



RE: Union's November 3, 2015 Letter to SEC Requesting Review of Station Casinos Corp.'s Omissions in October 13, 2015 Registration Filing

On November 3, 2015, we sent a letter to the SEC requesting the commission require disclosure of information omitted from the Form S-1 Initial Public Offering (IPO) registration filed by Station Casinos Corp. (Station Casinos) on October 13, 2015 (File #333-207397).

We wrote that we believe that in its preliminary prospectus, Station Casinos omitted disclosure of ongoing and recent investigations into a major owner of the company, Deutsche Bank AG, which, through its wholly-owned subsidiary German American Capital Corporation (GACC), owns 25 percent of the equity interests in Station Casinos LLC and could become a significant shareholder of Station Casinos Corp. upon the completion of the IPO. We believe the company also omitted information about concerns that have been raised with Nevada gaming regulators regarding the suitability of Deutsche Bank to participate in the ownership of Nevada casinos, a highly regulated industry. If Nevada gaming regulators determine Deutsche Bank is not a suitable to own equity interests in a licensed owner of Nevada casinos, Station Casinos LLC could be forced to buy out the bank's interests, which would require additional equity or debt funding and change the financial terms of the proposed IPO. Alternatively, if such a determination by Nevada regulators occurs after the IPO, the bank would be forced to dispose of its Station Casinos shares, which could significantly depress the stock price of the company. This is clearly important information for prospective shareholders.

Recent and Ongoing Investigations into Major Owner Not Disclosed

Earlier this year a subsidiary of Deutsche Bank pleaded guilty to criminal wire-fraud and the foreign bank agreed to pay a record \$2.519 billion to United States and British regulatory authorities for its role in rigging global interest rates, including \$775 million in criminal penalties to the U.S. Treasury Department and U.S. Department of Justice. The bank is also the subject of at least three criminal investigations in the United States, including an unresolved probe into possible money laundering through the bank by its Russian clients.

Attached are two letters our organization submitted to state gaming authorities in Nevada calling for a review of the suitability of Deutsche Bank and its affiliates to participate in the ownership of Station Casinos. Serious questions have been raised in Nevada as to whether Deutsche Bank through its affiliate, German American Capital Corporation, remains suitable to own casinos in Nevada given the felony plea, LIBOR fines, and unresolved criminal investigations.



Implications for Prospective Shareholders

These are omissions because Station Casinos is a gaming company and its primary business is 19 Nevada casinos and casino management agreements with three Native American tribes. The 19 Nevada casinos are subject to the Nevada Gaming Act and the casino management agreements with Native American Tribes are subject to the Indian Gaming Regulatory Act of 1988 (IGRA). For the year ended December 31, 2014, 95 percent of the company's gross revenues came from its Nevada casinos.ⁱ

Nevada's public policy as found in its gaming statutes and regulations is dedicated to protecting the health, integrity and reputation of the state's most important industry. A key component of the laws is to ensure gaming is free of criminal, corrupt, unsavory or otherwise unsuitable persons and to prevent them from having direct or indirect involvement with gaming at any time and in any capacity. Gaming licenses are required in order to own and operate casinos or participate in the gaming industry and can be revoked at any time by Nevada gaming authorities, who also have broad discretionary authority to bring persons forward at any time for a suitability or licensing review. If Nevada gaming authorities determine a person is unsuitable for licensing or to continue to have a relationship with a gaming licensee, the gaming licensee would have to sever all relationships with the person.

IGRA requires the National Indian Gaming Commission to approve all management contracts for Class II and Class III gaming operations. Station Casinos subsidiariesⁱⁱ have management contracts for two existing Class II and Class III tribal casinos and one proposed casino. There are a number of provisions that will lead the NIGC to not approve a management contract, including if a director or a 10% shareholder of the management company has been or is subsequently convicted of a felony or a gaming offense.

Following the receipt of our letters calling for a review of Deutsche Bank's suitability, Nevada Gaming Control Board Chairman A.G. Burnett said the board was investigating our organization's allegations, but had not reached a conclusion, according to a July 13, 2015 article in Vegas Inc.ⁱⁱⁱ **To date, Nevada gaming authorities have not issued an official and public conclusion to their investigation.**

In September, in response to state and federal civil penalties levied against casino company Caesars Entertainment Corp. for deficient money laundering controls, Chairman A.G. Burnett told the Wall Street Journal that Caesars' admission that it violated federal laws meant that it violated Nevada laws as well. "When you violate US federal law, we're not going to let that harm our reputation," said Burnett.^{iv}

SEC Review Warranted

These deficiencies in Station Casinos Corp.'s disclosures to the SEC and prospective investors should be cured prior to approval of this registration statement.

Prospective shareholders have a vested interest in knowing complete and detailed information about the company's leaders, significant owners, and potential regulatory issues. Moreover, Stations Casinos asserts that the company's executive officers, directors and existing owners have agreed that they will not for a period of 180 days from the date of the prospectus dispose or hedge any Class A shares or shares convertible into Class A shares , without the prior written consent of Deutsche Bank Securities Inc. and J.P. Morgan Securities LLC, except for certain customary exceptions, without acknowledging that a subsidiary of a specific significant shareholder has admitted to a felony and that the shareholder could be forced by regulators to sell its shares regardless of such lock-up agreements.^v

We believe the SEC requires a high degree of disclosure so that public investors can judge for themselves the risks associated with buying shares in an IPO like Station Casinos.

Deutsche Bank is not only an equity owner in Station Casinos, it is also a creditor and its Deutsche Bank Securities Inc. is an underwriter for the proposed IPO. Given its role in preparing the registration documents and expected role in marketing the IPO to prospective investors, the omissions in the currently filed S-1 regarding these potential regulatory risks regarding Deutsche Bank's current ownership of Station Casinos LLC (through its affiliate GACC) and potential future ownership of LLC units, Class B shares and Class A shares of Station Casinos Corp. are particularly disturbing.

ⁱ Station Casinos Corp., S-1, October 13, 2015, p. 18.

ⁱⁱ MPM Enterprises, L.L.C. has the management contract with the Gun Lake tribe in Michigan. According to NIGC documents, Station Casinos, Inc. (Station Casinos LLC's pre-bankruptcy predecessor) has a 100% membership interest in SC Michigan, LLC, which holds a 50% membership assets of MPM. According to the Gaming Management Agreement, SC Sonoma Management LLC has the contract with the Graton Rancheria in California. In the Graton agreement, the "Manager" means SC Sonoma Management LLC, a CA LLC, and its successors and permitted assigns. In the fourth "Amended and Restated Management Agreement" between NP OPCO LLC and FE OPCO Management LLC executed 8/19/14 and effective 8/1/13 (p. 5 Recitals W), FE is providing management consulting services and assistance to the Indian Gaming Managers.

ⁱⁱⁱ [Morris, J.D. "Culinary Union targets bank's ownership stake in Station Casinos," VEGAS INC, 7/31/15.](#)

^{iv} [O'Keeffe, Kate. "Caesars Fined \\$9.5 Million Over Lax Money-Laundering Controls," The Wall Street Journal, 9/8/15.](#)

^v Station Casinos Corp., S-1, October 13, 2015, p. 167.