and
18 continually breached this agreement by failing to cut off Plaintiff's gaming privileges, extending
19 excessive credit to Plaintiff, and providing him with excessive intoxicants.

20 93. Plaintiff has performed all conditions, covenants, and promises required on his part to be
21 performed in accordance with the terms and conditions of the contract.

22 94. As a direct and proximate result of these wrongful actions by Harrah's, Caesars Palace
23 and Rio, Plaintiff has been damaged in an amount to be proven at trial.

24 **EIGHTH CLAIM FOR RELIEF**

25 **Breach of Written and Oral Contract: "Comps" and Benefits**

26 95. Plaintiff repeats and re-alleges Paragraphs 1 through 94 as though fully set forth herein.

27 96. Starting in 2006, and continuing throughout 2007, Plaintiff maintained an ongoing
28 agreement with Harrah's, Caesars Palace and Rio, having both written and oral components, to the effect
that Plaintiff would receive certain specified enticements in exchange for his ongoing gambling activity

1 at Harrah's casinos, including participation in "rewards credits" and/or "gift points" programs; discounts
2 and cash back on his gambling losses; complimentary food, beverages and other hospitality-related
3 goods and services; and other enticements and "comps," many of which were unique to Plaintiff. It was
4 further agreed between Plaintiff and Harrah's, Caesars Palace and Rio that the monetary value of the
5 aforementioned "comps," enticements and benefits would exceed those which had previously been
6 provided to Plaintiff by the Wynn Las Vegas casino prior to his departure from the Wynn in June, 2007.

7 97. Starting at least as early as April, 2007, Harrah's, Caesars Palace and Rio breached the
8 agreement by unilaterally changing the way they calculated "rewards credits" and/or "gift points," with
9 no notice to Plaintiff, such that Plaintiff's benefits thereunder were substantially less than previously
10 agreed; by failing to fully apply Plaintiff's discounts and cash back in the negotiated amounts; and by
11 failing to provide food, beverages and other hospitality-related goods and services to Plaintiff on a
12 complimentary basis, as agreed; and by providing a package of "comps," enticements and benefits that
13 failed to exceed that which had previously been provided to Plaintiff by the Wynn Las Vegas casino.

14 98. Plaintiff has performed all conditions, covenants, and promises required on his part to be
15 performed in accordance with the terms and conditions of the contract.

16 99. As a direct and proximate result of the wrongful actions of Harrah's, Caesars Palace and
17 Rio, Plaintiff has been damaged in an amount to be proven at trial.

18 **NINTH CLAIM FOR RELIEF**

19 **Breach of Written and Implied Contract: Failure to Honor Table Limits**
20 **(Against Harrah's and Caesars Palace Only)**

21 100. Plaintiff repeats and re-alleges Paragraphs 1 through 99 as though fully set forth herein.

22 101. Table games at Harrah's casinos have posted "table limits," which purport to be the
23 maximum amount it is permissible to wager at any one time. By posting table limits, Harrah's
24 effectively promises its patrons, including Watanabe, that it will not accept larger amounts, and will pay
25 winners fairly based on the amount of the accepted wager.

26 102. On at least one occasion in late 2007, while playing table games at Caesars Palace,
27 Watanabe unintentionally placed bets that exceeded table limits. Dealers knowingly permitted him to
28 make such bets. If Watanabe lost, the dealer would take, for the house, the entire amount wagered,
including the amount that was in excess of the table limit; but if Watanabe won, he would be paid an

1 amount that was commensurate only with the table limit. This happened with Harrah's full knowledge,
2 but without any knowledge whatsoever on the part of Watanabe. In this way, Harrah's breached its
3 agreement with Watanabe, effectively cheating him regardless of whether he won or lost any given
4 wager.

5 103. Plaintiff has performed all conditions, covenants, and promises required on his part to be
6 performed in accordance with the terms and conditions of the contract.

7 104. As a direct and proximate result of the wrongful actions of Harrah's, Caesars Palace and
8 Rio, Plaintiff has been damaged in an amount to be proven at trial.

9 **TENTH CLAIM FOR RELIEF**
10 **Intentional Infliction of Emotional Distress**

11 105. Plaintiff repeats and re-alleges Paragraphs 1 through 104 as though fully set forth herein.

12 106. As detailed above, Defendants repeatedly and constantly supplied prescription drugs
13 without a prescription or physician supervision and excessive alcohol to Plaintiff with intent to
14 immobilize and incapacitate him and to impair his judgment, all for purposes of ensuring that he would
15 accumulate extraordinary gambling losses at Harrah's casinos. In doing so, Defendants deliberately and
16 unconscionably preyed upon and exacerbated Plaintiff's known vulnerabilities, including his compulsive
17 gambling, alcoholism and drug use for purposes of Harrah's pecuniary gain.

18 107. In furtherance of its unlawful scheme to prey upon Plaintiff, and to acquire his sizable
19 fortune for Harrah's, Defendants deliberately exploited Plaintiff's weakened and defenseless state by
20 increasing his table limits and extending to him unprecedented and unwarranted amounts of credit for
21 casino gambling, in amounts that were so excessive as to violate Harrah's own internal policies
22 concerning maximum credit limits and its own and Nevada's "responsible gaming" restrictions . In
23 carrying out this predatory lending scheme, Defendants moreover deliberately violated their duty by
24 failing to cut off Plaintiff's gaming privileges despite his conspicuous, chronic intoxication and
25 obviously reckless and excessive gambling activity.

26 108. These prescription drugs, excessive alcohol, and unjustifiable amounts of casino credit
27 were provided to Plaintiff—a known compulsive gambler—in an atmosphere of domination and control
28 over Plaintiff in which Harrah's management and employees sought to restrict his movements within the

1 Caesars property and confine him on the premises against his will, all in an effort to ensure that he
2 continued to sign markers and accumulate gambling losses, regardless of his impaired mental and
3 physical condition.

4 109. As a direct and proximate result of Defendants' outrageous acts and conduct, Plaintiff
5 sustained great financial losses, suffered severe pain and distress of mind and body, and endured great
6 mental anguish, disturbance, embarrassment, humiliation, shame and indignity, all to Plaintiff's damage
7 in an amount to be proven at trial.

8 110. The acts and conduct of Defendants as alleged were wanton, willful and malicious, so as
9 to justify an award of exemplary and punitive damages.

10 **ELEVENTH CLAIM FOR RELIEF**
11 **Breach of Implied Duty of Good Faith and Fair Dealing**

12 111. Plaintiff repeats and re-alleges Paragraphs 1 through 110 as though fully set forth herein.

13 112. There is implied in every contract in the State of Nevada a Covenant of Good Faith and
14 Fair Dealing.

15 113. By its actions described herein, Harrah's, Caesars Palace and Rio breached this covenant.

16 114. The acts and conduct of Harrah's, Caesars Palace and Rio as alleged were wanton, willful
17 and malicious, so as to justify an award of exemplary and punitive damages.

18 115. As a direct and proximate result of the wrongful actions of Harrah's, Caesars Palace and
19 Rio, Plaintiff has been damaged in an amount to be proven at trial.

20 **TWELFTH CLAIM FOR RELIEF**
21 **Civil Conspiracy**

22 116. Plaintiff repeats and re-alleges Paragraphs 1 through 115 as though fully set forth herein.

23 117. Throughout 2006 and 2007, Defendants, and each of them, knowingly and willfully
24 conspired and agreed among themselves to commit the unlawful acts alleged herein.

25 118. Defendants, and each of them, did the acts and things herein alleged pursuant to, and in
26 furtherance of, said conspiracy and agreement.

27 119. Defendants, and each of them, furthered the conspiracy by cooperating with, lending aid
28 and encouragement to, and ratifying and adopting the acts of each other defendant.

1 Written and Oral Contract: “Comps” and Benefits), Watanabe has been denied by Defendants the
2 financial benefits due him pursuant to the “comps” and benefits arrangement that Harrah’s specifically
3 agreed to with Watanabe, and as an independent matter, Defendants presented markers improperly and
4 in violation of the terms of Defendants’ agreements with Watanabe.

5 130. In order to ascertain with particularity the amount of financial benefits that are due and
6 owing to Watanabe and the number and amount of markers presented improperly by Defendants,
7 Watanabe is entitled to a thorough accounting of the books and records of Defendants with respect to
8 Watanabe’s gaming activity for the years 2006 and 2007.

9 WHEREFORE, Plaintiff prays for:

- 10 A. Entry of judgment in favor of Plaintiff and against all Defendants and each of them,
11 jointly and severally, on the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth,
12 Ninth, Tenth, Eleventh, Twelfth and Fourteenth claims for relief, inclusive, with damages
13 according to proof at trial for each claim.
- 14 B. Entry of judgment in favor of Plaintiff and against Harrah’s and Caesars Palace, and each
15 of them, jointly and severally, on the Ninth claim for relief, with damages according to
16 proof at trial;
- 17 C. An award of punitive damages in favor of Plaintiff and against Defendants and each of
18 them, jointly and severally, in such sum as is appropriate to punish Defendants, and is
19 commensurate with their wealth;
- 20 D. On the Second claim for relief, an award of attorneys fees pursuant to N.R.S. § 41.600(3);
- 21 E. On the Thirteenth claim for relief, an order declaring (1) that the above-referenced
22 markers are invalid and/or unenforceable, and (2) that Watanabe is entitled to payment
23 and/or offsets for as-yet-uncredited comps, incentives and/or discounts from Harrah’s, in
24 an amount according to proof;
- 25 F. On the Fourteenth claim for relief, an order requiring restitution by Harrah’s, Caesars
26 Palace and Rio of their illegally or unfairly gotten gains, in an amount according to proof,
27 in excess of \$75,000;
- 28 G. On the Fifteenth claim for relief, an accounting;

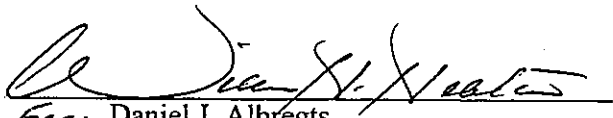
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- H. An order requiring payment of reasonable attorneys' fees and costs and expenses incurred in this action pursuant to applicable Nevada law;
- I. An award of statutory interest on all amounts otherwise awarded to Plaintiff in this action;
- J. An award of costs of suit; and
- K. Any and all other relief this Court may deem proper.

PLAINTIFF HEREBY DEMANDS A TRIAL BY JURY ON ALL ISSUES SO TRIABLE.

O'DONNELL & ASSOCIATES, PC
PIERCE O'DONNELL (*Pro Hac Vice* pending)
STEVEN J. AARONOFF (*Pro Hac Vice* pending)

DATED: November 19, 2009


For: Daniel J. Albregts

LAW OFFICES OF DANIEL ALBREGTS, LTD
DANIEL J. ALBREGTS
Attorneys for Plaintiff