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April 15, 2016

The Honorable Mary Jo White, Chair
c/o Mr. Brent Fields, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-3561

Re: Questions concerning the audited financial statements of Red Rock Resorts, Inc.

Dear Chair White:

We write with questions regarding the proposed initial public offering by Red Rock Resorts, Inc. ("Red Rock"). We are unsure how Ernst & Young, the auditor of Red Rock, was able to provide an unqualified opinion on the financial statements of Red Rock's Station Holdco LLC subsidiary, which were included the company's most recent S-1/A filing.

We have two specific questions:

1. Did Fertitta Entertainment, which will be acquired by Red Rock for $460 million, provide audited financial statements with an unqualified opinion by its auditor – also Ernst & Young – after it agreed to be acquired by Red Rock?
2. If Fertitta Entertainment did not provide audited financial statements, how did Ernst & Young handle the inclusion of Fertitta Entertainment when it produced the audited consolidated financial statements of the Station Holdco holding company?

The S-1/A filed by Red Rock on 4/15/16 includes the audited financial statements of Station Holdco LLC, which comprise of "the financial statements of Station Holdco, Station Voteco LLC ("Station Voteco"), Station Casinos LLC and its consolidated subsidiaries ("Station LLC"), and Fertitta Entertainment LLC and its consolidated subsidiaries ("Fertitta Entertainment") (as combined, "Station Holdco Combined" or the "Company")."

In its unqualified report on p. F-5, Ernst & Young writes:

> In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Company [Station Holdco LLC] as of December 31, 2015 and 2014, and the combined results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

However, it is not clear how Ernst & Young could have audited and produced its unqualified opinion on the financial statements of Station Holdco LLC. The same firm had raised questions about what it had seen of

Fertitta Entertainment's financial statements and had even "withdrawn its opinion" on them for certain time periods.

According to section 3.08 of the disclosure schedule of the execution copy of the Fertitta Entertainment purchase agreement (filed as Exhibit 10.10 in Red Rock's 2/12/16 S-1/A):

> With respect to [Fertitta Entertainment LLC's] consolidated financial statements for the years ended December 31, 2012, 2013 and 2014 and for the six months ended June 30, 2015, the Company did not record share-based compensation expense associated with equity incentives issued to current and former executives of the Company from FI Station Investor LLC. FI Station Investor LLC is an entity that is owned by the parent entities of the Company. Pursuant to GAAP, this non-cash share-based compensation is required to be recorded as a component of the Company's statement of operations since these executives were employees of the Company and FI Station Investor LLC is a common-controlled entity of the Company's equity holders. The Company's auditor, Ernst & Young LLP, has determined that each of the foregoing financial statements would require to be restated and has withdrawn its opinions for each audit period that are dated March 25, 2015, May 14, 2014, April 16, 2013 and May 15, 2012, respectively.

This disclosure makes one question how the unnamed financial advisor to the special committee of Red Rock was able to provide a fairness opinion on the Fertitta Entertainment acquisition, if the target company's auditor had withdrawn its opinion on its financial statements.

More importantly, the periods in question (2012 through the first half of 2015) named above overlap with the three-year time period for which Ernst & Young has provided an unqualified opinion on the financial statements of Station Holdco, which would have to have included financials of Fertitta Entertainment. If there were no audited financial statements of Fertitta Entertainment available, how did Ernst & Young arrive at its unqualified opinion of the financial statements of Station Holdco LLC for 2013 through 2015? What information regarding Fertitta Entertainment did Ernst & Young use to make it possible for the firm to issue an unqualified opinion on the audited consolidated financial statement of Station Holdco LLC?

It is possible that, since last October, when the purchase agreement was signed and the above disclosure was made, Fertitta Entertainment restated its financial statements for the named periods and Ernst & Young has since audited and provide an unqualified opinion on its restated financial statements. But if that is what has transpired and new financial statements acceptable to the auditors are available now from Fertitta Entertainment, should the $460-million agreement signed last October be revisited to ensure the deal is still fair to Station Casinos and its current and future investors?

Please feel free to contact me at 702-387-7001 or kliu@unitehere.org.

Sincerely,

Ken Liu
Research Director
Culinary Workers Union
UNITE HERE Local 226

cc: Folake Ayoola, Division of Corporation Finance, SEC
Thomas Roche, Global Director of Gaming Services and Managing Partner, Ernst & Young