shares of Wynn Resorts common stock in exchange for an approximately $1.936 billion promissory note, in accordance with Article VII of the Articles of Incorporation.

88. Aware of the magnitude of his improprieties and what the likely response of any reasonable board of directors of a Nevada gaming company, Mr. Okada attempted, in advance of the February 18, 2012 meeting of the Wynn Resorts Board, to set up a defense by disputing the Board's authority to act upon Mr. Freeh's report.

89. In light of the foregoing, Wynn Resorts seeks a judicial declaration that it acted lawfully and in compliance with its Articles, Bylaws, and other governing documents when it made the determination set forth herein.

90. NRS 30.130 states that "all persons shall be made parties who have . . . any interest which would be affected by the declaration." Each of Mr. Okada, Universal, and Aruze USA has interests that will be affected by the declaration that Wynn Resorts seeks. Among other examples, given the determination by the Wynn Resorts Board that Mr. Okada, Universal, and Aruze USA are unsuitable persons, none may be shareholders in Wynn Resorts.

91. Accordingly, a justiciable controversy has arisen between the parties whose interests are adverse, and the dispute is ripe for adjudication.

92. As a result of the acts and omissions of Defendants, Wynn Resorts has been compelled to hire the services of an attorney for the protection of its interests.

WHEREFORE, Wynn Resorts prays for judgment as follows:

1. For compensatory and special damages, in excess of $10,000, in an amount to be determined at trial;

2. For a declaration that Wynn Resorts acted lawfully and in full compliance with its Articles of Incorporation, Bylaws, and other governing documents as set forth herein;

3. For punitive damages;

4. For an award of reasonable costs and attorneys' fees;

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

5. For prejudgment and post-judgment interest on the foregoing sums at the highest rate permitted by law; and

6. For any additional relief this Court deems just and proper.

DATED this 30th day of April, 2013.

PISANELLI BICE PLLC

By: _____

James J. Pisanelli, Esq., Bar No. 4027
Todd L. Bice, Esq., Bar No. 4534
Debra L. Spinelli, Esq., Bar No. 9695
3883 Howard Hughes Parkway, Suite 800
Las Vegas, Nevada 89169

and

Paul K. Rowe, Esq. (*pro hac vice admitted*)
Bradley R. Wilson, Esq. (*pro hac vice admitted*)
Grant R. Mainland, Esq. (*pro hac vice admitted*)
WACHTELL, LIPTON, ROSEN & KATZ
51 West 52nd Street
New York, New York 10019

and

Robert L. Shapiro, Esq. (*pro hac vice admitted*)
GLASER WEIL FINK JACOBS HOWARD AVCHEN & SHAPIRO, LLP
10250 Constellation Boulevard, 19th Floor
Los Angeles, California 90067

Attorneys for Wynn Resorts, Limited

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of PISANELLI BICE PLLC, and that on this 22nd day of April, 2013, I caused to be **e-mailed** and **electronically served through the Court's filing system** true and correct copies of the foregoing **PLAINTIFF WYNN RESORTS, LIMITED'S SECOND AMENDED COMPLAINT** properly addressed to the following:

Samuel S. Lionel, Esq.
Paul R. Hejmanowski, Esq.
Charles H. McCrea, Esq.
Steven C. Anderson, Esq.
LIONEL SAWYER & COLLINS
300 South Fourth Street, Suite 1700
Las Vegas, NV 89101

William R. Urga, Esq.
Martin A. Little, Esq.
JOLLEY URGA WIRTH WOODBURY & STANDISH
3800 Howard Hughes Parkway, 16th Floor
Las Vegas, NV 89109

Ronald L. Olson, Esq.
Mark B. Helm, Esq.
Jeffrey Y. Wu, Esq.
MUNGER TOLLES & OLSON, LLP
355 South Grand Avenue, 35th Floor
Los Angeles, CA 90071

Marc J. Sonnenfeld, Esq.
MORGAN LEWIS & BOCKIUS LLP
1701 Market Street
Philadelphia, PA 19103

Joseph E. Floren, Esq.
Benjamin P. Smith, Esq.
Christopher J. Banks, Esq.
MORGAN LEWIS& BOCKIUS LLP
One Market, Spear Street Tower
San Francisco, CA 94105-1126

Kimberly Peets

An employee of PISANELLI BICE PLLC,

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

21. The term "Macau" or "Macao" refers to the Macau special administrative region of the People's Republic of China, including but not limited to the Macau Peninsula itself, Cotai, and the islands of Taipa and Coloane.

22. The term "Okada" refers to Kazuo Okada, and his agents, representatives, associates, attorneys, and all other persons acting or purporting to act on his behalf or under his control.

23. The term "PAGCOR" refers to the Philippine Amusement and Gaming Corporation.

24. The term "Person(s)" shall mean any natural person or any business, legal, or governmental entity or association. References to any person or entity shall include that person or entity and its officers, directors, employees, partners, agents, representatives, corporate parents, predecessors, successors, subsidiaries, and affiliates.

25. The term "Philippines" refers to Republic of the Philippines.

26. The terms "Policy" or "Policies" refers to policies, procedures, regulations, guidelines, manuals, processes, directives, rules, regulations, and post orders.

27. The term "Stockholders Agreement" refers to any and all agreements entered into by shareholders of Wynn Resorts stock, as amended, including but not limited to the Stockholders Agreement, dated April 11, 2002, by and among Wynn, Aruze, and Baron Asset Fund; the Waiver and Consent, dated July 31, 2009, by and among Wynn, Baron Investment Funds Trust, and Aruze; the Amendment to Stockholders Agreement, dated November 8, 2008, by and among Wynn and Aruze; the Waiver and Consent, dated August 13, 2009, by and among Wynn and Aruze; the Amended and Restated Stockholders Agreement, dated January 6, 2010, by and among Wynn, Elaine P. Wynn, and Aruze; the Waiver and Consent, dated November 24, 2010 by and among Wynn, Elaine P. Wynn, and Aruze; and the Waiver and Consent, dated December 15, 2010, by and among Wynn, Elaine P. Wynn, and Aruze.

28. "United States Attorney's Office" shall refer to the United States Attorney's Office, as well as any present or former employees, agents, independent contractors, attorneys, or other persons acting on the United States Attorney's behalf.

29. The term "Universal" refers to Universal Entertainment Corporation, and its predecessors, successors, parents, subsidiaries, divisions and affiliates, and each of their respective current and former officers, directors, agents, attorneys, accountants, employees, representatives, partners, and other persons occupying similar positions or performing similar functions, and all other persons acting or purporting to act on its behalf or under its control.

30. The term "Wynn" refers to Stephen A. Wynn, and his agents, representatives, associates, attorneys, and all other persons acting or purporting to act on his behalf or under his control.

31. The term "Wynn Board" refers to the Wynn Resorts' Board of Directors consisting of Wynn, Okada, Linda Chen, Ray R. Irani, Russell Goldsmith, Robert J. Miller, John A. Moran, Marc D. Schorr, Alvin V. Shoemaker, Boone Wayson, Elaine P. Wynn, Allan Zeman, individually and collectively, and each person's agents, representatives, associates, attorneys, and all other persons acting or purporting to act on each person's behalf or under each person's control.

32. The term "Wynn Las Vegas" refers to Wynn Las Vegas, LLC, and its predecessors, successors, parents, subsidiaries, divisions and affiliates, and each of their respective current and former officers, directors, agents, attorneys, accountants, employees, representatives, partners, and other persons occupying similar positions or performing similar functions, and all other persons acting or purporting to act on its behalf or under its control.

33. The term "Wynn Macau" refers to Wynn Macau, Limited, and its predecessors, successors, parents, subsidiaries, divisions and affiliates, and each of their respective current and former officers, directors, agents, attorneys, accountants, employees, representatives, partners, and other persons occupying similar positions or performing similar functions, and all other persons acting or purporting to act on its behalf or under its control.

34. The terms "Wynn Resorts," "You" and "Your" refer to Plaintiff and Counterdefendant Wynn Resorts, Limited, and its predecessors, successors, parents, subsidiaries, committees, subcommittees, divisions and affiliates, and each of their respective current and former officers, directors, agents, attorneys, accountants, employees, representatives, partners,

and other persons occupying similar positions or performing similar functions, and all other persons acting or purporting to act on its behalf or under its control, including but not limited to Wynn Macau and Wynn Las Vegas.

INSTRUCTIONS

1. Each Request calls for (1) the production of documents in Your possession, custody, or control; or (2) in the possession, custody, or control of another, other than Defendants, if You have the ability or right to obtain originals or copies of such documents, whether or not such right or ability has been exercised.

2. If You withhold any document, whether in whole or in part, as a result of some claimed limitation, including but not limited to a claim of privilege, You must supply a list of the documents being withheld, indicating as to each: (a) the author, sender, writer, addressor or initiator; (b) all addressees, recipients and intended recipients, including but not limited to any blind copies indicated; (c) the date created or transmitted; (d) the subject matter and subject matter indicated on the document, if any; and (e) the claimed grounds for nonproduction.

3. Whenever a document is not produced in full or is produced in redacted form, so indicate on the document and state with particularity the reason or reasons it is not being produced in full and describe those portions of the document which are not being produced.

4. Unless otherwise indicated, the document Requests herein call for documents that were dated or created, or came into your possession, custody or control at any time during the period from March 1, 2000 to the present.

5. Defendants reserve their rights to serve supplemental requests for documents as necessary.

6. The Requests below are continuing in nature. If, after making Your initial production and inspection, You obtain or become aware of any further documents responsive to these Requests, You are requested to produce such additional documents to Defendants.

7. It is not necessary to provide multiple copies of completely identical documents that are responsive to more than one Request. In the event that a document responsive

to a given Request is being produced in response to another Request, You may produce only one copy of the document.

8. In order to bring within the scope of these Requests all information that might otherwise be construed to be outside of their scope, the following rules of construction apply: (a) the singular shall include the plural and vice versa; (b) the connectives "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the Request all responses that might otherwise be construed to be outside its scope; (c) the terms "any," "all" and "each" shall be read to mean any, all, each, and every; (d) the present term shall be construed to include the past term and vice versa; (e) "on or about" when used in conjunction with a specified date means the period beginning two weeks before and ending two weeks after the specified date; and (f) references to employees, officers, directors or agents shall include both current and former employees, officers, directors and agents.

9. You are to produce each document requested herein in its entirety, without deletion or excision, and shall include all attachments, appendices, exhibits, lists, schedules, or other documents at any time affixed thereto, regardless of whether You consider the entire document to be relevant or responsive to the Requests. A request for documents shall be deemed to include a request for any or all transmittal sheets, cover letters, exhibits, enclosures, or attachments to the documents, in addition to the document itself, without abbreviation or expurgation.

10. The documents requested herein shall be produced as they are kept in the usual course of business, or shall be organized and labeled to correspond to each document request herein. All documents that are physically attached to each other when located for production shall be left so attached. Documents that are segregated or separated from other documents, whether by use of binders, files, subfiles, or by dividers, tabs, or any other method, shall be left so segregated or separated. All labels or other forms of identification contained, placed, attached, or appended on or to any binders, files, subfiles, dividers, or tabs shall be produced.

11. If any document requested herein that was formerly in your possession, custody or control has been destroyed, discarded, or otherwise lost, the document shall be identified by stating: (a) the nature of the document, the number of pages, its subject matter and its contents, including but not limited to any attachments or appendices; (b) the author of the document and all persons to whom it was sent, including but not limited to cover copies or blind copies; (c) the date on which the document was prepared or transmitted; (d) the date on which the document was lost, discarded, or destroyed; (e) the person who authorized and carried out the destruction; and (f) the name of any custodian of any existing copies of the document. If no documents or things exist that are responsive to a particular paragraph of these requests, so state in writing.

12. Each document request shall be construed independently and without reference to other requests.

13. All electronically stored information ("ESI") and any other document produced in electronic format, including but not limited to any hard copy documents copied and produced in electronic format, shall be produced in the "Requested Production Format" attached as Appendix A.

REQUESTS FOR PRODUCTION

REQUEST FOR PRODUCTION NO. 1:

All documents from April 21, 2000 to present concerning Wynn's and Wynn Resorts' business plans and activities in Macau, including but not limited to all documents concerning:

A. The development of casino resorts in Macau;

B. The obtaining of any governmental approvals, gaming licenses, and/or concession contracts, for the operation of any casino resort in Macau;

C. Wynn Resorts (Macau), S.A.'s business plans and activities in Macau, from its establishment on October 17, 2001, through and until Wynn contributed his interests in Wynn Resorts (Macau), S.A. to the capital of Valvino Lamore, LLC on or about April 11, 2002;

D. The acquisition or potential acquisition of land rights in Macau, including but not limited to the Land Concession Contract included as exhibit 10.1 to Wynn Resorts' Form 8-K filing on May 2, 2012;

E. The payment of $50 million to Tien Chiao Entertainment & Investment Co. Ltd. by Palo Real Estate Company Limited as disclosed in exhibit 99.1 to Wynn Resorts' Form 8-K filing on September 11, 2009, including but not limited to all documents concerning: (i) all public disclosure made or considered concerning this payment and (ii) all agreements between Wynn Resorts and Tien Chiao Entertainment & Investment Co. Ltd.;

F. Any communications with Tien Chiao Entertainment & Investment Co. Ltd. and/or Palo Real Estate Company Limited, including but not limited to any communications with any owners, principals, agents, or affiliates of Tien Chiao Entertainment & Investment Co. Ltd. and/or Palo Real Estate Company Limited;

G. Business plans or activities in Macau concerning Tien Chiao Entertainment & Investment Co. Ltd. and/or Palo Real Estate Company Limited;

H. Any consultants engaged by Wynn Resorts, Wynn Resorts (Macau), or any of their affiliates engaged or otherwise consulted in connection with business plans and activities in Macau;

I. All due diligence, assessments, investigations, and analyses concerning business plans and activities in Macau; and,

J. All donations considered and/or made in China, including but not limited to China's special administrative regions, Macau and Hong Kong.

REQUEST FOR PRODUCTION NO. 2:

All documents from April 21, 2000 to present concerning the "Macau Interest" and the "Macau Reimbursement Amount," as those terms are used in the Third Amended and Restated Operating Agreement of Valvino Lamore, LLC dated April 11, 2002, including but not limited to all documents concerning the valuation of the "Macau Interest" and the "Macau

Reimbursement Amount".

REQUEST FOR PRODUCTION NO. 3:

All documents from April 21, 2000 to present concerning any Government Official of China and/or Macau, including but not limited to all documents concerning any payment, benefit, or gift provided to any such official, directly or indirectly, including any provision or payment of meals, lodging, travel, or anything else for any Government Official of China and/or Macau.

REQUEST FOR PRODUCTION NO. 4:

All documents concerning Wynn Macau's May 2011 pledge to donate to the University of Macau Development Foundation, including but not limited to all documents concerning:

A. The beneficiaries, directly or indirectly, of the donation;

B. All due diligence, assessments, investigations, and analyses concerning the donation conducted by Wynn Resorts or any other individual or entity;

C. All notes, reports, communications, or other materials by, with, or otherwise involving members of the Wynn Board;

D. All legal opinions and FCPA analysis relating to the donation, including but not limited to advice provided by Gibson, Dunn & Crutcher LLP.; and

E. Okada's objections to the donation, including but not limited to Okada's objection to the donation during the April 2011 Wynn Board meeting referenced in Paragraph 76 of the Counterclaim.

REQUEST FOR PRODUCTION NO. 5:

All documents from April 21, 2000 to present concerning donations made by Wynn Resorts, Wynn Macau and/or Wynn Las Vegas to any charitable organization.

REQUEST FOR PRODUCTION NO. 6:

All documents from April 21, 2000 to present concerning, including but not limited to all communications with, Chu Sai Cheong, Jose Vai Chi "Cliff" Cheong, John Crawford, Li Tai Foon, Edmund Ho, Ho Ho, Lawrence Ho, Stanley Ho, Wilson Kwan, Yany

Kwan, Darryl "Dax" Turok, and Chi Seng Wong, and each person's agents, representatives, associates, attorneys, and all other persons acting or purporting to act on each person's behalf or under each person's control.

REQUEST FOR PRODUCTION NO. 7:

All documents from April 21, 2000 to present concerning the Cotai Land Development Co. Ltd., Companhia de Entretenimento e Investimento Chinese Limitada, Palo Real Estate Development Co. Ltd., Wynn Cotai Holding Co., Ltd., Cotai Partner, Ltd., and Tien Chiao Entertainment & Investment Co. Ltd., and each entity's predecessors, successors, parents, subsidiaries, divisions or affiliates, and their respective current and former owners, shareholders, members, officers, directors, agents, attorneys, accountants, employees, partners, or other persons occupying similar positions or performing similar functions, and all other persons acting or purporting to act on each entity's behalf or under each entity's control.

REQUEST FOR PRODUCTION NO. 8:

All documents from April 21, 2000 to present concerning Wynn's visits to China, including but not limited to all documents concerning:

A. Any visits initially planned, but later cancelled or postponed; and/or

B. Any use of Wynn Resorts' corporate plane or Wynn's private plane.

REQUEST FOR PRODUCTION NO. 9:

All documents concerning the financial contributions made by Aruze to Wynn Resorts and/or Valvino Lamore, LLC, including but not limited to all documents concerning the manner in which Wynn, Wynn Resorts, or Valvino Lamore, LLC spent the $120 million contributed by Aruze to Valvino Lamore, LLC in April 2002.

REQUEST FOR PRODUCTION NO. 10:

All documents concerning the financial contributions of Baron Asset Fund to Wynn Resorts and/or Valvino Lamore, LLC.

REQUEST FOR PRODUCTION NO. 11:

All books and records for Wynn Resorts and/or Valvino Lamore, LLC for the years 2000 to 2002.

REQUEST FOR PRODUCTION NO. 12:

All documents concerning any resolution to preclude Wynn or Wynn Resorts from developing casino projects in the Philippines by the House of Representatives of the Philippines or any other Government Official of the Philippines.

REQUEST FOR PRODUCTION NO. 13:

All documents concerning Defendants' business plans and activities in the Philippines, including but not limited to all documents concerning:

A. The development of casino resorts in the Philippines;

B. Communications involving Wynn Resorts regarding contractors or other construction workers in the Philippines;

C. The obtaining of any Philippines governmental approvals, gaming licenses, and/or concession contracts, for the operation of any casino in the Philippines;

D. The acquisition or potential acquisition of land rights in the Philippines; and,

E. All communications involving Defendants, Wynn Resorts, or Counterdefendants concerning Defendants' business plans and activities in the Philippines, including but not limited to Wynn's May 1, 2008 conference call to stock analysts that is referenced in Paragraph 60 of Defendants' Counterclaim.

REQUEST FOR PRODUCTION NO. 14:

All documents concerning Wynn's visits to the Philippines from 2000 to the present, including but not limited to all documents concerning:

A. Wynn's visit to the Philippines in 2010 referenced in Paragraphs 72 to 74 of Defendants' Counterclaim;

B. Any visits initially planned, but later cancelled or postponed, including but not limited to a meeting with the President of the Philippines, Benigno Aquino III; or

C. Any use of Wynn Resorts' corporate plane or Wynn's private plane.

REQUEST FOR PRODUCTION NO. 15:

All documents concerning any payments, benefits, and gifts allegedly made by Defendants to former or current members of PAGCOR, including but not limited to all documents concerning:

A. All visits allegedly made to Wynn Macau and Wynn Las Vegas by former or current persons associated or affiliated with PAGCOR, including all alleged expenses incurred by any such officials, including any guests accompanying the officials, during any such visits;

B. The authorization of alleged payments, benefits, or gifts to former or current PAGCOR employees and officials;

C. Any disciplinary action taken against any former or current employee of Wynn Resorts, Wynn Macau, or Wynn Las Vegas for alleged payments, benefits, and gifts provided to former or current PAGCOR employees and officials; and

D. All receipts or records of expenses incurred and/or amounts paid by any person affiliated with PAGCOR at Wynn Resorts properties, including but not limited to Wynn Macau properties.

REQUEST FOR PRODUCTION NO. 16:

All documents concerning all city ledger accounts kept by Wynn Resorts, Wynn Macau, and Wynn Las Vegas, including but not limited to all documents concerning:

A. All statements for the Universal City Ledger Account, Aruze City Ledger Account, or any other city ledger account associated with Defendants;

B. The 36 alleged instances of payments, benefits, and gifts provided to Philippine Government Officials alleged in Paragraph 52(b) of the Complaint and pages 20 through 22 of the Freeh Report, including but not limited to all receipts or records of all charges incurred by the alleged beneficiaries listed in the Freeh Report;

C. All payments, benefits, and gifts allegedly provided to Korean Government Officials at Wynn Macau and Wynn Las Vegas, as alleged in pages 31 and 32 in the Freeh Report;

D. All deposits made by any of the Defendants to an account controlled by Wynn Resorts for city ledger accounts associated with Defendants;

E. All expenses charged to the Universal City Ledger Account, Aruze City Ledger Account, or any other city ledger account associated with any of the Defendants;

F. All invoices sent by Wynn Resorts to any of the Defendants concerning city ledger accounts associated with Defendants;

G. All statements for city ledger accounts for Wynn, Wynn Resorts, or any Counterdefendant;

H. All policies at Wynn Resorts, Wynn Macau and Wynn Las Vegas concerning city ledger accounts, including but not limited to restrictions on payments made from such accounts, oversight over city ledger accounts, monitoring of irregularities with respect to city ledger accounts, and invoices provided to account holders;

I. Wynn Resorts' Memorandum to File referenced in the Freeh Report in footnote 12; and,

J. Invoices provided to account holders.

REQUEST FOR PRODUCTION NO. 17:

All documents from 2005 to the present concerning charges for lodging in each of the hotel rooms at Wynn Las Vegas and Wynn Macau allegedly occupied by any of the PACGOR officials named in the Freeh Report, including but not limited to:

A. all records, financial statements, and/or logs of charges incurred by guests in those hotel rooms;

B. rates of the hotel rooms at issue at the time any charges were incurred; and

C. amount paid by guests for the hotel rooms.

REQUEST FOR PRODUCTION NO. 18:

All documents concerning Defendants' business plans and activities in the Incheon Free Economic Zone in Korea.

REQUEST FOR PRODUCTION NO. 19:

All documents concerning any payments, benefits, or gifts allegedly made by Defendants to Government Officials of Korea, including but not limited to all documents concerning:

A. All visits allegedly made to Wynn Macau and Wynn Las Vegas by Korean Government Officials, including all alleged expenses incurred by any such officials during any such visits;

B. Any authorization of alleged payments, benefits, and gifts to Korean Government Officials;

C. Any disciplinary actions taken against any former or current employee of Wynn Resorts, Wynn Macau, or Wynn Las Vegas for alleged payments, benefits, and gifts provided to any Korean Government Official; and

D. All receipts or records of expenses incurred by any Korean Government Official at Wynn Resort properties.

REQUEST FOR PRODUCTION NO. 20:

All documents concerning any of the Korean Government Officials named in the Freeh Report, including but not limited to: Jong Cheol Lee; Woo Hyeung Lee; Min Yong Choi; and Ki Dong Hur.

REQUEST FOR PRODUCTION NO. 21:

All documents concerning any competition or potential competition between Defendants' casino resort in the Philippines and Wynn Macau, as alleged in Paragraph 27 of the Complaint, including but not limited to all documents concerning:

A. All due diligence, assessments, investigations, and analyses of the potential for competition; and

B. Okada's alleged plans to "lure high-limit, VIP gamblers from China" to Universal's casino resorts in the Philippines, "the same customer base as Wynn Macau," as alleged in Paragraph 27 of the Complaint.

REQUEST FOR PRODUCTION NO. 22:

All documents concerning the statement in Wynn Macau's IPO prospectus that Okada does not hold, own, or control more than 5% voting interests in an entity which is reasonably expected to compete with Wynn Macau, including but not limited to all communications and drafts related to this language in Wynn Macau's IPO prospectus.

REQUEST FOR PRODUCTION NO. 23:

All documents concerning the non-compete clause set forth in in Paragraph 6 of the Stockholder's Agreement, including but not limited to all communications related to the drafting of the non-compete clause.

REQUEST FOR PRODUCTION NO. 24:

All documents concerning Wynn's or Wynn Resorts' exploration into developing casino resorts in locations other than Las Vegas or Macau, including but not limited to all documents concerning:

A. Any impact any such casino resorts would have on Wynn Resorts' businesses in Las Vegas or Macau;

B. Any visits by Wynn to Monaco, including any visits initially planned but later cancelled; and

C. Any use of Wynn Resorts' corporate plane or Wynn's private plane.

REQUEST FOR PRODUCTION NO. 25:

All documents identifying or otherwise concerning persons who have received complimentary rooms, meals, gifts, gaming credits, or other things of value from Wynn Resorts (including, but not limited to, Wynn Macau).

REQUEST FOR PRODUCTION NO. 26:

All documents concerning any trade secrets owned by Wynn Resorts that any Defendant allegedly misappropriated, including but not limited to all documents concerning:

A. Any damages to Wynn Resorts caused by Defendants' alleged misappropriation of any such trade secrets.

B. The identity of any such trade secrets;

C. Wynn Resorts' ownership of any such trade secrets;

D. The independent economic value of any such trade secret, actual or potential, from not being generally known to (and not being readily ascertainable by proper means by) the public or any other persons who can obtain commercial or economic value from its disclosure or use;

E. All efforts by Wynn Resorts to maintain the secrecy of any such trade secrets; and

F. The allegedly improper means used by Defendants to obtain any such trade secrets.

REQUEST FOR PRODUCTION NO. 27:

All documents concerning any confidential information, trademarks, or other intellectual property owned by Wynn Resorts (other than trade secrets) that Defendants allegedly used or intended to use for their own benefit or to the detriment of Wynn Resorts, including but not limited to all documents concerning:

A. Any damages to Wynn Resorts caused by Defendants' alleged use of any such confidential information, trademarks, or other intellectual property.

B. The confidential information, trademarks, or other intellectual property Okada allegedly used for his own benefit and to Wynn Resorts' detriment, as alleged in Paragraph 72 of the Complaint;

C. Wynn Resorts' ownership of such confidential information, trademarks, or other intellectual property; and

D. All efforts by Wynn Resorts to keep such information or property confidential.

REQUEST FOR PRODUCTION NO. 28:

All documents concerning any information Defendants allegedly acquired from

Wynn Resorts that Defendant used or intended to use for their own benefit, including but not limited to all documents concerning:

A. Any damages to Wynn Resorts caused by Defendants' alleged use of any such information;

B. The alleged public statements by Universal that it would use information acquired from Wynn Resorts for its own use, as alleged in Paragraphs 31 to 34 of the Complaint; and

C. The allegation that "Okada arranged to have several key individuals serve as interns at the Wynn Macau property so that Wynn Macau 'know how' could be learned and siphoned from Wynn Resorts" in Paragraph 35 of the Complaint.

REQUEST FOR PRODUCTION NO. 29:

All documents concerning Defendants' alleged linking of Wynn Resorts to Defendants' separate business endeavors, including but not limited to all documents concerning:

A. Linking the website of Wynn Resorts and/or Wynn Macau to the websites controlled by Defendants;

B. Any damages to Wynn Resorts caused by any such alleged linking of Wynn Resorts to Defendants' separate business endeavors; and

C. The allegation that Wynn Resorts was harmed by Defendants' alleged "linking Wynn Resorts to business endeavors in the Philippines that would necessarily suggest its involvement with 'deeply ingrained' official corruption and a legal/regulatory framework ill-aligned with American compliance and transparency standards" in Paragraph 36 of the Complaint.

REQUEST FOR PRODUCTION NO. 30:

All documents concerning the possibility of Aruze pledging some of its shares in Wynn Resorts or obtaining a loan in 2011, including but not limited to all documents concerning:

A. Wynn Resorts possibly making a loan to Aruze, including but not limited to any legal analysis concerning any such loan;

B. The draft side letter prepared by Kimmarie Sinatra concerning a possible loan from Wynn Resorts to Aruze, as alleged in Paragraph 88 of the Counterclaim;

C. Deutsche Bank's participation in any possible loan to Aruze in 2011;

D. The meeting held on May 16, 2011 involving Wynn, Kimmarie Sinatra, Matt Maddox, and Okada concerning, among other things, Aruze possibly either pledging some of its shares in Wynn Resorts or obtaining a loan; and

E. Wynn Resorts' Compliance Committee's review and decision on any possible loan to Aruze.

REQUEST FOR PRODUCTION NO. 31:

All documents concerning Elaine Wynn transferring some or all of her shares of Wynn Resorts to a new owner in 2011, including but not limited to documents concerning Aruze's consent to any such transfer.

REQUEST FOR PRODUCTION NO. 32:

All documents concerning the Kimmarie Sinatra's role and duties with respect to any business of Wynn and/or Wynn Resorts.

REQUEST FOR PRODUCTION NO. 33:

All documents concerning Kimmarie Sinatra's communications about Section 402 of the Sarbanes-Oxley Act to any Defendant or Counterdefendant.

REQUEST FOR PRODUCTION NO. 34:

All documents concerning any investigation that Wynn Resorts conducted or commissioned concerning Defendants or their businesses in the Philippines, including but not limited to all documents concerning:

A. The "independent investigation and risk assessment of investing in the gaming industry in the Philippines" commissioned by the Compliance Committee in January 2011, as alleged in Paragraph 22 of the Complaint;

B. The "second independent investigation in the regulatory and compliance climate in the Philippines" commissioned by the Wynn Board in August 2011, as alleged in Paragraph 40 of the Complaint;

C. The report presented by Robert J. Miller at the November 1, 2011 Wynn Board meeting concerning the investigations conducted to that date; and

D. Any documents concerning any investigation or assistance provided by any person engaged by Wynn or Wynn Resorts.

REQUEST FOR PRODUCTION NO. 35:

All documents concerning communications by Wynn Resorts with Defendants (including Defendants' representatives) concerning any investigation that Wynn Resorts conducted or commissioned concerning Defendants or their businesses in the Philippines, including but not limited to all documents concerning:

A. The meeting between Robert Faiss, Mark Clayton, Kimmarie Sinatra and Kevin Tourek on September 30, 2011; and

B. The meeting held on October 4, 2011 between Wynn, Kimmarie Sinatra, Okada, and Okada's counsel, including but not limited to the possible removal of Okada as Vice Chairman of Wynn Resorts and as a director of both Wynn Resorts and Wynn Macau, including the purported grounds for any such removals, discussed at that meeting.

REQUEST FOR PRODUCTION NO. 36:

All documents concerning Frank A. Schreck's resignation as Chairman of Universal's Compliance Committee on September 27, 2011, including but not limited to all communications to or from Frank A. Schreck, Wynn Resorts, and any of the Counterdefendants.

REQUEST FOR PRODUCTION NO. 37:

All documents concerning the law firms Brownstein Hyatt Farber Schreck, LLP and Gordon Silver, including but not limited to any advice provided by them concerning alleged actions by any of the Defendants and/or their businesses in the Philippines.

REQUEST FOR PRODUCTION NO. 38:

All documents concerning the Arkin Group LLC, Arkin Kaplan Rice LLP, Stanley S. Arkin, and Jack Devine, including but not limited to any due diligence, assessments, investigations, and analyses conducted by the Arkin Group LLC and Arkin Kaplan Rice LLP concerning the Philippines, the gaming industry in the Philippines, and/or any of the Defendants.

REQUEST FOR PRODUCTION NO. 39:

All documents concerning any investigation of any of the Defendants or their businesses in the Philippines and Korea conducted by Freeh Sporkin, including but not limited to all documents concerning:

A. The retention of Freeh Sporkin, including the terms of its compensation;

B. All information gathered, and analyses conducted, by Freeh Sporkin or any consultants retained by Freeh Sporkin or Wynn, Wynn Resorts or any of the Counterdefendants, including (i) all documents included in the appendix to – and referenced in – the Freeh Report, (ii) all documents provided by Wynn Resorts and/or any of the Counterdefendants to Freeh Sporkin for any investigation, and (iii) all documents provided by Freeh Sporkin or any consultants to Wynn Resorts and/or any Counterdefendants;

C. All persons interviewed by Freeh Sporkin, including all documents used at, or created as a result of, such interviews;

D. The interview of Okada conducted by Louis J. Freeh in Tokyo on February 15, 2012, including all documents used at, or created as a result of, such interviews;

E. All communications between Wynn, Wynn Resorts, and/or any Counterdefendant concerning the Freeh Sporkin investigation;

F. All communications with Defendants concerning the investigation, including opportunities for Defendants to respond to the Freeh Report; and

G. All diaries or other billing records related to the Freeh Sporkin investigation, including how much Freeh or Freeh Sporkin were paid and how many hours they worked.

REQUEST FOR PRODUCTION NO. 40:

All documents concerning any assessment by the Wynn Board of the accuracy of the Freeh Report.

REQUEST FOR PRODUCTION NO. 41:

All documents concerning any communications by Wynn, Wynn Resorts, or any Counterdefendant with any person outside Wynn Resorts concerning the Freeh Report, including but not limited to the Wall Street Journal.

REQUEST FOR PRODUCTION NO. 42:

All documents concerning Wynn Resorts' or Wynn's offer to purchase some or all of Aruze's stock in 2011 or 2012.

REQUEST FOR PRODUCTION NO. 43:

All documents concerning the resolutions adopted by the Wynn Board on February 18, 2012, as alleged in Paragraph 97 of the Complaint, including but not limited to all documents concerning:

A. The Wynn Board's determination that Aruze and Universal were likely to jeopardize Wynn Resorts' and its affiliated companies' gaming licenses;

B. The Wynn Board's determination that Okada, Aruze, and Universal were unsuitable persons under the Articles of Incorporation;

C. The Wynn Board's determination to redeem Aruze's shares in Wynn Resorts for approximately $1.936 billion through a promissory note; and

D. The basis for each of the Wynn Board's determinations set forth above, including all information considered by the Wynn Board before making each of these determinations.

REQUEST FOR PRODUCTION NO. 44:

All documents concerning any instances where the Wynn Board considered or made a determination whether a person was an unsuitable person under the Articles of Incorporation, other than the Wynn Board's determination concerning Okada on February 18, 2012.

REQUEST FOR PRODUCTION NO. 45:

All documents concerning any instances where the Wynn Board considered whether to redeem, or made a determination to redeem, the shares of any shareholder pursuant to the Articles of Incorporation, other than the Wynn Board's redemption of Aruze's shares on February 18, 2012.

REQUEST FOR PRODUCTION NO. 46:

All documents concerning the valuation of Aruze's shares in Wynn Resorts for the redemption in 2012, including but not limited to all documents concerning the valuation conducted by Moelis & Company, including all documents provided to or by Moelis & Company concerning the valuation.

REQUEST FOR PRODUCTION NO. 47:

All documents concerning the valuation of Aruze's shares in Wynn Resorts for the redemption in 2012, including but not limited to all documents concerning the valuation conducted by Duff & Phelps, LLC, including all documents provided to or by Duff & Phelps, LLC concerning the valuation.

REQUEST FOR PRODUCTION NO. 48:

All documents concerning Kenneth Moelis' and Moelis & Company's work for Wynn or Wynn Resorts prior to the valuation of Aruze's shares in 2011 and/or 2012.

REQUEST FOR PRODUCTION NO. 49:

All documents concerning Duff & Phelps, LLC's work for Wynn or Wynn Resorts prior to the valuation of Aruze's shares in 2011 and/or 2012.

REQUEST FOR PRODUCTION NO. 50:

All documents concerning any valuation of Aruze's shares in Wynn Resorts, including but not limited to valuations included or referenced in filings with the United States Securities and Exchange Commission ("US SEC"), court filings, or the letter from Robert L. Shapiro to Aruze's counsel dated December 15, 2011.

REQUEST FOR PRODUCTION NO. 51:

All documents concerning the land concession contract permitting Wynn Macau to

develop a casino resort in Cotai, as referenced in Wynn Resorts' March 2, 2012 and May 2, 2012 Form 8-K filings, including but not limited to all documents concerning:

A. The date Wynn Resorts began negotiations for such concession contract;

B. The date such concession contract was executed;

C. The disclosure of such concession contract in Wynn Resorts' initial Form 8-K filing on March 2, 2012;

D. Wynn Resorts' March 2, 2012 retraction of the initial March 2, 2012 Form 8-K filing as having been filed by "mistake" by the "Company's agent," including all communications with the Company's agent referenced in the retraction; and

E. Wynn Resorts' May 2, 2012 Form 8-K filing, including any documents concerning changes in the wording of the May 2, 2012 Form 8-K filing from the initial March 2, 2012 Form 8-K filing.

REQUEST FOR PRODUCTION NO. 52:

All documents concerning the removal of Okada as Vice Chairman of Wynn Resorts and as a director of both Wynn Resorts and Wynn Macau.

REQUEST FOR PRODUCTION NO. 53:

All documents concerning any investigation of Wynn Resorts or its employees, officers, shareholders, or directors (including but not limited to Wynn and Defendants) by any local, state, federal, or foreign law enforcement agency, regulatory agency, or gaming regulator, including but not limited to all documents concerning any investigation by the Nevada Gaming Commission, the State Gaming Control Board of Nevada, the US SEC, the United States Department of Justice ("DOJ"), Philippine Securities and Exchange Commission ("Philippine SEC"), or the Macau Gaming Commission concerning:

A. Wynn Macau's pledge to donate to the University of Macau Development Foundation;

B. Wynn Resorts' purported redemption of Aruze's shares of Wynn Resorts;

C. Any alleged payment, benefit, or gift by Defendants to former or current members of PAGCOR;

D. The Land Concession Contract included as exhibit 10.1 to Wynn Resorts' Form 8-K filing on May 2, 2012;

E. The payment of $50 million to Tien Chiao Entertainment & Investment Co. Ltd. by a Palo Real Estate Company Limited as disclosed in exhibit 99.1 to Wynn Resorts' Form 8-K filing on September 11, 2009; and

F. The FCPA or any other corruption prevention laws.

REQUEST FOR PRODUCTION NO. 54:

All documents sufficient to show the relationships between Wynn Resorts, Wynn Macau, Wynn, Universal, Aruze, and Okada, and their ownership interests in Wynn Resorts and Wynn Macau.

REQUEST FOR PRODUCTION NO. 55:

All organizational charts of Wynn Resorts and Wynn Macau, including but not limited to its subsidiaries, divisions, departments, affiliates, committees, and any other related entity or group.

REQUEST FOR PRODUCTION NO. 56:

All documents concerning Wynn Resorts' budget for each fiscal year from 2012 to 2022, including but not limited to financial forecasts and projected revenue and costs.

REQUEST FOR PRODUCTION NO. 57:

All documents concerning the negotiation, drafting, and execution of each of the following documents and any and all amendments thereto:

A. The Articles of Incorporation:

B. The Bylaws;

C. The Contribution Agreement; and

D. The Stockholder's Agreement.

REQUEST FOR PRODUCTION NO. 58:

All documents concerning Aruze's nomination of individuals to serve as directors

of Wynn Resorts, including but not limited to Wynn's refusal to endorse the individuals nominated by Aruze as required by Paragraph 2(a) of the Stockholder's Agreement.

REQUEST FOR PRODUCTION NO. 59:

All documents concerning Wynn Resorts' policies and training, including all communications to the Wynn Board of Directors, concerning:

A. Membership on the Board of Directors and procedure for nominating members to the Board of Directors;

B. Removal of persons from the Board of Directors;

C. Compliance with the Nevada Revised Statutes and the Nevada Gaming Commission Regulations;

D. Compliance with the Sarbanes-Oxley Act, including Section 402;

E. Compliance with the FCPA or any other corruption prevention law;

F. The adoption of resolutions by Wynn Resorts' Board of Directors;

G. Wynn Resorts' Gaming and Compliance Program;

H. Wynn Resorts' Policy Regarding Payment to Government Officials, referenced in Paragraph 38(b) of the Complaint;

I. Wynn Resorts' Code of Business Conduct and Ethics ("Code of Conduct"), referenced in Paragraph 14 of the Complaint, including any amendments to the Code of Conduct;

J. Determinations of "unsuitability" under the Articles of Incorporation;

K. The confidentiality and privacy of guest information, including guest information in Macau;

L. Data privacy laws in Macau;

M. Amendments to the Articles of Incorporation;

N. All notices sent to members of the Board of Directors regarding training;

O. Restrictions on shares of Wynn Resorts owned by officers and directors of Wynn Resorts, including any prohibition on pledging such shares; and

P. Any other policies relevant to Wynn Resorts' allegations against Defendants.

REQUEST FOR PRODUCTION NO. 60:

All communications to and from Okada, Wynn Resorts, or any of the Counterdefendants concerning the FCPA, including but not limited to Okada's requests to have FCPA training materials provided to him in Japanese.

REQUEST FOR PRODUCTION NO. 61:

All documents concerning Wynn Resorts' procedure for choosing and developing new casino gaming sites, including but not limited to the investigation or audit of proposed new casino gaming sites.

REQUEST FOR PRODUCTION NO. 62:

All documents concerning Wynn Resorts' Sarbanes Oxley Steering Committee.

REQUEST FOR PRODUCTION NO. 63:

All documents concerning Wynn Resorts' Audit Committee, including but not limited to the Audit Committee's Enterprise Risk Management review, any policies or procedures designed to uncover any conduct that would be a risk to Wynn Resorts' FCPA compliance, and Audit Committee documents concerning the Philippines and any of the Defendants.

REQUEST FOR PRODUCTION NO. 64:

All documents concerning the Directors' & Officers' Questionnaire Packet allegedly sent to all members of Wynn Resorts' Board of Directors in January 2012, as alleged in Paragraph 38(c) of the Complaint, including but not limited to acknowledgement forms.

REQUEST FOR PRODUCTION NO. 65:

All documents (including notes, meeting minutes, handouts, or transcripts) concerning meetings of the Board of Directors of Wynn Resorts, including meetings held on or about February 24, 2011, April 18, 2011, November 1, 2011, and February 18, 2012.

REQUEST FOR PRODUCTION NO. 66:

All documents (including notes, meeting minutes, handouts, or transcripts) concerning executive sessions held by members of the Board of Directors of Wynn Resorts.

including a session held on or about July 28, 2011.

REQUEST FOR PRODUCTION NO. 67:

All documents (including notes, meeting minutes, handouts, or transcripts) concerning meetings held by members of the Compliance Committee of Wynn Resorts, including a meeting held on or about September 27, 2011.

REQUEST FOR PRODUCTION NO. 68:

All documents, including correspondence, notes, memoranda, or meeting minutes concerning Okada's alleged statements during any meeting of Wynn Board concerning payments to foreign Government Officials, the FCPA, or any other corruption prevention laws, as alleged in Paragraph 37 of the Complaint.

REQUEST FOR PRODUCTION NO. 69:

All documents concerning requests by Okada for Japanese translation services for Board materials and Board meetings and telephone conferences.

REQUEST FOR PRODUCTION NO. 70:

All documents concerning Wynn Resorts' statement on October 2, 2012 concerning the denial of Aruze and Universal's Motion for Preliminary Injunction, including but not limited to all documents concerning:

A. The investigations allegedly initiated by law enforcement and regulatory authorities in the United States and multiple jurisdictions in Asia;

B. The purported business connections and common shareholding in a Hong Kong entity by Okada;

C. An alleged individual associated with "yakuza," a Japanese organized crime group; and

D. An alleged improper payment in the Philippines in connection with Aruze.

REQUEST FOR PRODUCTION NO. 71:

All documents concerning the name change and closure of the Okada restaurants in Wynn Las Vegas and Wynn Macau, including but not limited to all communications to or from Wynn Las Vegas, Wynn Resorts and Wynn concerning the name change and closure.

REQUEST FOR PRODUCTION NO. 72:

All documents concerning the alleged risks to Wynn Resorts and/or to its Board of Directors, such as regulatory risks, conflicts of interests, and risks to Wynn Resorts' current and/or prospective gaming license(s), arising from the alleged acts of Defendants, including but not limited to all Communications concerning such risks, all analyses, reports, assessments, and/or studies of such risks.

REQUEST FOR PRODUCTION NO. 73:

All documents related to any gaming licenses that Wynn Resorts (including, but not limited to Wynn Macau) or any members of the Wynn Resorts' Board of Directors has considered pursuing, whether or not the gaming license was actually pursued or granted, since Wynn Resorts' inception in 2002.

REQUEST FOR PRODUCTION NO. 74:

All documents related to any insurance agreement entered into by Wynn Resorts (including, but not limited to Wynn Macau) within the past five years which a person carrying on an insurance business may be liable to satisfy part or all of a judgment which may be entered in this action, including any disclaimer or limitation of coverage or reservation of rights under any such insurance agreement.

REQUEST FOR PRODUCTION NO. 75:

All documents related to any insurance agreement entered into by Wynn Resorts (including, but not limited to Wynn Macau) within the past five years which a person carrying on an insurance business may be liable to advance, indemnify or reimburse for litigation costs and expenses and/or payments made to satisfy the judgment in this action, including any disclaimer or limitation of coverage or reservation of rights under any such insurance agreement.

. . . .

. . . .

. . . .

. . . .

. . . .

Dated: Las Vegas, Nevada

January 2, 2013

LIONEL SAWYER & COLLINS

By: _____

Samuel S. Lionel (SBN 1766)
Charles H. McCrea, Jr. (SBN 104)
Steven A. Anderson (SBN 11901)
1700 Bank of America Plaza
300 South Fourth Street
Las Vegas, Nevada 89101
Telephone: (702) 383-8888
Facsimile: (702) 383-8845

William F. Sullivan*
Thomas A. Zaccaro*
Howard M. Privette*
John S. Durrant (*admitted pro hac vice*)
PAUL HASTINGS LLP
515 South Flower Street, 25th Floor
Los Angeles, CA 90071
Telephone: (213) 683-6000
Facsimile: (213) 683-0705
**admitted pro hac vice*

Attorneys for Defendant KAZUO OKADA and Defendants and Counterclaimants ARUZE USA, INC. and UNIVERSAL ENTERTAINMENT CORPORATION

CERTIFICATE OF SERVICE

Pursuant to Nevada Rule of Civil Procedure 5(b), I hereby certify that I am an employee of LIONEL SAWYER & COLLINS and that on this 2nd day of January, 2013, I caused documents entitled **DEFENDANTS' FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO WYNN RESORTS, LIMITED** to be served as follows:

[X] by depositing same for mailing in the United States Mail, in a sealed envelope addressed to:

James J. Pisanelli, Esq., Bar # 4027
Todd L. Bice, Esq., Bar # 4534
Debra L. Spinelli, Bar # 9695
PISANELLI BICE PLLC
3883 Howard Hughes Parkway, Suite 800
Las Vegas, NV 89169

Paul K. Rowe, Esq.*
Bradley R. Wilson, Esq.*
Grant R. Mainland, Esq.*
WACHTELL LIPTON, ROSEN & KATZ
51 West 52nd Street
New York, NY 10019

Robert L. Shapiro, Esq.*
GLASER WEIL FINK JACOBS HOWARD AVCHEN & SHAPIRO, LLP
10259 CONSTELLATION Blvd., 19th Floor
Los Angeles, CA 90067
** admitted pro hac vice*

Donald J. Campbell, Esq., Bar # 1216
J. Colby Williams, Esq., Bar # 5549
CAMPBELL & WILLIAMS
700 South Seventh Street
Las Vegas, NV 89109

William R. Urga, Esq., Bar # 1195
Martin A. Little, Esq., Bar # 7067
JOLLY URGA WIRTH WOODBURY & STANDISH
3800 Howard Hughes Parkway, 16th Floor
Las Vegas, Nevada 89169

Ronald L. Olson, Esq.*
Mark B. Helm, Esq.*
Jeffrey Y. Wu, Esq.*
MUNGER, TOLLES & OLSON LLP
355 South Grand Avenue, 35th Floor
Los Angeles, CA 90071-1560
**admitted pro hac vice*

[ ] pursuant to NEV. R. CIV. P. 5(b)(2)(D) to be sent via facsimile as indicated:

[ ] to be hand delivered to:

and/or

[ ] through the Court's Electronic Filing Program pursuant to the Electronic Filing and Service Order enter in Case No. 12 A656710 on October 4, 2012.

An Employee of
LIONEL SAWYER & COLLINS

Appendix A

Requested Production Format

Document Format

All documents should be produced as Bates-stamped 300 DPI Group IV multi-page monochrome TIFF images with accompanying document-level extracted text for electronically stored information ("ESI") or OCR for scanned hard copy documents. No searchable text need be provided for redacted documents.

All spreadsheets should be produced as native format files accompanied by a single-page TIFF placeholder.

Image Load/Cross Reference Files

Defendants request either an IPRO (.lfp) or Opticon (.opt) multi-page image load/cross reference file with all productions. Image filenames should contain the beginning bates number information of the document. Note that volume label information ("@MSC001" in the sample IPRO file and "MSC001" in the sample Opticon file) is optional.

Sample IPRO .lfp file

```
IM,MSC00000014,D,1,@MSC001;MSC\0000;00000014.TIF;2
IM,MSC00000015,,2,@MSC001; MSC\0000;00000014.TIF;2
IM,MSC00000016,D,1,@MSC001; MSC\0000;00000016.TIF;2
IM,MSC00000017,,2,@MSC001; MSC\0000;00000016.TIF;2
```

Sample Opticon .opt file

```
MSC000001,MSC001,MSC\0000\00000001.TIF,Y,,,3
MSC000004,MSC001,MSC\0000\00000004.TIF,Y,,,2
MSC000006,MSC001,MSC\0000\00000006.TIF,Y,,,7
MSC000013,MSC001,MSC\0000\00000013.TIF,Y,,,4
```

Data Load File

For Bates information and metadata, Defendants request a Concordance-loadable data file, also known as a "DAT" file. Extracted text or OCR text should not be embedded in the DAT file. Rather, it should be provided as separate, document-level text files. document-level text filenames should contain the beginning bates number information of the document. If a document is provided in native format with a placeholder tiff, e.g. Excel files, the text file should contain the extracted text of the native file.

The requested delimiters and qualifiers to be used in the DAT file are:

- Record delimiter: Windows newline/Hard return (ASCII 10 followed by ASCII 13)
- Field delimiter: ..... ▯ (ASCII 20)
- Multi-value delimiter: ..... Semicolon ; (ASCII 59)
- Text qualifier: ..... Small thorn þ (ASCII 254)

The DAT file should have a header line with field names and include the following fields:

Field	Comments
Bates Prefix	
Beginning Bates Number	Do not include prefix.
Ending Bates Number	Do not include prefix.
Beginning Bates Range	First page of family range, e.g., first page of an email. Do not include prefix.
Ending Bates Range	Last page of family range, e.g., last page of last attachment to an email. Do not include prefix.
Page Count	Number of pages in document.
File Extension	Loose files, attachments and email.
File Size	Loose files, attachments and email (in bytes).
Title	Loose files and attachments only.
Custodian	Loose files, attachments, and email. Custodian full name.
Author	Loose files and attachments only.
From	Email only.
To	Email only.
CC	Email only.
BCC	Email only.
Subject	Email only.
Date Created	Loose files and attachments only. MM/DD/YYYY
Date Modified	Loose files and attachments only. MM/DD/YYYY
Date Sent	Email only. MM/DD/YYYY
Time Sent	Email only. HH:MM:SS AM/PM
Date Received	Email only. MM/DD/YYYY
Time Received	Email only. HH:MM:SS AM/PM
FilePath	Loose files. Original path to the file at collection time.
FolderPath	Email only. Path within the mail container file (e.g., PST file) to the message at collection time.
TextPath	The path to the extracted text or OCR for the document, including the file name.
NativePath	The path to the native-format file for the document, including the file name (if a native-format file is provided).

Sample DAT file

þBatesPrefixþ□þBeginning Bates Numberþ□þEnding Bates Numberþ□þBeginning Bates Rangeþ
□þEnding Bates Rangeþ□þPage Countþ□þFile Extensionþ□þFile Sizeþ□þTitleþ□þCustodianþ□þAuthorþ□þFrom
þ□þToþ□þCCþ□þBCCþ□þSubject þ□þDate Createdþ□þDate Modifiedþ□þDate Sentþ□þTime Sent
þ□þDate Receivedþ□þTime Receivedþ□þFilePathþ□þFolderPathþ□þTextPathþ□þNativePathþ

þSAMPLEþ□þ00000001þ□þ00000001þ□þ00000001þ□þ00000002þ□þ1þ□þþ□þ2354þ□þJohn H. Smithþ□þþ□þþ□þJohn H. Smithþ□þJane Doeþ□þJane W. Schmidt; Mark Doeþ□þþ□þChecks Payableþ□þþ□þþ□þ12/25/2008þ□þ9:30:01 AMþ□þ12/25/2008þ□þ9:30:11 AMþ□þþ□þ\Inbox\Payable\þ□þText\SAMPLE\0000\00000001.txtþ□þþ

þSAMPLEþ□þ00000002þ□þ00000002þ□þ00000001þ□þ00000002þ□þ1þ□þxlsþ□þ46444þ□þAcco

unts Receivable þ□ þJohn H. Smith þ□ þ John H. Smith þ□ þþ□ þþ□ þþ□ þþ□ þþ□ þ12/22/2008 þ□ þ12/25/2008 þ□ þþ□ þþ□ þþ□ þþ□ þþ□ þþ□ þþ□ þText\SAMPLE\0000\00000002.txt þ□ þNatives\SAMPLE\0000\00000002.xls þ

SAC
James J. Pisanelli, Esq., Bar No. 4027
JJP@pisanellibice.com
Todd L. Bice, Esq., Bar No. 4534
TLB@pisanellibice.com
Debra L. Spinelli, Esq., Bar No. 9695
DLS@pisanellibice.com
PISANELLI BICE PLLC
3883 Howard Hughes Parkway, Suite 800
Las Vegas, Nevada 89169
Telephone: 702.214.2100

Paul K. Rowe, Esq. *(pro hac vice admitted)*
pkrowe@wlrk.com
Bradley R. Wilson, Esq. *(pro hac vice admitted)*
brwilson@wlrk.com
Grant R. Mainland, Esq. *(pro hac vice admitted)*
WACHTELL, LIPTON, ROSEN & KATZ
51 West 52nd Street
New York, NY 10019
Telephone: 212.403.1000

Robert L. Shapiro, Esq. *(pro hac vice admitted)*
RS@glaserweil.com
GLASER WEIL FINK JACOBS HOWARD AVCHEN & SHAPIRO, LLP
10250 Constellation Boulevard, 19th Floor
Los Angeles, CA 90067
Telephone: 310.553.3000

Attorneys for Wynn Resorts, Limited

Electronically Filed
04/22/2013 10:51:22 AM

CLERK OF THE COURT

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

DISTRICT COURT

CLARK COUNTY, NEVADA

WYNN RESORTS, LIMITED, a Nevada Corporation, Plaintiff, vs. KAZUO OKADA, an individual, ARUZE USA, INC., a Nevada corporation, and UNIVERSAL ENTERTAINMENT CORP., a Japanese corporation, Defendants. AND ALL RELATED CLAIMS	Case No.: A-12-656710-B Dept. No.: XI **SECOND AMENDED COMPLAINT** **(Request for Business Court Assignment Pursuant to EDCR 1.61(a))** **(Exempt from Arbitration – Declaratory Relief Requested)**

Plaintiff Wynn Resorts, Limited ("Wynn Resorts" or "the Company"), by and through its undersigned counsel, hereby files the above-captioned Second Amended Complaint:

NATURE OF THE ACTION

This is an action for breach of fiduciary duty and related offenses committed against Wynn Resorts by one of its former directors, Kazuo Okada, and his affiliates. Beginning in 2010, Wynn Resorts began to uncover evidence that Mr. Okada, his companies, and their associates were engaged in unethical, unlawful, and potentially criminal activities in the Philippines in connection with the development of a casino resort in that country. The evidence raised substantial questions as to Mr. Okada's probity and his suitability to be associated with a corporation in the casino gaming industry. Because of this, Mr. Okada's business activities in the Philippines posed an ongoing and potentially significant risk for Wynn Resorts' existing and potential future gaming licenses.

When confronted with the mounting evidence of his wrongdoing, however, Mr. Okada was evasive, and tried to conceal his misconduct from Wynn Resorts and its Board — a clear breach of Mr. Okada's duty to make a full and fair disclosure to the Company of all facts that materially affect its rights and interests. Mr. Okada also consistently refused to take steps to address Wynn Resorts' concerns, either by shutting down his Philippine project or by severing his ties with Wynn Resorts. By engaging in the wrongful conduct alleged herein while associated with Wynn Resorts, failing to make full and fair disclosure to the Company and his fellow directors about the factual circumstances surrounding his business activities in the Philippines, and refusing to act to protect the Company's rights and interests when called upon to do so, Mr. Okada breached his fiduciary duties to Wynn Resorts.

In view of Mr. Okada's inaction and his and his counsel's refusal to cooperate with the Company's investigations or provide any explanation for the troubling evidence that had been presented to them by the Company and its attorneys, in the fall of 2011, the Compliance Committee of Wynn Resorts retained former Director of the Federal Bureau of Investigation, Louis J. Freeh, to conduct a comprehensive investigation of Mr. Okada's business activities in the Philippines and their potential impact on Wynn Resorts' interests. As discussed in his written

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

report to the Board (attached as Exhibit 1), Mr. Freeh uncovered substantial evidence of gross improprieties by Mr. Okada and his agents, including evidence that Mr. Okada had made a series of payments to the Philippine gaming regulators with direct responsibility for overseeing Mr. Okada's development project. Based on these findings, and upon the advice of two independent gaming experts, the Board exercised its authority under the Wynn Resorts Articles of Incorporation to declare Mr. Okada and his affiliates unsuitable and to redeem the Wynn Resorts stock held by a company that Mr. Okada controlled. In addition to seeking damages for Mr. Okada's breaches of fiduciary duty, Wynn Resorts seeks a declaration from this Court that the Board's actions in this regard were lawful in all respects.

PARTIES AND RELEVANT PERSONS/ENTITIES

1. Plaintiff Wynn Resorts is and was at all times relevant hereto a corporation organized and existing under the laws of the State of Nevada, with its principal place of business in the State of Nevada. Wynn Resorts is publicly traded on NASDAQ.

2. Wynn Resorts is a world class developer of destination resort casinos. Wynn Resorts owns resort casinos through its wholly owned subsidiary Wynn Las Vegas, LLC ("Wynn Las Vegas") and through its majority owned subsidiary Wynn Macau, Limited ("Wynn Macau").

3. Wynn Las Vegas operates the Wynn Las Vegas and Encore resort casinos in Las Vegas, Nevada.

4. Wynn Macau is a Cayman Islands company that is publicly traded on the Hong Kong Stock Exchange. Wynn Macau operates the Wynn Macau and Encore at Wynn Macau resort casinos in Macau through its wholly owned subsidiary, Wynn Resorts (Macau), S.A., a company organized and existing under the laws of Macau Special Administrative Region of the People's Republic of China.

5. Defendant Mr. Okada is and was at all times relevant hereto a citizen of Japan and a member of the Board of Directors of Wynn Resorts. During the relevant period, Mr. Okada served multiple roles with Wynn Resorts and its affiliated companies. In addition to serving as a Wynn Resorts director, until February 24, 2012, Mr. Okada was a member of the Board of

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

Directors of Wynn Macau, and, until February 18, 2012, he controlled a shareholder that owned approximately 19.66% of Wynn Resorts. Moreover, between October 2002 and November 2011, Mr. Okada served as Vice Chairman of Wynn Resorts. On February 21, 2013, Mr. Okada resigned as a director of Wynn Resorts, one day before a scheduled special meeting of Wynn Resorts' stockholders that had been called to consider and vote on a proposal to remove Mr. Okada from the Board. The special meeting was held as scheduled, and the removal proposal was approved by 99.6% of the shares voted at the special meeting.

6. Defendant Aruze USA, Inc. ("Aruze USA") is and was at all times relevant hereto a corporation organized and existing under the laws of the State of Nevada and a wholly owned subsidiary of defendant Universal Entertainment Corporation ("Universal"). Until February 18, 2012, Aruze USA was a 19.66% shareholder in Wynn Resorts. Mr. Okada serves as Director, President, Secretary, and Treasurer of Aruze USA.

7. Defendant Universal (formerly Aruze Corporation) is a public corporation organized under the laws of Japan. Universal manufactures and sells pachislot and pachinko machines and other similar gaming equipment. Universal does business in the State of Nevada, has been issued a manufacturer's license by the Nevada Gaming Commission, and was deemed suitable by the Nevada Gaming Commission as a 100% shareholder of Aruze USA. Mr. Okada serves as Director and Chairman of the Board of Universal, and, together with his family members, is a 67.9% shareholder of Universal.

8. In February 2012, the Wynn Resorts Board of Directors consisted of twelve members: Chairman Stephen A. Wynn, Linda Chen, Russell Goldsmith, Dr. Ray R. Irani, former Nevada Governor Robert J. Miller, John A. Moran, Marc D. Schorr, Alvin V. Shoemaker, D. Boone Wayson, Elaine P. Wynn, Allan Zeman, and Mr. Okada.

9. Wynn Resorts' Gaming Compliance Committee (the "Compliance Committee") is an internal committee chaired by Governor Miller and consisting of two additional members: Mr. Schorr (director and Chief Operating Officer of Wynn Resorts) and John Strzemp (Executive Vice President and Chief Administrative Officer of Wynn Resorts). The Compliance Committee

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

is charged with assuring Wynn Resorts' compliance with all laws and regulations, including, in particular, applicable gaming laws, regulations, and policies.

10. The Honorable Louis J. Freeh, Esq. is a former director of the Federal Bureau of Investigation, having led that agency with distinction from 1993 to 2001. Prior to serving as FBI Director, Mr. Freeh was a United States District Court Judge. In February 2012, Mr. Freeh was a partner in Freeh Sporkin & Sullivan, LLP — a law firm he founded with two other former federal judges — which specialized in domestic and foreign corporate investigations and compliance. Today, Mr. Freeh is a partner and the chairman of the Executive Committee of Pepper Hamilton LLP.

JURISDICTION

11. Defendants Mr. Okada, Universal, and Aruze USA have each individually and in concert with one another caused the acts and events herein within the State of Nevada, and all are subject to the jurisdiction of this Court. Venue is also proper in this Court.

12. This matter is properly designated as a business court matter and assigned to the Business Docket under EDCR 1.61(a), as the claims alleged herein arise from business torts.

GENERAL ALLEGATIONS

13. A Nevada gaming license is a privilege. Nevada law imposes comprehensive regulatory requirements upon gaming licensees, including the requirement that persons and entities associated with the licensee possess the necessary character, qualifications, and integrity to be suitable to hold that privilege so as not to threaten the public interest or the integrity of the regulation and control of gaming.

14. Under the applicable gaming laws and regulations, Wynn Resorts has an obligation to police itself and to take independent and proactive measures with respect to compliance issues before it becomes necessary for gaming regulators to take action. Consistent with this regulatory framework, Wynn Resorts has adopted a compliance program that requires the Compliance Committee to, among other things, investigate senior officers, directors, and key employees to protect Wynn Resorts from becoming associated from any unsuitable persons. The compliance

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

program further requires Wynn Resorts to self-report to Nevada gaming regulators with respect to any significant compliance-related issues that may arise.

15. As a director of Wynn Resorts (and formerly, through Aruze USA, one of its largest shareholders), Mr. Okada's conduct and reputation for probity had a direct impact on the ability of Wynn Resorts to maintain its Nevada gaming license and to seek additional licenses in the future. Accordingly, pursuant to Nevada law and its own compliance program, Wynn Resorts was obliged to monitor Mr. Okada's business activities to ensure that his association with Wynn Resorts did not create any regulatory concern.

Okada Announces Plan to Enter Philippine Market

16. In or about 2008, Wynn Resorts learned that Mr. Okada, through one or more companies he controlled, had publicly stated his intention to develop a casino resort in the Philippines. Wynn Resorts was not and has never been an investor or participant in Mr. Okada's development project in the Philippines.

17. For a number of reasons, it was highly uncertain whether Mr. Okada's planned casino resort in the Philippines would ever come to fruition. The scale of the proposed development was larger than any comparable project in existence in the Philippines at the time, and Mr. Okada and the companies he controlled had never developed anything on such a scale previously. Numerous approvals and licenses from the Philippine government would also be needed before any project could get off the ground, let alone become operational.

18. In 2008, the Philippines Amusement and Gaming Corporation ("PAGCOR") awarded four provisional gaming licenses, without public bidding, in connection with a development project in the Manila Bay area referred to as Entertainment City. PAGCOR is a 100% government-owned and -controlled corporation that operates under the direct supervision of the Office of the President of the Philippines and is charged with licensing and regulating casino gaming in the Philippines. One of the provisional licenses that PAGCOR awarded went to a newly-formed entity that is 99% owned by Aruze USA, known as Tiger Resort, Leisure and Entertainment Inc.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

19. Apart from obtaining a provisional license, however, between 2008 and early 2010, Mr. Okada and his companies made very little apparent progress with respect to the proposed development in the Philippines. Indeed, on various occasions during that period, Mr. Okada made statements to Mr. Wynn and others at Wynn Resorts expressing doubt that he would ever actually develop a casino resort in the Philippines, stating that he had reconsidered.

20. In this period of time, Wynn Resorts did not know what activities Mr. Okada was engaged in to promote his Philippine project. As of early 2010, Wynn Resorts had no reason to suspect that Mr. Okada and his associates would engage in unethical or unlawful conduct, or that Mr. Okada's project in the Philippines would damage Wynn Resorts or pose a threat to Wynn Resorts' gaming licenses. Indeed, Mr. Okada had every reason to conceal his activities, both because he could be harmed by its exposure, and because Mr. Okada made periodic attempts in that time period to persuade Wynn Resorts and/or Mr. Wynn to have some degree of involvement with his Philippine project.

Wynn Resorts Begins to Have Concerns

21. Beginning in 2010, a number of events occurred to change Wynn Resorts' perception of Mr. Okada and his Philippine project. In June 2010, as Mr. Wynn was planning to return from a visit to Macau, Mr. Okada prevailed on Mr. Wynn to make an unscheduled stopover in Manila in the course of his trip back to the United States. Mr. Wynn had no interest in involving Wynn Resorts in Mr. Okada's project in the Philippines and agreed to the visit as a courtesy to Mr. Okada. Mr. Okada abused Mr. Wynn's courtesy, however, and went to great lengths to try to associate Wynn Resorts and Mr. Wynn with his Philippine project.

22. Unbeknownst to Mr. Wynn, Mr. Okada had arranged for a public event at his Manila Bay development site that was to be attended by various Philippine government officials. Mr. Okada conspicuously publicized Mr. Wynn's attendance at the event by erecting a large sign that read, "Welcome to the Philippines Chairman Steve Wynn," and bore the trademarked corporate logo of Wynn Resorts. Mr. Wynn immediately recognized that Mr. Okada had brought him to the Philippines under misleading pretenses, and that he had orchestrated the event to send

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

the false message to the Philippine government that Wynn Resorts' good reputation and standing in the casino resort industry backed Mr. Okada's development project.

23. Following Mr. Wynn's stopover in Manila, and in light of concerns that Mr. Okada was trading on Wynn Resorts' reputation and creating the false impression that Wynn Resorts had a role in his Philippine project, management determined to conduct an investigation regarding the general business environment in the Philippines as part of the Company's general compliance program. Management produced a written report and presented it to the Board (including Mr. Okada) in July 2010.

24. Based on reports from sources in the U.S. government and local authorities in the Philippines, as well as international organizations and media, the report concluded that corruption posed a major problem in the Philippines and that Philippine anti-corruption efforts were ineffective. Management's report cited a "Global Corruption Barometer" study that listed the Philippines in the top quintile of "Countries most affected by bribery."

25. At this same July 2010 meeting of the Wynn Resorts Board, the other directors asked Mr. Okada to state his intentions with respect to his casino resort development in the Philippines. Mr. Okada was evasive, however, and failed to alleviate the Board's concerns. By refusing to make full disclosure to the Board about his business activities in the Philippines and the factual circumstances surrounding those activities, Mr. Okada was able to conceal his wrongful conduct from the Company and his fellow directors.

26. Although Wynn Resorts did not appreciate the situation at the time — due to Mr. Okada's lack of candor — 2010 was a critical period for Mr. Okada's project in the Philippines. Effective June 30, 2010, Benigno S. Aquino III assumed office as President of the Republic of the Philippines, succeeding Gloria M. Arroyo. Soon thereafter, President Aquino appointed Cristino L. Naguiat, Jr. to replace Efraim C. Genuino as the Chairman of PAGCOR.

27. In July 2010, reports surfaced in the Philippine press that at the behest of the new President, Mr. Naguiat was investigating certain "midnight deals" that had been approved by his predecessor. Specifically, in his final weeks as Chairman, Mr. Genuino, with the support of then-President Arroyo, had caused PAGCOR to award several gaming licenses and related

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

concessions on an abnormally expedited basis. Among the beneficiaries of these deals was Mr. Okada, who received a special exemption allowing an Okada-controlled company to take title to the land on which his casino resort was to be built. Without the exemption, Mr. Okada's company would have been subject to Philippine law prohibiting foreign investors from owning land. A decision by Mr. Naguiat to revoke the exemption, therefore, would have significantly impaired Mr. Okada's project in the Philippines.

28. Despite direct inquiry by Wynn Resorts management, the Company was not made aware of these events until 2011, when it began to receive certain third-party investigative reports discussed below. Mr. Okada still has never made a full or fair disclosure to the Company despite the material effects his activities in the Philippines have had on Wynn Resorts' rights and interests.

Wynn Resorts Receives Further Evidence of Mr. Okada's Misconduct

29. By mid-2010, Wynn Resorts had no definitive proof of wrongdoing by Mr. Okada or his associates. Mr. Okada's continued evasiveness, however, coupled with substantial concerns about widespread corruption in the Philippines, caused Wynn Resorts to determine that further inquiry was warranted.

30. Accordingly, in early 2011, Wynn Resorts retained a well-known investigative organization, The Arkin Group LLC ("Arkin Group"), to further examine the risks associated with doing business in the Philippines and to investigate Mr. Okada's activities in that country. Arkin Group summarized its findings in a series of written reports that were provided to Wynn Resorts in February 2011.

31. Based on its investigation, which included interviews of Philippine officials and other industry and government contacts, Arkin Group concluded that official corruption in the Philippines — particularly in the gaming industry — was "deeply ingrained" and that "official corruption at some level accompanies most if not all major business deals and transactions in the Philippines." In support of these conclusions, Arkin Group cited, among other sources, the 2010 Transparency International Corruption Percentage Index, which rated the Philippines at the lower end of the index, 134th out of 178 countries surveyed. The Arkin Group observed that this rating

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

placed the Philippines "on par with Nigeria, Honduras, Azerbaijan and Bangladesh" in terms of the pervasiveness of government corruption.

32. As for Mr. Okada's activities, Arkin Group found that Mr. Okada was "perceived as touting his relationship with Wynn Resorts as a means to generate a positive reputation and high profile" and "proving his and Aruze's credibility." The Arkin Group's reports also discussed the land title exemption that Mr. Okada had obtained in the final days of the administrations of PAGCOR Chairman Genuino and Philippine President Arroyo, and explained that such "midnight deals" were at that time "receiving significant media attention and scrutiny" in the Philippines.

33. The Wynn Resorts Board discussed the results of the Arkin Group's investigation at a Board meeting held on February 24, 2011. Mr. Wynn advised the Board that Mr. Okada (who was present for the meeting) had arranged for him to meet with Philippine President Aquino. Based on the information the Board had received about endemic corruption in the Philippines, the independent directors unanimously advised Wynn Resorts management that any involvement in the Philippines was inadvisable and strongly recommended that the meeting with President Aquino be cancelled. Management agreed with the Board's recommendation. Mr. Okada, however, was embarrassed and angry about having to cancel the arrangements he had made with President Aquino.

34. At the same Board meeting, in the course of an update from Wynn Resorts' general counsel on the Foreign Corrupt Practices Act ("FCPA"), Mr. Okada stated that he personally rejected Wynn Resorts' anti-bribery rules and regulations, as well as legal prohibitions against making such payments to government officials. Mr. Okada also stated that paying bribes to government officials was a common business practice in certain Asian countries, and that the important thing was to channel such illegal payments through third parties. Given that such conduct is prohibited by law in virtually every Asian country, as well as the United States, this was a shocking statement for Mr. Okada to make.

35. Mr. Okada responded to the rift he had opened with the other Board members through such comments by counter-attacking. At a Board meeting held on April 18, 2011, Mr. Okada was the lone director to vote against a proposed charitable gift to the University of

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

Macau Development Foundation. At the time, Mr. Okada's stated concern related solely to the length of the commitment, not its propriety. Mr. Okada has subsequently asserted, however, that the charitable gift violated the FCPA, and he has sued Wynn Resorts in this Court seeking documents and records related to the Board's decision to authorize the charitable gift. These claims are baseless, and they are designed to divert attention from Mr. Okada's own misconduct and breaches of fiduciary duty.

36. Mr. Okada's business activities in the Philippines were again discussed at a Wynn Resorts Board meeting held on July 28, 2011. At that time, Mr. Okada confirmed to the Board that notwithstanding his fellow directors' stated concerns, he was proceeding with his Philippine project. Wynn Resorts' independent directors expressed great concern regarding probity issues attendant to Mr. Okada's decision to do business in the Philippines and the possible adverse effect that Mr. Okada's involvement in the Philippines would have on Wynn Resorts. The Board was advised that the Compliance Committee had engaged a second independent firm — Archfield Limited ("Archfield") — to further investigate these issues.

37. The Compliance Committee reviewed the results of Archfield's investigation at a meeting held on September 27, 2011. The reports from Archfield deepened the Compliance Committee's concerns about Mr. Okada's involvement in the Philippines.

38. As described therein, Archfield's investigation identified additional anomalies and apparent improprieties related to Mr. Okada's business activities in the Philippines. Among other things, Archfield reported that a gaming license had been granted to Mr. Okada's company notwithstanding that Mr. Okada did not appear to have a Philippine business partner, as required by Philippine law. In addition, Archfield cited reports that former Chairman Genuino, with the support of former President Arroyo, had paved the way for Mr. Okada to obtain title to the land on which his casino resort was to be located in a clear reversal of Philippine policy on foreign investment.

39. Archfield also reported that former PAGCOR Chairman Genuino, the government official who had authorized Mr. Okada's gaming license and who had direct regulatory authority over Mr. Okada's project in the Philippines, had been removed from office and was under

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

investigation for potential misconduct. This was particularly troubling for the Compliance Committee given the report from Archfield that former Chairman Genuino and former President Arroyo were "strongly rumored to have profited from their relationship with Okada."

40. A few days later, at the direction of the Compliance Committee, Wynn Resorts management met with Mr. Okada's attorneys, including Robert Faiss of the Lionel Sawyer firm, to discuss Wynn Resorts' concerns relative to Mr. Okada's business activities in the Philippines and the potential adverse effect of those activities on Wynn Resorts' privileged status as a gaming licensee. At this meeting, the Wynn Resorts representatives made clear that Mr. Okada's alleged activities in the Philippines posed substantial risks for Wynn Resorts and needed to be explained post haste. Wynn Resorts' concerns were ill-received, and the meeting was not productive. Mr. Okada's representatives refused to disclose the full factual circumstances surrounding his business activities in the Philippines, much less provide an explanation for those activities that might somehow address the Company's concerns.

41. Around this same time, Wynn Resorts was preparing to hold a training session for its directors regarding the FCPA. The training session was scheduled for October 31, 2011, the day before a scheduled in-person Board meeting, and Mr. Okada (through his assistant) had previously sent an RSVP indicating that he would attend. Six days before the session, however, Mr. Okada requested that the training materials be translated into Japanese (despite his previous, long-term practice of translating all materials on his own) and that the date of the session be moved (despite that it had been planned around his previous confirmation). Wynn Resorts accommodated Mr. Okada's first request by obtaining a Japanese translation of the training materials and arranging for professional translators to be available to assist Mr. Okada at the session. Ultimately, however, although he was present at the Board meeting held the very next day, Mr. Okada was the sole Board member who failed to attend the FCPA training session in October 2011, with all other directors appearing in person or telephonically. Mr. Okada likewise was the sole Board member to not attend a similar FCPA training session held in 2012. Mr. Okada's refusal to attend these training sessions further demonstrates his disregard for his obligations as a director of a company in a highly regulated gaming industry.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

42. At this point, even if there was insufficient evidence in hand at that time to prove misconduct by Mr. Okada in the Philippines, it was clear that Mr. Okada had set himself on a course against the rest of the Board and was acting without regard for the best interests of Wynn Resorts. Accordingly, in October 2011, management was authorized by the Board to request Mr. Okada's resignation as a director. Mr. Okada refused.

43. On November 1, 2011, in light of Mr. Okada's failure to attend mandatory FCPA compliance training, acknowledge the Company's internal compliance policies, or to address the Company's serious concerns and inquiries about potentially dangerous and illegal activities in the Philippines, the Board (apart from Mr. Okada) voted unanimously to remove Mr. Okada from his Vice Chairmanship and to leave the office vacant.

44. The Board and management have reiterated their request that Mr. Okada resign his directorship on various occasions between October 2011 and the present date. Mr. Okada has consistently refused to do so. At a special meeting of the Wynn Resorts stockholders held on February 22, 2013, 99.6% of the shares voted at the meeting were cast in favor of a proposal to remove Mr. Okada from the Wynn Resorts Board.

Former FBI Director Freeh Investigates

45. By late 2011, the Compliance Committee was sufficiently concerned to seek further assistance in determining the propriety of Mr. Okada's activities in the Philippines. Accordingly, on October 29, 2011, the Compliance Committee determined to retain Mr. Freeh and his colleagues at Freeh Sporkin & Sullivan LLP to conduct a rigorous investigation.

46. Over a three-month period, Mr. Freeh and/or his colleagues made several trips to the Philippines and Macau, reviewed thousands of pages of documents, emails, and public records, and conducted dozens of interviews, including of every independent director on the Wynn Resorts Board. By early 2012, Mr. Freeh and his team had uncovered detailed prima facie evidence of serious wrongdoing by Mr. Okada and his associates.

47. On February 15, 2012, Mr. Freeh conducted a full-day, in-person interview of Mr. Okada in Tokyo. Mr. Okada was accompanied by counsel, the former United States Attorney for the Central District of California. Following the interview, Mr. Freeh advised Mr. Okada and

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

his counsel that he would be reporting his findings to the Wynn Resorts Board on February 18, 2012, and invited Mr. Okada to present Mr. Freeh with any exculpatory evidence that might be available.

48. At the Board meeting, Mr. Freeh made a detailed presentation and provided the directors with copies of his 47-page written report, outlining the following improprieties, among others:

a. Since 2008, Okada and his associates have made multiple payments to and on behalf of the Philippines' chief gaming regulators at PAGCOR, the government officials who directly oversee and regulate Mr. Okada's licensing agreement to operate in the Philippines.

b. For example, records reviewed by Mr. Freeh revealed 36 separate instances, from May 2008 to through June 2011, where Mr. Okada or his associates/affiliates made payments exceeding $110,000 that directly benefitted senior PAGCOR officials. This included payments to former PAGCOR Chairman Genuino, current PAGCOR Naguiat, and their family, friends, and associates.

c. On one particular occasion in September 2010, Mr. Okada arranged for newly appointed PAGCOR Chairman Naguiat, his wife, his three children, their nanny, and other senior PAGCOR officials (one of whom also brought his family) to stay at Wynn Macau. Mr. Okada and his associates refused to provide Wynn Macau management with the name of Chairman Naguiat and tried to conceal his identity. At Mr. Okada's associates' request and Mr. Okada's direction, Chairman Naguiat and his entourage were provided with the most expensive accommodation, food, and star treatment. In addition, Mr. Okada's associates asked that each guest be provided a $5,000 advance, in cash, during their stay. Following the stay, Mr. Okada's associates requested that Wynn Macau reduce the excessive charges because they feared an investigation and did not want Mr. Okada or his companies to get in trouble. Wynn Macau refused.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

d. There is substantial evidence that Mr. Okada, his associates, and companies may have arranged and manipulated ownership and management of legal entities in the Philippines under his control, in a manner that may have enabled the evasion of Philippine constitutional and statutory requirements.

e. Moreover, close associates and consultants of the former PAGCOR administration attained positions as corporate officers, directors, and/or nominal shareholders of entities controlled by Mr. Okada and, in some cases, served as links between Mr. Okada and the former PAGCOR Chairman.

f. Mr. Okada has stated his personal rejection of Wynn Resorts' anti-bribery policies and applicable anti-bribery laws to his fellow Wynn Resorts directors. Despite being advised by members of the Wynn Resorts Board and the Company's counsel that making payments and providing gifts to foreign government officials is strictly prohibited, Mr. Okada has expressed a willingness to engage in such conduct when doing business in Asia.

g. The nature of Mr. Okada's gaming license in the Philippines requires continued oversight by PAGCOR officials. Mr. Okada thus has a strong and continuing motive to maintain favorable relations with the Chairman and other senior officials of PAGCOR.

49. Despite being invited to present exonerating evidence regarding these matters, Mr. Okada provided no such evidence at his interview with Mr. Freeh in Tokyo or subsequently. Moreover, Mr. Freeh concluded and advised the Board that Mr. Okada lacked credibility in the statements he did make concerning his conduct.

The Wynn Resorts Board Redeems Aruze USA's Shares

50. The conduct detailed in Mr. Freeh's report is conduct of a type that, when engaged in by a person affiliated with a licensed entity, puts the entity's existing and prospective gaming licenses at risk. The Board was so advised by two independent experts on Nevada gaming law.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

51. Thus, following Mr. Freeh's presentation, the Wynn Resorts Board deliberated at length and unanimously (except for Mr. Okada) adopted resolutions finding Mr. Okada, Universal, and Aruze USA to each be an "Unsuitable Person" under Wynn Resorts' Second Amended and Restated Articles of Incorporation (the "Articles of Incorporation" or "Articles").

52. An "Unsuitable Person" is defined in Article VII of the Articles as any "Person who . . . in the sole discretion of the board of directors of the Corporation, is deemed likely to jeopardize the Corporation's or any Affiliated Company's application for, receipt of approval for, right to the use of, or entitlement to, any Gaming License."

53. Having found Mr. Okada, Universal, and Aruze USA unsuitable under the Articles, the Board had an affirmative obligation under the applicable gaming laws and regulations to take action to protect the gaming licenses and approvals of Wynn Resorts and its affiliates. The specific course of action that was available to the Board is set forth in Article VII of the Articles, which provides that following a determination of unsuitability, "[t]he Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person shall be subject to redemption by the Corporation, out of funds legally available therefor, by action of the board of directors, to the extent . . . deemed necessary or advisable by the board of directors. . . ."

54. On the basis of these express provisions in the Articles, on February 18, 2012, following Mr. Freeh's presentation and the Board's finding of unsuitability with respect to Mr. Okada, Universal, and Aruze USA, the Board voted to redeem and cancel all of Aruze USA's shares of Wynn Resorts stock. In exchange, as expressly permitted by the Articles, the Board unanimously (except for Mr. Okada) determined to issue to Aruze USA a promissory note with a face value of approximately $1.936 billion and paying interest at 2% per year as provided for in the Articles.

Further Evidence of Mr. Okada's Wrongdoing Comes to Light Post-Redemption

55. Following the Board's unsuitability finding and redemption of Aruze USA's shares, further evidence has reportedly come to light revealing the true extent of Mr. Okada's breach of fiduciary duty and lack of disclosure regarding his activities in the Philippines. It has been widely reported in the press that Mr. Okada and his companies are the subject of multiple

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

pending investigations relating to the development of Mr. Okada's project in the Philippines. The FBI, the Nevada Gaming Control Board, and the Philippine Department of Justice, among many other organizations, are reportedly gathering additional evidence that Mr. Okada's companies paid bribes to Philippine gaming regulators at PAGCOR and their associates to facilitate the development of Mr. Okada's casino resort in Manila Bay.

56. At the center of the new evidence that has reportedly come to light is Rodolfo Soriano, a former consultant to PAGCOR and a close business associate of former PAGCOR Chairman Genuino. Mr. Freeh's report to the Wynn Resorts Board in February 2012 described Mr. Soriano as a "bag man" for Mr. Genuino. Mr. Soriano is often referred to by his nickname, "Boysie."

57. The evidence reportedly uncovered in the ongoing investigations shows that, in or about 2009, Mr. Okada and his companies made a strategic "shift to Boysie" to jumpstart the lagging progress at their Philippine development site. This shift in strategy, it has been reported, involved Okada-controlled companies paying up to $40 million in bribes to companies controlled by Mr. Soriano in order to secure benefits from PAGCOR and the Arroyo administration that were essential to the viability and profitability of Mr. Okada's project in the Philippines. Of course, the factual circumstances of these transactions were never disclosed to the Wynn Resorts Board despite their unquestionable material effect on the Company's rights and interests.

58. News reports indicate that on January 14, 2010, Mr. Okada's company transferred $10 million to Subic Leisure and Management ("Subic Leisure"), a Soriano-controlled company registered in the British Virgin Islands. Mr. Okada's company transferred an additional $15 million to Subic Leisure on March 3, 2010, and a further $10 million to Subic Leisure in or about early May 2010. And, it has been reported that Mr. Okada's company transferred $5 million to a Hong Kong shell company named People's Technology Holding Ltd., of which Mr. Soriano was the sole shareholder.

59. The *Asahi Shimbun*, one of the largest national newspapers in Japan, has reported that these money transfers were reported to senior management at Universal and were approved by its board of directors. According to these *Asahi Shimbun* reports, the money transfers were

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

discussed at a Universal board meeting and expressly approved in a board resolution that Mr. Okada himself signed as the Chairman of Universal. Again, the factual circumstances of these transactions were never disclosed to the Wynn Resorts Board despite their unquestionable material effect on the Company's rights and interests.

60. Other news reports indicate that in exchange for these illicit payments, between late 2009 and early 2010, Mr. Okada's companies won concessions on three critical issues related to the Philippine project. In November 2009, PAGCOR, through its then-Chairman Genuino, brokered a land swap that Mr. Okada's company needed to move ahead with construction of its casino resort. Then, in or about February 2010, then-Philippine President Arroyo signed a presidential order that permitted foreign investors such as Mr. Okada to have 100-percent ownership of casinos. Finally, around the same time, the Philippine government approved an application for corporate tax relief by Mr. Okada's company.

61. This additional evidence that has reportedly come to light in the ongoing government investigations is entirely consistent with and supplements the findings contained in Mr. Freeh's report to the Wynn Resorts Board, as detailed above. This additional evidence is consistent with Mr. Okada's statements to the Wynn Resorts Board in February 2011, discussed above, regarding Mr. Okada's perspective on anti-corruption laws and regulations and his willingness to pay bribes through intermediaries while doing business in certain Asian countries. Because Mr. Okada engaged in this reported misconduct while he was associated with Wynn Resorts, this additional information further demonstrates Mr. Okada's failure to provide full and fair disclosure to the Board of the factual circumstances surrounding his and his affiliates' business dealings in the Philippines, and further supports Wynn Resorts' claim for breach of fiduciary duty.

FIRST CAUSE OF ACTION

(Breach of Fiduciary Duty)

(Wynn Resorts against Mr. Okada)

62. Wynn Resorts repeats and realleges the allegations set forth in Paragraphs 1 through 61 above as though fully set forth herein.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

63. As a director of Wynn Resorts, at all relevant times Mr. Okada owed fiduciary duties to Wynn Resorts under NRS 78.138 and the common law. Those duties included, without limitation: (a) the duty not to engage in conduct that was likely to damage the corporate interests of Wynn Resorts; (b) the duty to act in the best interests of Wynn Resorts, as opposed to advancing his own personal interests; and (c) the duty to make full disclosure to Wynn Resorts and his fellow directors about his business activities in the Philippines and to avoid concealment of his wrongful conduct where the interests of Wynn Resorts were concerned.

64. As set forth herein, Mr. Okada violated his fiduciary duties in several material ways during the period of 2008 to the date hereof. These violations of Mr. Okada's duties were intentionally concealed by him, however, and were not discovered by Wynn Resorts until various times after 2010, as set forth in more detail herein. Indeed, the details of Mr. Okada's wrongful conduct are still coming to light today through the ongoing investigative efforts of government and regulatory authorities worldwide.

65. Mr. Okada's breaches of fiduciary duty arise from his plan to have entities he personally controls develop and operate a resort casino in the Philippines. Specifically, the breaches occurred when, in furtherance of these plans, Mr. Okada engaged in conduct that was unethical, unlawful, and apparently criminal.

66. By engaging in such conduct while he was a director of Wynn Resorts, and indeed while he held the title of Vice Chairman of Wynn Resorts, Mr. Okada directly, knowingly, and intentionally damaged the interests of Wynn Resorts. This is because Wynn Resorts must be licensed as an entity in order to operate in the casino industry in Nevada, Macau, and in other jurisdictions in which Wynn Resorts may seek to operate casino resorts in the future. Such licensure, both existing and prospective, is put at grave risk by unethical, unlawful, and/or criminal conduct by any persons who serve as directors of the regulated entity. By engaging in conduct that could have resulted in risk to Wynn Resorts' existing and prospective licenses, Mr. Okada struck at the heart of Wynn Resorts' corporate interests in clear violation of his duty to protect and advance the interests of Wynn Resorts.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

67. Mr. Okada further demonstrated his willingness to damage Wynn Resorts, and his contempt for his fiduciary duties, by concealing his wrongful conduct from Wynn Resorts and by refusing voluntarily to resign and sever his links with Wynn Resorts when requested to do so. This conduct compounded Mr. Okada's other breaches of duty. In particular, despite requests to do so at Board meetings and in conversations with senior executives of Wynn Resorts, Mr. Okada refused to supply information about his activities in the Philippines and indeed refused to confirm even that he had determined to proceed with his Philippine project. In addition, through his counsel, Mr. Okada refused to cooperate with the Company's investigations regarding his activities in the Philippines or to provide any explanation for the troubling evidence that was brought to Mr. Okada and his counsel's attention by Wynn Resorts and its attorneys.

68. Rather than providing full and fair disclosure, Mr. Okada purposefully covered his tracks to prevent Wynn Resorts from discovering the extent of his questionable conduct. Mr. Okada knew that if he was forthcoming with the Company and his fellow directors, and did not evade their questions about his business activities in the Philippines, Wynn Resorts would undoubtedly take action to protect itself. Specifically, Mr. Okada did not wish for the Wynn Resorts Board to use its power under Article VII of the Articles of Incorporation to redeem the shares he owned through Aruze USA, nor did Mr. Okada wish for Wynn Resorts to commence the process of removing him as a director by a two-thirds shareholder vote (the only way in which Mr. Okada could be removed against his will under Nevada law). Mr. Okada's lack of candor — when he owed the Company a duty of full and fair disclosure of the factual circumstances surrounding his business dealings in the Philippines — amounted to an independent breach of Mr. Okada's fiduciary duties.

69. In addition, Mr. Okada breached his fiduciary duties by refusing, in 2011 and 2012, to attend the training sessions that Wynn Resorts arranged for its directors to ensure that they are familiar with Wynn Resorts' duties to be compliant with all applicable laws and regulations, and to avoid corrupt conduct. By repeatedly evading such compliance education without valid excuse, Mr. Okada not only made it more difficult for Wynn Resorts to demonstrate

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

the commitment of its Board to compliance, but he also further manifested his position that anti-corruption laws are irrelevant and of no importance to Mr. Okada.

70. Mr. Okada's breaches of duty involved intentional misconduct and knowing violations of law.

71. As a result of Mr. Okada's violations of his fiduciary duties, Wynn Resorts has suffered harm. In particular, Mr. Okada's violations of duty, once suspected and/or discovered, required Wynn Resorts: (a) to investigate his conduct, including to retain the services of three investigative firms; and (b) to take action pursuant to Nevada law and to Wynn Resorts' Articles to protect the corporation from Mr. Okada's breaches of duty. Wynn Resorts has been damaged by having to incur and pay the costs associated with these efforts to limit and repair the threatened damage to Wynn Resorts caused by Mr. Okada's course of conduct.

72. As direct and proximate result of Mr. Okada's acts and omissions, Wynn Resorts has suffered and will continue to suffer direct, incidental, and consequential damages, in an amount to be proven at trial, but in any event, in excess of $10,000, plus prejudgment interest.

73. In committing the acts herein above alleged, Mr. Okada is guilty of oppression, fraud, and malice toward Wynn Resorts. As such, Wynn Resorts is entitled to recover punitive damages from Mr. Okada for, inter alia, the purpose of deterring him and others similarly situated from engaging in like conduct.

74. As a result of the acts and omissions of Mr. Okada, Wynn Resorts has been compelled to hire the services of an attorney for the protection of its interests.

SECOND CAUSE OF ACTION

(Aiding and Abetting Breach of Fiduciary Duty)

(Wynn Resorts against Universal and Aruze USA)

75. Wynn Resorts repeats and realleges the allegations set forth in Paragraph 1 through 74 above as though fully set forth herein.

76. As a director, Mr. Okada owed Wynn Resorts a fiduciary duty of loyalty which, as alleged herein, he breached.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

77. Universal and Aruze USA knowingly participated in Mr. Okada's breaches of fiduciary duty by facilitating and/or actively participating in the unethical, unlawful, and/or criminal conduct described herein, which conduct has threatened to undermine Wynn Resorts' reputation as well as its existing and prospective gaming licenses.

78. As a direct and proximate result of Universal's and Aruze USA's acts and omissions in aiding and abetting Mr. Okada's breaches of duty, Wynn Resorts has suffered and will continue to suffer direct, incidental, and consequential damages in an amount to be proven at trial, but in any event, in excess of $10,000, plus prejudgment interest.

79. In committing the acts herein above alleged, Universal and Aruze USA are guilty of oppression, fraud, and malice toward Wynn Resorts. As such, Wynn Resorts is entitled to recover punitive damages from Universal and Aruze USA for, inter alia, the purpose of deterring them and others similarly situated from engaging in like conduct.

80. As a result of the acts and omissions of Universal and Aruze USA, Wynn Resorts has been compelled to hire the services of an attorney for the protection of its interests.

THIRD CAUSE OF ACTION

(Declaratory Relief – NRS Chapter 30)

(Wynn Resorts against Mr. Okada, Universal, and Aruze USA)

81. Wynn Resorts repeats and realleges the allegations set forth in paragraphs 1 through 80 above as though fully set forth herein.

82. To be deemed "suitable" under Nevada gaming law, the applicant must be: (a) a person of good character, honesty and integrity; (b) a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of the State of Nevada or to the effective regulation and control of gaming; and (c) must have adequate business probity, competence, and experience, in gaming or generally.

83. Section 3.090 of the Nevada Gaming Regulations provides that a license, registration, and suitability finding requires, among other things, a person of "good character, honesty, and integrity" and one "whose background, reputation and associations will not result in adverse publicity for the State of Nevada and its gaming industry . . . ."

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

84. Even after a suitability finding, Regulation 3.080 provides that "[t]he commission may deny, revoke, suspend, limit condition or restrict any registration or finding of suitability or application therefor upon the same grounds as it may take such action with respect to licenses, licensees and licensing; without exclusion of any other grounds."

85. In recognition of the central importance of its gaming license to the affairs of the corporation, the Articles of Incorporation afford the Wynn Resorts Board the "sole discretion" to take certain action to protect the gaming licenses and approvals of Wynn Resorts and its affiliates. Under the Articles, an "'Unsuitable Person' shall mean a Person who . . . in the sole discretion of the board of directors of the Corporation, is deemed likely to jeopardize the Corporation's or any Affiliated Company's application for, receipt of approval for, right to the use of, or entitlement to, any Gaming License."

86. Following a determination of unsuitability, the Articles of Incorporation provide that "[t]he Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person shall be subject to redemption by the Corporation, out of funds legally available therefor, by action of the board of directors, to the extent . . . deemed necessary or advisable by the board of directors. If . . . the board of directors deems it necessary or advisable, to redeem any such Securities, the Corporation shall give a redemption Notice to the Unsuitable Person or its Affiliate and shall purchase on the Redemption Date the number of shares of the Securities specified in the Redemption Notice for the price set forth in the Redemption Notice . . . ."

87. On February 18, 2012, after receiving Mr. Freeh's written report and considering his presentation and the advice of expert gaming counsel, the Wynn Resorts Board of Directors deliberated at length and thereafter adopted resolutions that: (a) determined that Mr. Okada, Universal, and Aruze USA were likely to jeopardize Wynn Resorts' and its affiliated companies' existing and prospective gaming licenses; (b) deemed Mr. Okada, Universal, and Aruze USA to be "Unsuitable Persons" under the Articles of Incorporation; and (c) redeemed Aruze USA's

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

EXHIBIT 1

See Exhibit 99.2, which is incorporated herein by reference.

Exhibit 99.2

REPORT
Attorney – Client / Work Product / Privileged and Confidential

I. Introduction

Wynn Resorts, Limited ("Wynn Resorts"), a publicly traded company incorporated in the State of Nevada, on behalf of its Compliance Committee, retained Freeh Sporkin & Sullivan, LLP ("FSS") on November 2, 2011 to conduct an independent investigation. That independent investigation has been conducted under the sole direction of the Compliance Committee. The purpose of the investigation was to determine whether there is evidence that Mr. Kazuo Okada, a member of the Wynn Resorts Board of Directors, may have: (i) breached his fiduciary duties to Wynn Resorts; (ii) engaged in conduct that potentially could jeopardize the gaming licenses of Wynn Resorts; and/or, (iii) violated the Wynn Resorts compliance policy. Specifically, FSS has been asked to examine Mr. Okada's efforts in connection with the creation of a gaming establishment in the Republic of the Philippines.

This is the Report to the Compliance Committee Chairman on the results of FSS' investigation. As set forth with greater detail in the attached appendix, FSS has performed its investigation by interviewing dozens of individuals and by reviewing thousands of documents, electronic emails, corporate and public records.

II. Summary

The investigation has produced substantial evidence that:

1. Despite being advised by the Wynn Resorts Board of Directors and Wynn Resorts attorneys on the strict US anti-bribery laws which govern Wynn Resorts and its board, Mr. Okada strongly believes and asserts that when doing business in Asia, he should be able to provide gifts and things of value to foreign government officials, whether directly or by the use of third party intermediaries or consultants.

2. Mr. Okada, his associates and companies have arranged and designed his corporate gaming business and operations in the Philippines in a manner which appears to contravene Philippine Constitutional provisions and statutes that require 60% ownership by Philippine nationals, as well as a Philippine criminal statute.

3. Mr. Okada, his associates and companies appear to have engaged in a longstanding practice of making payments and gifts to his two (2) chief gaming regulators at the Philippines Amusement and Gaming Corporation ("PAGCOR"), who directly oversee and regulate Mr. Okada's Provisional Licensing Agreement to operate in that country. Since 2008, Mr. Okada and his associates have made multiple payments to and on behalf of these chief regulators, former PAGCOR Chairman Efraim Genuino and Chairman Cristino Naguiat (his current chief regulator), their families and PAGCOR associates, in an amount exceeding US 110,000. At times, Mr. Okada, his

associates and companies have consciously taken active measures to conceal both the nature and amount of these payments, which appear to be prima facie violations of the United States Foreign Corrupt Practices Act ("FCPA"). In one such instance in September 2010, Mr. Okada, his associates and companies, paid the expenses for a luxury stay at Wynn Macau by Chairman Naguiat, Chairman Naguiat's wife, their three children and nanny, along with other senior PAGCOR officials, one of whom also brought his family. Mr. Okada and his staff intentionally attempted to disguise this particular visit by Chairman Naguiat by keeping his identity "Incognito" and attempting to get Wynn Resorts to pay for the excessive costs of the chief regulator's stay, fearing an investigation. Wynn Resorts rejected the request by Mr. Okada and his associates to disguise and to conceal the actual expenditures made on behalf of Chairman Naguiat.

4. Additionally, Mr. Okada, his associates and companies appear to have engaged in a pattern of such prima facie violations of the FCPA. For example, in 2010 it also is possible that Mr. Okada, his associates and companies made similar payments to a Korean government official who oversees Mr. Okada's initial gaming investment in that country. Additional investigation is needed to develop and confirm these possible FCPA violations.

5. The prima facie FCPA violations by Mr. Okada, his associates and companies constitute a substantial, ongoing risk to Wynn Resorts and to its Board of Directors, creating regulatory risk, conflicts of interest and potential violations of his fiduciary duty to Wynn Resorts. Finally, Mr. Okada's documented refusal to receive Wynn Resorts requisite FCPA training provided to other Directors, as well as his failure to sign an acknowledgment of understanding of Wynn Resorts Code of Conduct, increase this risk going forward.

6. Mr. Okada insisted in his interview that all of his gaming efforts in the Philippines prior to the change of the presidential administration in the summer of 2010 were undertaken on behalf of and for the benefit of Steve Wynn and Wynn Resorts. This assertion is contradicted by press releases dating back to 2007 on his website, which announce an independent effort by Universal; his real estate investments; and the ownership of his corporations in the Philippines.

7. (7) Mr. Okada has stated that Universal paid expenses related to then-PAGCOR Chairman Genuino's trip to Beijing during the 2008 Olympics.

III. Kazuo Okada's Relevant Corporate Affiliations

A. Wynn Resorts

After an initial public offering which closed in October 2002, Aruze USA, Inc., controlled by Mr. Okada, became a 24.5% shareholder of Wynn Resorts. Mr. Okada's current ownership of Wynn Resorts through his control of Aruze USA, Inc. is 19.66%.

Mr. Okada became a member of the Wynn Resorts Board of Directors on October 21, 2002, and remains on the Board of Directors as of the date of this Report. In the past, Mr. Okada has used the title of Vice Chairman of Wynn Resorts. In October 2011, the Wynn Resorts Board of Directors eliminated the position of Vice Chairman.

As a Director of Wynn Resorts, Mr. Okada is entitled to receive the courtesy of what is called a "City Ledger Account." Such accounts were originally instituted as a result of Sarbanes Oxley's prohibition of extensions of credit, in the form of a personal loan from an issuer to an officer or director. The accounts were funded by deposits from the director or his company. Such an account exists for billing conveniences related to charges incurred at various Wynn Resorts locales. Mr. Okada has availed himself of this courtesy and established such a City Ledger Account.[1] Within Wynn Resorts, this Okada City Ledger Account is referred to either as the "Universal City Ledger Account" or as the "Aruze City Ledger Account." Accordingly, the phrases Universal City Ledger Account and Aruze City Ledger Account will be referred to interchangeably within this report despite the fact that Aruze Corp.'s name was changed to Universal Entertainment Corporation in November of 2009.

Mr. Okada has been found to be suitable by the Nevada Gaming Commission.[2]

B. Universal Entertainment Corporation of Japan

Mr. Okada currently serves as Director and Chairman of the Board of Universal Entertainment Corporation ("Universal Entertainment"), registered in Tokyo, Japan. Universal Entertainment Corporation is the current trade name of a company which was incorporated in 1969 as Universal Lease Co. Ltd. and which became Aruze Corp. in 1998. Aruze changed its

[1] The initial wire to establish the Aruze Corp. City Ledger Account was dated February 15, 2008.

[2] Mr. Okada was originally found to be suitable as a shareholder of Aruze Corp. as part of *An Order of Registration* issued jointly by the State Gaming Control Board and the Nevada Gaming Commission on June 4, 2004. On June 5, 2005, in a similar order, the Nevada Commission and the State Gaming Control Board found Aruze Corp. to be (1) suitable as a controlling shareholder of Wynn Resorts, Limited, (2) suitable as the sole shareholder of Aruze USA, Inc., (3) that Aruze USA, Inc. is registered as an intermediary company and is found suitable as a shareholder of Wynn Resorts, Limited, and (4) that Mr. Okada is suitable as a shareholder and controlling shareholder of Aruze Corp. [See Appendix]

name to Universal Entertainment Corporation in November 2009. Universal is listed on the JASDAQ stock exchange and is engaged in the manufacture and sale of pachinko and gaming machines and related business activities. As of September 2011, Okada Holdings Godokaisha was Universal Entertainment's major shareholder, with 67.90% of the issued shares.

The Nevada Gaming Commission has approved Universal Entertainment's suitability as the 100% shareholder for a subsidiary, Aruze USA, Inc.

C. **Aruze USA, Inc.**

Aruze USA, Inc. ("Aruze USA") is a wholly owned subsidiary of Universal Entertainment. Aruze USA is a US company and was incorporated in the State of Nevada on June 9, 1999. Mr. Okada is a Director of Aruze USA and serves as its President, Secretary, and Treasurer.

Aruze USA has been found suitable by the Nevada Gaming Commission as a major shareholder of Wynn Resorts.

D. **Aruze Gaming America, Inc.**

Aruze Gaming America, Inc. is a private company that is 100% personally owned by Mr. Okada. He currently serves as a Director, Secretary, and Treasurer of the company. Aruze Gaming America, Inc. is a US company and was incorporated on February 7, 1983. The company changed its name from Universal Distributing of Nevada, Inc. to Aruze Gaming America, Inc. on January 6, 2006. Aruze Gaming America, Inc. shares a common business address with Aruze USA, Inc. in Las Vegas, Nevada.

E. **Business Interests in the Republic of the Philippines**

Since 2008, Mr. Okada has been involved with a variety of corporate entities and with various business associates in the creation of a gaming establishment in an area of the Philippines known as Entertainment City Manila.[3] In furtherance of this endeavor, Mr. Okada and his associates have procured land and a provisional gaming license in the Philippines. A more detailed review of Mr. Okada's corporate entities and business associates in the Philippines is set forth in Section V(2)(A) below.

F. **Business Interests in the Republic of Korea**

Mr. Okada has recently pursued development of a casino resort complex in the Incheon Free Economic Zone in the Republic of Korea. A more detailed review of Mr. Okada's activities in Korea is set forth in Section V(4) below.

[3] On the Universal Entertainment website (viewed January 30, 2012) this project is referenced as "Manila Bay Resorts." [See Appendix]

IV. Relevant Legal and Policy Standards

A. FCPA

The United States Foreign Corrupt Practices Act ("FCPA") contains two primary categories of violations: (i) a books and records provision, and (ii) a bribery provision. Based upon available information, it seems clear that Aruze USA fits the definition of domestic concern[4] and United States person[5] provided in the FCPA, and that the FCPA applies both to Aruze USA and to Mr. Okada personally, in his capacity as an officer and director of Aruze USA.

Under the definitions of domestic concern and United States person, the statute applies to a corporation, partnership, unincorporated organization and other enumerated entities that have their principal place of business in the United States or which are organized under the laws of a State of the United States. It also applies to officers and directors of such concerns.[6]

In 1998, the FCPA was amended and added an alternative basis to interstate commerce for jurisdiction. As the United States District Court for the Southern District of New York wrote: ". The amendments expanded FCPA coverage to any person' — not just issuers' or domestic concerns'. [A]ny United States person or entity violating the Act outside of the United States is subject to prosecution, regardless of whether any means of interstate commerce were used. Citing 15 USC 78dd-1, 78dd-2. (Emphasis added.)[7]

Under this definition, Aruze USA is a covered party under the FCPA.

The FCPA provides that "[i]t shall be unlawful for any domestic concern, other than an issuer which is subject to section 78dd–1 of this title, or for any officer, director, employee, or agent of such domestic concern or any stockholder thereof acting on behalf of such domestic concern, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to—

(1) any foreign official for purposes of—

(A)

[4] 1 U.S.C. 78 dd – 2(a),(h).

5

[5] 1 U.S.C. 78 dd – 2(i).

5

[6] 1 U.S.C. 78 dd – 2(g).

5

[7] *I re Grand Jury Subpoena,* 218 F. Supp. 2d 544, 550 (S.D.N.Y 2002).

n

(i) influencing any act or decision of such foreign official in his official capacity,

(ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or

(iii) securing any improper advantage; or

(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person;"[8]

The head of PAGCOR fits within the definition of foreign official as used in the FCPA.

According to PAGCOR's website, it "is a 100 percent government-owned and controlled corporation that runs under the direct supervision of the Office of the President of the Republic of the Philippines."[9] In addition to prescribing mandates to generate revenue for certain government programs and promote tourism in the Philippines, PAGCOR's charter states that the entity will " [r]egulate, authorize and license games of chance, games of cards and games of numbers, *particularly casino gaming,* in the Philippines."[10] (Emphasis added.)

As set forth above, there is still the interstate commerce basis for jurisdiction, but there is also an alternative. The alternative would require the same elements for an offense, but a showing of interstate commerce would not be required. If the interstate commerce basis for jurisdiction were used, the analysis set forth below would be of significance.

With regard to means or instrumentality of interstate commerce, some of the facts referred to in this report pertain to Mr. Okada utilizing the Universal City Ledger Account to confer financial benefits upon Philippine gambling regulators who could affect the business interests of Aruze USA, Inc. in the Philippines. Some of those benefits were conferred at Wynn Macau. The following facts concerning the Universal City Ledger Account, which bear upon use of means or instrumentalities of interstate commerce, were established during the investigation:

- The account is maintained at the corporate offices of Wynn Resorts, Limited in Las Vegas, Nevada where periodic deposits are made from Universal into the Wynn Resorts, Limited operating account at Bank of America in Las Vegas, Nevada to ensure that the amount on deposit remains at or about US 100,000. Bank documents reflect that the deposits are received from a Universal Entertainment account located in Japan.[11]

[8] 15 U.S.C. Section 78dd – 2(a).
[9] http://www.pagcor.ph/pagcor-faqs-profile.php, viewed January 18, 2012. [See Appendix]
[10] Ibid., viewed January 18, 2012. [See Appendix]
[11] See, e.g. wire transfer documents from Sumitomo Mitsumi Bank to Bank of America. [See Appendix]

- When charges are incurred at Wynn Macau, Wynn Macau tracks all charges for the Universal City Ledger Account on its books, and then the accounting department transfers the charges to accounting at Wynn Resorts, Limited in Las Vegas via a journal entry. Wynn Macau sends a pdf file to a staff accountant at Wynn Resorts, Limited in Las Vegas with all the backup documentation. Invoices issued by Wynn Resorts, Limited are periodically sent to a Universal Entertainment email address.[12]

B. **Nevada Gaming Regulations and Wynn Resorts Policies**

The question of whether or not a gaming licensee or licensee applicant is deemed "suitable" in Nevada is answered by reviewing the Nevada Revised Statutes ("NRS") in conjunction with the regulations promulgated by the Nevada Gaming Commission ("NGC"), which is empowered by the NRS.[13]

1. Legislative Authority

The standard for determining suitability is found in Section 463.170 of the NRS. Paragraph (2) of the NRS 463.170, entitled *Qualifications for license, finding of suitability or approval; regulations,* provides that the person seeking a license or a suitability determination is subject to the following considerations: "[a]n application to receive a license or be found suitable must not be granted unless the Commission is satisfied that the applicant is: (a) A person of good character, honesty and integrity; (b) A person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of this State or to the effective regulation and control of gaming." In addition, paragraph (3) provides in pertinent part "[a] license to operate a gaming establishment or an inter-casino linked system must not be granted unless the applicant has satisfied the Commission that: (a) [t]he applicant has adequate business probity, competence and experience, in gaming or generally."

The Nevada Gaming Commission Regulations ("Nevada Gaming Regulations") are also relevant to the conditions placed upon suitability. According to Section 3.080 of the Nevada Gaming Regulations, entitled *Unsuitable affiliates,* "[t]he commission may deny, revoke, suspend, limit, condition or restrict any registration or finding of suitability or application therefor upon the same grounds as it may take such action with respect to licenses, licensees and licensing; without exclusion of any other grounds." Paragraph (1) of Section 3.090, entitled

[12] In a Wynn Resorts Memorandum to File from the Corporate Accounting department, dated January 10, 2012, the "invoice[s] and all support documentation are emailed to kimiko.okamura@hq.universal-777.com, takashi.usami@hq.universal-777.com and iwayama.hidetsugu@hq.universal-777.com on the 5th of each month for the prior month [sic] activity." [See Appendix]

[13] For further advice regarding suitability, please consult directly with David Arrajj, Esq. and/or see Memo dated December 9, 2011 from Kate Lowenhar-Fisher, Esq. and Jamie L. Thalgott, Esq. to David Arrajj, Esq. re Associations and the Suitability Analysis. [See Appendix]

Standards for commission action, provides in pertinent part that "[n]o license, registration, finding of suitability, or approval shall be granted unless and until the applicant has satisfied the commission that the applicant: (a) Is a person of good character, honesty, and integrity; (b) Is a person whose background, reputation and associations will not result in adverse publicity for the State of Nevada and its gaming industry; and (c) Has adequate business competence and experience for the role or position for which application is made."

2. Underlying Corporate Documents of Wynn Resorts

The Second Amended and Restated Articles of Incorporation of Wynn Resorts, Limited (filed September 16, 2002) also provide for standards that seek to define an "Unsuitable Person." As set forth on page 8 of the Articles of Incorporation, the phrase Unsuitable Person "shall mean a Person who . . . in the sole discretion of the board of directors of the Corporation, is deemed likely to jeopardize the Corporation's or any Affiliated Company's application for, receipt of approval for, right to the use of, or entitlement to, any Gaming License." (Emphasis added.)

Finally, the Amended and Restated Gaming and Compliance Program of Wynn Resorts, Limited (adopted as of July 29, 2010) defines an *Unsuitable person* as a "[p]erson (i) who has been denied licensing or other related approvals by a Gaming Authority on the grounds of unsuitability or who has been determined to be unsuitable to be associated with a gaming enterprise by a Gaming Authority; or (ii) that the Company determines is unqualified as a business associate of the Company or its Affiliates based on, without limitation, that Person's antecedents, associations, financial practices, financial condition or business probity."

In the event of a finding of unsuitability, there are provisions within the aforementioned corporate documents that provide for a resolution post determination. Specifically, on page 6 of the Second Amended and Restated Articles of Incorporation of Wynn Resorts, Limited, the Articles state in pertinent part, "[t]he Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person shall be subject to redemption by the Corporation, out of funds legally available therefor, by action of the board of directors, to the extent required by the Gaming Authority making the determination of unsuitability or to the extent deemed necessary or advisable by the board of directors. If a Gaming Authority requires the Corporation, or the board of directors deems it necessary or advisable, to redeem any such Securities, the Corporation shall give a Redemption Notice to the Unsuitable Person or its Affiliate and shall purchase on the Redemption Date the number of shares of the Securities specified in the Redemption Notice for the Price set forth in the Redemption Notice." The Articles provide further guidance as to the terms of the redemption.

In addition, according to Section 3.6 of the Fourth Amended and Restated Bylaws, effective as of November 13, 2006, the removal of a director is premised upon ". . . the

affirmative vote of the holders of not less than two-thirds (2/3) of the voting power of the issued and outstanding stock of the Corporation entitled to vote generally in the election of directors (voting as a single class)." Resignation is also listed as an option "upon giving written notice, unless the notice specifies a later time for effectiveness of such resignation, to the chairman of the board, if any, the president or secretary, or in the absence of all of them, any other officer."

C. **Wynn Resorts Code of Business Ethics**

Wynn Resorts first adopted a Code of Business Conduct and Ethics on May 4, 2004. The document defines itself as "a statement of policies for the individual and business conduct of the Company's employees and Directors."[14] There are two sections of the Code that are relevant to this investigation: (i) conflict of interest and (ii) interaction with government officials. The sections are included below for reference purposes.

1. Conflict of Interest:

"A Conflict of interest occurs when your private interests interfere, or even appear to interfere, with the interests of the Company. A conflict situation can arise when you take actions or have interests that make it difficult for you to perform your Company work objectively and effectively. Your obligation to conduct the Company's business in an honest and ethical manner includes the ethical handling of actual, apparent and potential conflicts of interest between personal and business relationships. This includes full disclosure of any actual, apparent or potential conflicts of interest as set forth below.

Special rules apply to executive officers and Directors who engage in conduct that creates an actual, apparent or potential conflict of interest. Before engaging in any such conduct, executive officers and Directors must make full disclosure of all facts and circumstances to the Corporate Secretary, who shall inform and seek the prior approval of the Audit Committee of the Board of Directors."

2. Interacting with Government:

Prohibition on Gifts to Government Officials and Employees

"Different governments have different laws restricting gifts, including meals, entertainment, transportation and lodging, that may be provided to government officials and government employees. You are prohibited from providing gifts, meals or anything of value to government officials or employees or members of their families in connection with Company business without prior written approval from the Compliance Officer."

[14] Wynn Resorts Code of Business Conduct and Ethics dated May 4, 2004, page 7. [See Appendix]

Bribery of Government Officials

"The Company's Policy Regarding Payments to Foreign Officials, the U.S. Foreign Corrupt Practices Act (the "FCPA"), and the laws of many other countries prohibit the Company and its officers, employees and agents from giving or offering to give money or anything of value to a foreign official, a foreign political party, a party official or a candidate for political office in order to influence official acts or decisions of that person or entity, to obtain or retain business, or to secure any improper advantage. Please refer to the Company's Policy Regarding Payments to Foreign Officials for more details regarding prohibited payments to foreign government officials."

Discipline for Violations:

"The Company intends to use every reasonable effort to prevent the occurrence of conduct not in compliance with its Code and to halt any such conduct that may occur as soon as reasonably possible after its discovery. Subject to applicable laws and agreements, Company personnel who violate this Code and other Company policies and procedures may be subject to disciplinary action, up to and including discharge." (Emphasis added.)

The Code has since been revised twice, once in 2009 and then again on November 1, 2011. Although the above sections have been expanded in these later editions, for the purpose of this investigation and the dates in question the substance has remained basically the same and the FCPA has continued to be a point of emphasis.

V. Report of Investigation

1. Mr. Okada's Attitude Toward Wynn Resorts Compliance Requirements

Mr. Okada's prima facie violations of FCPA, involving both his government regulators in the Philippines and possibly in Korea, do not appear to be accidental or based upon a misunderstanding of anti-bribery laws. Conversely, despite being advised by fellow Wynn Resorts Board members and Wynn Resorts counsel that payments and gifts to foreign government officials are strictly prohibited, Mr. Okada has insisted that there is nothing wrong with this practice in Asian countries. Mr. Okada has stated his personal rejection of Wynn Resorts anti-bribery rules and regulations, as well as legal prohibitions against making such payments to government officials, to fellow Wynn Resorts Board members.

In a February 24, 2011 Wynn Resorts Board of Directors ("Board") meeting at which Mr. Okada was present, after a lengthy discussion by the Board of the FCPA,[15] including specifically the Universal project in the Philippines and potential Wynn Resorts' involvement, "[t]he

[15] In an email from Kim Sinatra to Michiaki Tanaka, dated February 26, 2011, Ms. Sinatra referenced a meeting with Mr. Okada in which she furnished FCPA policy and training materials and reiterated the importance of strict compliance with the FCPA. [See Appendix]

independent members of the board unanimously advised management that any involvement [by Wynn Resorts] in the Philippines under the current circumstances was inadvisable."[16] During this discussion, Mr. Okada challenged the other board members over statements regarding the impermissibility under the FCPA of giving gifts abroad in return for favorable treatment, and made statements about hiring "third party consultants" to give gifts to officials.[17]

One board member recalled Mr. Okada stating that, in Asia, one must follow the local culture, and that is why one should hire "consultants" to give the gifts.[18] This board member understood Mr. Okada to mean that such use of consultants would help avoid prosecution under the FCPA. Another board member who was present recalled Mr. Okada stating that conducting business in the Philippines was all a matter of "hiring the right people" to pay other people.[19]Yet another board member recalled Mr. Okada being "adamant" during the FCPA discussion that it is not corrupt to give "gifts."[20] A board member who participated in the meeting by phone recalled Mr. Okada claiming that, in the Philippines, "business is done in a different manner, and sometimes you have an intermediary' that will do whatever he has to do," or words to that effect.[21] A different board member recalled being "shocked" by the contradiction between two of Mr. Okada's statements during this discussion.[22] Early in the discussion, Mr. Okada explained that there were no longer corruption issues in the Philippines with the new administration. However, Mr. Okada subsequently stated, in effect, that while he himself would not pay bribes, he would "hire someone else" to bribe the necessary person.

Pursuant to a chain of emails reviewed by FSS, commencing with an email on August 4, 2011 from Roxane Peper, Director of Intellectual Property and Corporate Records, to each of the board members (or their representatives), and ending with an email from Ms. Peper to Kevin Tourek, Senior Vice President and Corporate Counsel, on October 26, 2011, the following is clear:[23]

- All board members were notified of upcoming FCPA training/board meeting set for October 31 – November 1, 2011 and asked to confirm attendance by August 31, 2011.
- Mr. Okada, through two of his representatives, was emailed at least three (3) separate times before Shinobu Noda, his assistant, sent an email on September 15, 2011 confirming that Mr. Okada would attend.

[16] Minutes of Wynn Resorts Board of Directors meeting, February 24, 2011, p.3. [See Appendix]
[17] Interview of Steve Wynn, November 7, 2011.
[18] Interview of Robert J. Miller, December 16, 2011.
[19] Interview of Alvin V. Shoemaker, December 20, 2011.
[20] Interview of Marc D. Schorr, December 20, 2011.
[21] Interview of Allan Zeman, December 21, 2011.
[22] Interview of D. Boone Wayson, December 20, 2011.
[23] See emails from Roxane Peper to Kevin Tourek on October 26, 2011. [See Appendix]

Subsequent to the confirmation, Ms. Peper received an email from Ms. Noda on October 25, 2011. Ms. Noda stated that the email contained a message to Kim Sinatra, Senior Vice President and General Counsel of Wynn Resorts, from Mr. Okada.[24] This part of the message was entirely in Japanese and had to be translated. Mr. Okada asked for the FCPA training materials to be provided in Japanese. He also stated that he would be arriving on "Monday [October 31]", which was the day the FCPA training was to commence. He asked if the training could be held after the board meeting or rescheduled. Kim Sinatra sent a response to Ms. Noda via email on October 25, 2011 thanking Mr. Okada for the note and stating further that the FCPA training materials had been translated and would be provided to him via email and that Wynn Resorts had made further arrangements to have the FCPA live training translated to Japanese via simultaneous translation.[25] She also stated that the date of the training could not be rescheduled because it had been planned around his previous confirmation and that outside counsel was coming to Las Vegas to provide the training.

Mr. Okada failed to attend the training on October 31, 2011. He was the only member of the board not in attendance (all others attended in person or via telephone dial-in as evidenced via a sign-in sheet).[26]

2. Gaming Establishment in the Philippines

Evidence obtained in the course of the investigation establishes that Mr. Okada, his associates and companies, may have arranged and manipulated the ownership and management of legal entities in the Philippines under his control, in a manner that may have enabled the evasion of Philippine constitutional and statutory requirements. It is also noted that Mr. Okada's two principal Philippine corporations, Eagle I Landholdings, Inc. and Eagle II Holdco, Inc., which may have been purposefully created to circumvent Philippine constitutional restrictions on foreign ownership of land, appear to be closely intertwined with Rodolfo Soriano, Paolo Bombase and Manuel M. Camacho, who have numerous common ties to former PAGCOR Chairman Efraim Genuino. For example, with regard to Eagle II Holdco, Inc., as late as 2010, Platinum Gaming and Entertainment ("Platinum") had acquired 60% of its shares. According to a dated filing by Platinum on file with the Philippine SEC, Rodolfo Soriano controlled 20% of Platinum at the time of its incorporation. Mr. Soriano, referred to by attorney Camacho as a "bag man" for then-Chairman Genuino, is a former PAGCOR consultant and respondent in PAGCOR corruption referrals (see page 15 infra). Similarly, Paolo Bombase, an officer, director and nominal shareholder of Eagle I Landholding, Inc. and Eagle II Holdco., Inc. has a 1.25% share of Ophiuchus Real Properties Corp. This Ophiuchus entity is 15% owned by a Philippine company named SEAA Corp. In turn, SEAA is the family-controlled company of former PAGCOR Chairman Efraim Genuino. At this time, the significance of this interlocking shareholder link

[24] See email from Shinobu Noda to Roxane Peper dated October 25, 2011. [See Appendix]
[25] See email from Kim Sinatra to Shinobu Noda dated October 25, 2011. [See Appendix]
[26] See FCPA Training Sign-In sheet dated October 31, 2011. [See Appendix]

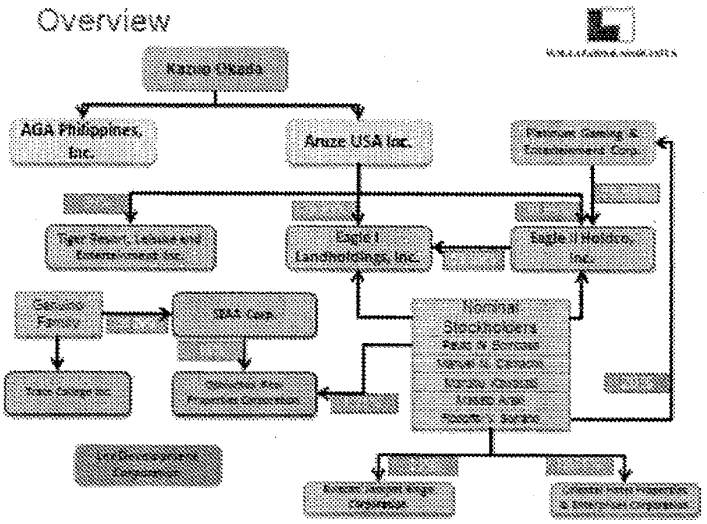
between Mr. Okada, his former Philippine gaming regulator, and the regulator's associates is not known.

A. Corporate Links between Mr. Okada's Business Interests and Those of Philippine Government Officials

Close associates and consultants of the former Genuino PAGCOR administration eventually attained positions as corporate officers, directors and/or nominal shareholders in legal entities controlled by Mr. Okada, and, in some cases, served as links between the business interests of Mr. Okada and those of former PAGCOR chairman Efraim Genuino and members of Genuino's immediate family.

In order to better understand the interrelationships among corporate entities in the Philippines controlled by Mr. Okada and those controlled by PAGCOR officials and their associates, FSS requested the Philippines law firm of M. M. Lazaro & Associates ("Lazaro") to produce a study of this issue.[27] Drawing upon official records obtained from the Philippines Securities and Exchange Commission, Lazaro produced an analysis of the relationships created by the ownership and control structures of these entities.[28] The chart below, extracted from that analysis, illustrates these relationships in schematic form.

[27] Manuel Lazaro was formerly a government corporate counsel with the rank and privileges of a Philippine presiding justice, court of appeals, who FSS retained to assist in the investigation and to advise on certain aspects of Philippine law. [See Appendix]
[28] The complete Lazaro PPT is attached to this report. [See Appendix]



Tiger Resorts, Leisure and Entertainment, Inc. ("Tiger") was incorporated in the Philippines on June 13, 2008.[29] Its primary purpose was stated as:

> To acquire, own, maintain, operate and/or manage hotels (city and resort), inns, apartments, private clubs, pension houses, convention halls, lodging houses, restaurants, cocktail bars, and any and all services and facilities related or incident thereto.[30]

Tiger is predominantly owned by Aruze USA, Inc.[31] In August 2008, PAGCOR granted Tiger a Provisional Licensing Agreement to operate a gaming establishment in the Entertainment City Manila Zone. An official of the current PAGCOR administration told FSS in December 2011 that PAGCOR was currently reexamining this license.[32]

[29] Articles of Incorporation of Tiger. [See Appendix]
[30] Ibid. [See Appendix]
[31] GIS of Tiger, 2010. [See Appendix]
[32] Combined interview of Jay Daniel R. Santiago and Thadeo Francis P. Hernando, on December 12, 2011. It should be noted that after the interview with Santiago and Hernando, FSS along with its Philippine counsel, for purposes of this investigation, formally requested a copy of the Provisional Licensing Agreement from PAGCOR, as well as other related documents. On the same date that the formal request was made, PAGCOR refused to supply a

Eagle I Landholdings, Inc. ("Eagle I") was incorporated in the Philippines on May 16, 2008 with 5 partners of the Philippines law firm Sycip Salazar Gatmaitan ("Sycip") as the shareholders, directors and officers.[33] By certification on September 5, 2008, the original shareholders were all replaced by, among others, Eagle II Holdco, Inc. ("Eagle II"), with approximately 60% ownership. Eagle II maintained this percentage of ownership of Eagle I through the filing of the latest available General Information Statement ("GIS") for the year 2010.[34] Eagle I's 2009 GIS, filed September 17, 2009, indicates that Paolo Bombase, Manuel N. Camacho and Rodolfo V. Soriano (whose associations with PAGCOR and Mr. Genuino are explained below) all had become officers/ directors and nominal stockholders of Eagle I; they retained this status through the filing of the latest GIS for Eagle I.[35] Aruze USA, Inc. first appears as the owner of approximately 40% of Eagle I as of the 2010 GIS, owning the share previously owned by Molly Investments Cooperative UA ("Molly").[36]

Eagle II's filings with the Philippines Securities and Exchange Commission indicate a history similar to that of Eagle I. Incorporated on May 19, 2008 by the same 5 Sycip partners,[37] Eagle II reflected the acquisition of approximately 60% of its shares by Platinum Gaming & Entertainment Corp. ("Platinum") on its GIS filed September 17, 2009, with Platinum owning the same percentage as of the 2010 GIS.[38] The same filings reflect the appearance--in 2009 and continuing through the 2010 filing--of Messrs. Camacho, Soriano and Bombase as officers/directors and nominal shareholders. In 2010 Aruze USA, Inc. appears with the 40% shareholding that was attributed to Molly in 2009.[39]

Platinum was incorporated in the Philippines on November 21, 2001, with a Certificate of Filing of Amended Articles of Incorporation ("AOI") issued by the Philippines Securities and Exchange Commission on June 10, 2002.[40] Platinum has no GIS on file with the Philippines Securities and Exchange Commission, and the only corporate document filed besides the Articles of Incorporation is the 2004 Financial Statement. The latest information on file lists Mr.

---

copy of Tiger's Provisional Licensing Agreement, saying that they were bound by a non-disclosure clause. That refusal was signed by Francis P. Hernando, who is identified below as a PAGCOR employee, who stayed in Wynn Macau in June 2011 and had US 709.72 of expenses paid for by the Aruze City Ledger account. See Letter of Request and Letter of Refusal. [See Appendix]

[33] Articles of Incorporation of Eagle I. [See Appendix]

[34] GIS of Eagle I for years 2009 and 2010. [See Appendix] A GIS is required to be filed on an annual basis according to Section 141 of the Corporation Code of the Philippines. [See Appendix]

[35] Ibid. [See Appendix]

[36] Ibid. [See Appendix]; FSS has determined Molly to be a wholly owned subsidiary of Aruze Corp. See http://www.universal-777.com/en/ir/ir_lib/material/annual_20081119.pdf, page 32.

[37] Articles of Incorporation of Eagle II. [See Appendix]

[38] GIS of Eagle II, years 2009-2010. [See Appendix]

[39] GIS of Eagle II, 2010. [See Appendix]

[40] Articles of Incorporation of Platinum, as amended June 10, 2002. [See Appendix]

Soriano, a former PAGCOR consultant, as a director/officer and a 20% shareholder in Platinum.[41]

Messrs. Camacho, Bombase and Soriano are all directly associated with former PAGCOR Chairman Genuino in significant ways. Mr. Camacho is an attorney and a principal of the Manila law firm Camacho & Associates. He was for a time in a law partnership with Mr. Genuino's son, Erwin Genuino.[42] Mr. Camacho traveled to Japan with Mr. Soriano at then PAGCOR Chairman Genuino's behest, to meet with Mr. Okada and other representatives of Aruze. This meeting resulted in Mr. Camacho's firm replacing Sycip in representing Aruze with respect to the development of the project in Entertainment City Manila.[43]

Sometime subsequent to this meeting, Aruze wired retainer funds to the bank account of Mr. Camacho's firm, an account controlled jointly by Mr. Camacho and Erwin Genuino. Later, Mr. Camacho discovered that all or most of these funds had been withdrawn by Erwin Genuino. When he questioned this withdrawal, he was eventually told by Mr. Soriano and/or then PAGCOR Chairman Genuino that the funds had been withdrawn to be used as a "cash payoff" to the mayor of the municipality in which the Entertainment City Manila project is located, in order to facilitate approval of the use of some plots of land to build roads needed for Mr. Okada's casino project. Mr. Camacho claims to have had a falling out with Erwin Genuino and Mr. Soriano, and to be involved currently in a lawsuit against Erwin Genuino over the dissolution of their law partnership.[44] Erwin Genuino is named as a respondent, along with former PAGCOR Chairman Genuino, in two sworn corruption referrals ("PAGCOR Referrals") filed with the Republic of the Philippines Department of Justice ("DOJ") in the summer of 2011 by the current PAGCOR Administration.[45]

Mr. Bombase, also an attorney, is an officer/director and shareholder of Ophiuchus Real Properties Corporation ("Ophiuchus"), incorporated in April 2011.[46]According to its 2011 GIS, Ophiuchus was 15% owned by SEAA Corporation ("SEAA").[47] SEAA, which was registered with the Philippine SEC on December 3, 1997, is, according to its 2011 GIS, 100% owned by members of former PAGCOR Chairman Genuino's immediate family.[48] The Articles of

[41] M. M. Lazaro & Associates, "Aruze Corporations in the Philippines and Related' Corporations", p. 18. [See Appendix]
[42] Interview of M. Camacho, December 13, 2011.
[43] In his discussion with FSS, Mr. Camacho referred to the firm only as "Aruze," not further defined.
[44] Although Mr. Camacho, who is in his seventies, failed to recall some details of his dealings with Mr. Genuino and Mr. Soriano, FSS credits the general account given by him during the December 13, 2011 interview.
[45] See PAGCOR Referrals. [See Appendix]
[46] Articles of Incorporation of Ophiuchus. [See Appendix]
[47] GIS of Ophiuchus, 2011. [See Appendix]
[48] GIS of SEAA, 2011. [See Appendix]

Incorporation of Ophiuchus also list Emilio Marcelo as an officer/director and shareholder.[49] Mr. Marcelo is named as a respondent in the PAGCOR Referrals.[50]

Mr. Soriano is a former PAGCOR consultant, named by Mr. Camacho as a close business associate and "bag man" for Mr. Genuino.[51] Mr. Soriano is also named as a respondent in the PAGCOR Referrals.[52] As of the latest information filed with the Philippines Securities and Exchange Commission in 2002, Mr. Soriano was a 20% shareholder and an officer/director of Platinum,[53] identified above as a 60% shareholder in Eagle II. If Mr. Soriano still held the same stake in Platinum when it acquired its share of Eagle II in 2009, then he became an effective owner of 12% of Eagle II and approximately 7% in Eagle I.

B. Apparent Evasion of Republic of Philippines Legal Requirements

As described in the preceding section, Mr. Okada caused various legal entities to be incorporated in the Philippines, in order to develop his casino resort project there, over time replacing the original incorporating Filipino shareholders with combinations of foreign shareholders affiliated with or controlled by him and associates of then-PAGCOR Chairman Genuino. As discussed below, there are constitutional and statutory requirements in the Republic of the Philippines requiring that purchasers of land be Philippines citizens or Filipino-owned legal entities, and that legal entities conducting business in the Philippines, with certain exceptions, be at least 60% Filipino owned.

In 2008, Eagle I purchased various tracts of land near Manila Bay totaling approximately 30 hectares at a total price of PHP 13,527,637,941.00 (approximately US 314,953,000.00) for the development of the project in Entertainment City Manila.[54]

At FSS' request, Lazaro prepared an analysis and opinion on the validity of Eagle I's ownership of these properties, in light of the aforementioned provisions of the Philippines Constitution and applicable statutes.[55] The analysis included a detailed review of the ownership and capitalization of Eagle I and associated entities described in the preceding section. The following is a summary of pertinent findings of the Lazaro analysis.

[49] Articles of Incorporation of Ophiuchus. [See Appendix]
[50] See PAGCOR Referrals. [See Appendix]
[51] Interview of M. Camacho, Dec 13, 2011.
[52] See PAGCOR Referrals. [See Appendix]
[53] Articles of Incorporation of Platinum, as amended June 10, 2002. The 2001 Articles of Incorporation list four (4) additional 20% shareholders, identified as Filipino nationals. Because Platinum has not filed a GIS since 2002, the current ownership and control of Platinum is unknown. [See Appendix]
[54] Numbered Transfer Certificates of Title ("TCT") for Eagle I purchase of land tracts in Parañaque City, Philippines, dated August 19, 2008. [See Appendix]
[55] M. M. Lazaro & Associates. Memo re "Validity of Eagle I's Ownership of Real Estate Properties" ("Ownership Memo"), Jan 2012. [See Appendix]

A review of the 2009 Financial Statement of Eagle I disclosed that the funds used to purchase the land tracts appear to have been advanced by Molly.[56]

Platinum, the 59.99% owner of Eagle II, has filed no records with the Philippines Securities and Exchange Commission indicating that its paid-in capital ever increased beyond the original PHP 62,500, despite its amended Articles of Incorporation indicating that its authorized capital stock was increased from the initial PHP 1,000,000.00 to PHP 24,000,000.00.[57] Nor is it known today what person(s) or entities have controlled Platinum since incorporation in 2001.

The 1987 Constitution of the Philippines requires that only Philippines citizens or corporations with at least 60% of their capital stock owned by Filipinos are qualified to acquire land in the Philippines.[58] The Philippines Foreign Investment Act further requires that for a corporation to be considered a Philippines national, at least 60% of its capital stock outstanding and entitled to vote must be owned and held by citizens of the Philippines.[59]

Whenever facts or circumstances create doubt as to whether the ownership of 60% of a corporation is truly Filipino, Philippines Securities and Exchange Commission case law has held that a stringent examination of the true ownership of the voting stock of the subject corporation and of the true ownership of the voting stock of all successive layers of corporate ownership should be conducted. The application of this stringent standard is known as the "Grandfather Rule."[60]

Serious doubts are therefore raised about the actual Filipino equity of Eagle I, because of the appearance that Eagle I and Eagle II were created purposely to "...circumvent the constitutional restriction on foreign ownership of land."[61] Lazaro bases this assertion on its conclusion that "Platinum appears to be merely a shell corporation used to satisfy the Filipino equity requirement."[62] Application of the Grandfather Rule would therefore be appropriate.

Applying the Grandfather Rule, Lazaro calculates the true percentage of Filipino versus foreign equity in Eagle I as illustrated in the following table:[63]

[56] Ibid, p. 2. [See Appendix]
[57] Ibid, pp. 5-6. [See Appendix]
[58] Ibid, p. 8. [See Appendix]
[59] Ibid, pp. 9-10. [See Appendix]
[60] Ibid, pp. 11-14. [See Appendix]
[61] Ibid, p. 14. [See Appendix]
[62] Ibid, pp. 14-15. [See Appendix]
[63] Ibid, p. 15. [See Appendix]

Shareholder	Direct	Indirect	Total Filipino investment in Eagle I	Total Foreign investment in Eagle I
Aruze USA	40% of Eagle I	24% (40% of 60% total holdings of Eagle II in Eagle I)		64%
Platinum*		36% (60% of 60% total holdings of Eagle II in Eagle I)	36%	

*As noted above, Platinum has failed to file its annually required GIS with the Philippine SEC since its inception in 2001. The calculations in the above table prepared by Lazaro assume the "best case" scenario (for Platinum), i.e., that it is a truly 100% Filipino-owned corporation. If Platinum's actual Filipino ownership is less than 100%, then the percentage of Filipino investment in Eagle I would be correspondingly even less than calculated in the table.

Lazaro concludes that "...the foregoing shareholder structure appears to have been formulated by the parties as a legal scheme to justify the qualification of Eagle I to own real estate properties. The scheme employed...gives Aruze USA, Inc....a convenient vehicle to justify its ownership...in circumvention of the constitutional restriction on the foreign ownership of land."[64] Lazaro goes on to conclude that the apparent shareholder structuring scheme outlined above may also constitute a violation of Commonwealth Act No. 108, commonly known in the Philippines as the "Anti-Dummy Law."[65] If convicted of a violation of this law, stockholders of Platinum and of Aruze USA, Inc. who profited from the scheme would face a sentence of imprisonment of not less than five years nor more than fifteen years.[66]

From the foregoing discussion, there is substantial evidence and credible legal opinion indicating that the ownership structure of Eagle I and Eagle II may subject Mr. Okada, along with his associates and companies, to civil as well as criminal sanctions under Philippine law.

[64] Ibid, p. 16. [See Appendix]
[65] Ibid, pp. 16-17. [See Appendix]
[66] Ibid, p. 17. [See Appendix]

3. Apparent FCPA Violations Regarding Philippine PAGCOR Officials at Wynn Resort Properties

FSS has reviewed records of the Aruze City Ledger Account, through which Mr. Okada and Universal charge expenses for lodging, entertainment and other incidentals incurred at Wynn Resorts facilities against funds deposited into the account by Universal, and available underlying documentation furnished by Wynn Resorts management. The table below highlights thirty-six (36) separate instances, from May, 2008, through June 2011 (more than a three (3) year period), when Mr. Okada, his associates and companies made payments exceeding US 110,000, which directly benefitted senior PAGCOR officials, including two chairmen and their family members.

Name	Relationship to PAGCOR/Phil. Gov't.	Location(s) and Date(s) of Stay(s)	Total Charged to Aruze City Ledger Account (in US)
Efraim C. Genuino	Former PAGCOR Chairman (February 2001 to June 30, 2010)	WM June 6-9 2010	1,870.64
Cristino L. Naguiat Jr.	PAGCOR Chairman (July 2, 2010 to Present)	WM Sep 22-26 2010	See Suzzanne Bangsil[67]
		WLV Nov 15-20 2010	5,380.86
		WM June 6-10 2011	3,909.80
Dinner (Naguiat Party)	Chairman (PAGCOR)	WM Sep 24 2010 (Hosted by and charged to Kazuo Okada)	1,673.07
Maria Teresa Socorro Naguiat	Wife of PAGCOR Chairman Cristino L. Naguiat Jr.	WM June 6-10 2011	1,039.31
Suzzanne Bangsil[68]	Wife of Rogelio Bangsil, PAGCOR	WM Sep 22-26 2010	50,523.22
Jose Miguel	Husband of former	WLV Nov 12-17	4,642.40

[67] Chairman Naguiat did not identify himself and Mr. Okada's representatives insisted that his stay there be "Incognito." Accordingly, the bulk of the charges for the trip are reflected on the City Ledger Account as attributable to "Suzzanne Bangsil," the wife of Rogelio Bangsil, a senior PAGCOR official and Chairman Naguiat's employee. However, interviews, photo identifications and documentary evidence clearly establish that Chairman Naguiat was the "Incognito" guest and the direct beneficiary of these payments.

[68] Investigation has in fact determined that Chairman Naguiat was registered as an "Incognito" VIP guest under Suzzanne Bangsil's reservation. Therefore, this US 50,523.22 was paid for Chairman Naguiat's benefit.

"Mike" Arroyo	Philippines President Gloria M. Arroyo (Jan 20 2001 – June 20 2010)	2009	
Imelda Dimaporo	PAGCOR Board Member	WM June 8-10 2010	891.44
Philip Lo	PAGCOR Board Member	WLV April 29 2009 – May 3 2009	1,755.25
Manuel Roxas	PAGCOR Board Member	WLV April 2009[69]	253.75
		WLV April 29 2009 – May 3 2009	1,686.95
Susan Vargas	PAGCOR Board Member	WM June 8-10 2010	480.17
Jose Tanjuatco	PAGCOR Board Member (July 19 2010 to Present)	WLV Nov 15-18 2010	2,148.57
Rogelio J. B. Bangsil	Officer in Charge of PAGCOR Gaming Department	WM Sep 24-26 2010	1,149.04
		WM June 6-12 2011	2,955.23
Rodolfo Soriano	PAGCOR Consultant	WM June 3-7 2008	1,186.08
		WLV Nov 12-17 2009	4,228.00
		WM June 7-10 2010	1,104.06
		WM Aug 18 2010	368.06
Olivia Soriano	Relative of Rodolfo Soriano	WLV May 2008	975.55
Anthony F. "Ton" Genuino[70]	Son of Efraim C. Genuino; Mayor of Los Baños (2010 to Present)	WLV Sep. 2008	2,386.26
		WLV Oct 2008	2,326.49
Rafael Francisco	PAGCOR COO and President	WLV Nov 12-17 2009	4,360.16
		WM June 7-11 2010	935.21

[69] When the "Dates of Stay" in this table were not readily available, the month and year that the charges were entered in the City Ledger Account are used.
[70] See PAGCOR Referrals (Anthony Genuino is named as a respondent). [See Appendix]

Emelio Marcello	PAGCOR Consultant	WLV Nov 12-17 2009	1,181.60
		WM June 7-9 2010	471.51
Carlos Bautista	PAGCOR VP Legal	WM June 6-10 2010	1,049.69
Mario Cornista	PAGCOR Consultant	WM June 7-9 2010	600.02
Rene Figueroa	PAGCOR Executive VP	WM June 7-10 2010	646.76
Ernesto Francisco	PAGCOR Executive Committee and Casino General Manager	WM June 7-10 2010	797.17
Edward King	PAGCOR VP Corporate Communications	WM June 7-10 2010	767.71
Transportation	PAGCOR Delegation	WM Aug 2010	462.42
Jeffrey Opinion	Member of Naguiat Party	WM Sep 24-26 2010	906.61
Ed de Guzman	PAGCOR Executive Committee, AVP Slots	WM Jun 6-12 2011	3,421.79
Gabriel Guzman	Probable relative of Ed de Guzman (had adjoining room)	WM Jun 6-12 2011	1,391.71
(Thadeo) Francis P. Hernando[71]	PAGCOR VP, Licensed Casino Development Dept.	WM Jun 8-10 2011	709.72
TOTAL			110,636.36

The total in the above table represents charges from the Aruze City Ledger Account that are readily identifiable as incurred directly by officials and consultants of PAGCOR,[72] their family members and close associates, including Jose Miguel Arroyo, the then-First Gentleman of the Republic of the Philippines, husband of Philippine President Gloria Arroyo. Through a review of the Aruze City Ledger Account for statement periods March 2008 through November 2011, FSS has calculated that total charges to the account for that period, attributable to

[71] This is the same PAGCOR official who denied the FSS request for documents in December 2011, including a copy of the Provisional License Agreement. See footnote 31.

[72] In order to establish the PAGCOR affiliation of some of the individuals listed in this chart, various sources were consulted, including the PAGCOR website, internet news articles and the PAGCOR Referrals.

PAGCOR officials, employees, consultants, their associates and family members, exceed USD 110,000.[73]

FSS investigators interviewed members of the Wynn Macau management team, who furnished the following relevant information regarding a visit to that property in September 2010 by then and current PAGCOR Chairman and CEO Cristino L. Naguiat, Jr., his wife, three children, nanny and other PAGCOR officials, whose four-day stay at Wynn Macau was paid for via the Aruze City Ledger Account:

- September 20, 2010: Yoshiyuki Shoji of Universal, in an e-mail to Angela Lai of Wynn Macau, requests reservations for "Rogelio Bangsil (Guest Representative) & Others." Mr. Shoji requests Encore Suite or "more gorgeous room, such as Villa," and "the best butler" for unnamed person in group, who is "VIP for Universal." Mr. Shoji states that guests other than Bangsil should not be registered, that all charges should be posted to Universal's City Ledger,[74] and that "Mr. Okada would like them to experience the best accommodations and services at Wynn Macau."[75] The communication makes no reference to PAGCOR or the government affiliation of the guests.

- September 20, 2010: In an e-mail to Wynn Macau President Ian Coughlan and others, Ms. Lai informs Mr. Coughlan of the reservation and that checks of websites indicate that Mr. Bangsil is in charge of PAGCOR's gaming department.[76]

- September 20, 2010: In an e-mail to Mr. Shoji, Ms. Lai advises that Wynn Macau is checking on availability of the requested upgrade and that Macau law requires that all room occupants be registered, and requests that all guest names be furnished in advance of or at the time of registration.[77]

- September 22, 2010: In an e-mail to Wynn Macau President Ian Coughlan, Wynn Macau Senior Vice-President – Legal Jay M. Schall advises Mr. Coughlan of

[73] See City Ledger Account. [See Appendix]
[74] When Mr. Shoji set up the City Ledger Account for Mr. Okada in 2008, he asked whether the customer name and amount paid would be made public. He was advised that such information would not become public. Email response from Kim Sinatra to Shoji, dated February 8, 2008. [See Appendix]
[75] E-mail from Y. Shoji to A. Lai, September 20, 2010 [See Appendix]; interview of A. Lai, January 4, 2012.
[76] E-mail from A. Lai to I. Coughlan, September 20, 2011 [See Appendix]; interview of A. Lai, January 4, 2012; interview of I. Coughlan, December 29, 2011. It should be noted that according to an article in Manilatimes.net, published February 2, 2012, Rogelio Bangsil has recently been transferred to the PAGCOR international marketing department after a probe that found the government losing PHP 160 million in government run casinos to a Mr. Liu. [See Appendix]
[77] E-mail from A. Lai to Y. Shoji, September 20, 2010 [See Appendix]; interview of A. Lai, January 4, 2012.

PAGCOR's 100% government ownership and of Mr. Bangsil's position there. He writes "Bangsil, the guest of Mr. Okada, is a top five (if not 3) officer."[78]

- September 22, 2010 (14:00): Wynn Macau sends 1 Rolls Royce and 1 Elgrand to the airport, along with Masato Araki, Special Assistant to Mr. Okada; and Kenichiro Watanabe, another Universal associate, to meet arriving party, who arrived on Philippine Airline Flight 352 from Manila. They return with Chairman Cristino L. Naguiat, Rogelio Bangsil and Jeffrey Opinion at 14:45.[79] Only Mr. Bangsil furnishes his name upon registration. Ms. Lai and Wynn Macau VIP Services Manager Beatrice Yeung thereafter checks PAGCOR website and identifies Chairman Naguiat's name from his picture there.[80] Ms. Yeung's log and ongoing entries refer to "[I]ncognito (Mr. Naguiat, Cristino L.)."[81]
- Chairman Naguiat occupies Villa 81, the most expensive accommodation at Wynn Resorts Macau (about 7,000 square feet in size, which then cost about US 6,000 per day and is mostly reserved for "high rollers").
- September 22, 2010: the Wynn Encore log book reflects "Incognito (Mr. Naguiat) stayed in Villa 81 Master Bedroom I."[82]
- September 23, 2010 (10:00): Mr. Araki advises Ms. Yeung that Chairman Naguiat plans to have lunch with Miss Pansy Ho at MGM.[83]
- September 23, 2010 (14:04): Jay Schall sends an email to Wynn Macau corporate security to check Worldcheck, as a rush job, for Cristino L. Naguiat Jr., Chairman and Chief Executive Officer of PAGCOR.[84]

---

[78] E-mail from J. Schall to I. Coughlan, September *22,* 2010 [See Appendix]; interview of J. Schall, January *3,* 2012; interview of I. Coughlan, December 29, 2011.
[79] Wynn Macau Manager – Encore Logbook, September 22, 2010. [See Appendix]
[80] Interviews of Beatrice Yeung, January 4, 2012 and February 1, 2012; interviews of Angela Lai January 4, 2012 and February 2, 2012.
[81] Wynn Macau Manager – Encore Logbook, September *22,* 2010. [See Appendix]
[82] Ibid. [See Appendix] During subsequent visits, Chairman Naguiat was identified as "Naguiat," though he was identified during his initial visit as "incognito." The negative inference to be drawn is an attempt to hide the payment of extremely costly expenses by a corporation connected with a regulated entity. The fact that he had only recently become chairman may have been a factor in his desire to keep his identity secret.
[83] Miss Ho is the daughter of Hong-Kong and Macau-based businessman Stanley Ho. Though Nevada gaming regulators found Miss Ho to be a suitable business partner for MGM Mirage, see http://www.lvrj.com/business/45462797.html, New Jersey regulators recommended that she be found unsuitable as MGM Mirage's joint venture partner in Macau. See http://www.newjerseynewsroom.com/state/mgm-mirage-chooses-pansy-ho-over-atlantic-city. [See Appendix]
[84] Email from Jay Schall to Peter Barnes of Wynn Macau Corporate Security, dated September *23,* 2010. [See Appendix]

- September 23, 2010: In an e-mail to Ms. Lai, with a copy to Mr. Okada, Mr. Shoji requests that a credit of US 5,000 be extended to each person now staying at the Villa for shopping and gaming, up to a total of US 50,000. According to Mr. Shoji's email, the funds are to be advanced by Wynn Macau and charged to the Universal City Ledger account.[85]

- September 24, 2010 (13:45): MOP 80,000[86] (approximately US 10,000) is advanced from the Wynn Macau main cage to a Wynn Macau VIP Services employee (no longer employed at Wynn Macau), who in turn hands the money to Masato Araki, special assistant to president of Aruze USA, based upon instructions in the above referenced e-mail to Ms. Lai. The handover of funds is witnessed by Wynn Encore manager Alex Kong. The funds are charged to the Universal City Ledger Account. [87] MOP 15,000 of this sum is used to pay for a Chanel bag that Chairman Naguiat requested be purchased for his wife.[88]

- September 24, 2010 (Approximately 14:00): Mrs. Naguiat, her three children, Mrs. Bangsil and her daughter arrive at Wynn Macau.

- September 24, 2010 (15:45): Wynn Macau employees meet Mr. Okada and his assistant, Jun Yoshie, at the airport, transport them to Wynn Macau and escort Mr. Okada to room 5688.[89]

- September 24, 2010 (late afternoon): Mr. Coughlan receives a phone message from Mr. Yoshie that Mr. Okada would like to speak to him. Mr. Coughlan proceeds to an area near the Wynn Encore reception desk, where he meets Mr. Yoshie and Mr. Okada. They step into the Cristal Bar to talk, whereupon Mr. Okada, with Mr. Yoshie interpreting into English, tells Mr. Coughlan that the guests [referring to

[85] E-mail from Y. Shoji to A. Lai, September *23,* 2010 [See Appendix]; e-mail from B. Yeung to I. Coughlan, September 27, 2010 [See Appendix]; interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 24, 2010.
[86] MOP 80,000 was worth approximately US 9,816 at that time.
[87] Wynn Macau Manager – Encore Logbook, September 24, 2010 [See Appendix]; Wynn Macau "Miscellaneous Disbursement" record #013014, dated September 24, 2010 [See Appendix]; e-mail from B. Yeung to I. Coughlan, September 27, 2010 [See Appendix]; interview of B. Yeung, January 4, 2012; interview of Alex Kong, February 1, 2012.
[88] Wynn Macau Manager – Encore Logbook, September 24, 2010. [See Appendix]. The Chanel bag was purchased by a Wynn Macau employee as per instructions by Mr. Araki, who works for Mr. Okada. The Wynn Macau employee gave the bag, store receipt and change to Mr. Araki to deliver to Mrs. Naguiat. Later, Mr. Araki stated that Mrs. Naguiat did not like the bag so he would give it to his own wife.
[89] Wynn Macau Manager – Encore Logbook, September 24, 2010 [See Appendix]; interview of B. Yeung, January 4, 2012.

Chairman Naguiat's party] are very important to Universal, and that Mr. Okada wants Mr. Couglan to insure that they are well cared for during their stay.[90]

- September 24, 2010 (17:00): Mr. Okada meets Chairman Naguiat (and approximately thirteen (13)) others in his party) for dinner at Okada Restaurant.[91] Mr. Okada hosts the dinner and the bill for $1,673.07 is charged to his room.
- September 25, 2010 (05:45): Wynn Macau employees meet Mr. Okada outside his room and escort him to a limousine, which transports him to the Macau Ferry Terminal for 07:00 scheduled ferry departure to Hong Kong International Airport.[92]
- September 25, 2010: Beatrice Yeung describes in her log book "Movements – Incognito (Mr. Naguiat, Cristino L) / Mr. Bangsil, Rogelio / Mr. Opinion, Jeffrey (Mr. Okada's guests, Villa 81)."[93]
- September 25, 2010: Mr. Araki requests a second advance of MOP 80,000 for guests in Villa 81. Ms. Yeung accompanies Mr. Araki to the Main Cage and obtains the advance for him.[94] [This makes a total of MOP 160,000 advanced for the use of Chairman Naguiat and his party and charged to the Universal City Ledger Account per Mr. Okada's orders, as relayed in Mr. Shoji's e-mail.]
- September 26, 2010 (11:10): Mr. Araki departs the Wynn Macau Encore main entrance. He hands Ms. Yeung MOP 4100, returning what he says is the remainder of the two cash advances for Chairman Naguiat's party.[95]
- September 26, 2010 (13:15): Chairman Naguiat's party departs via Wynn Macau limousine to pick up Mrs. Naguiat from shopping and proceeds to the airport.[96]

---

[90] Interviews of Ian Coughlan, January 5, 2012 and February 2, 2012.
[91] Interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 24, 2010. [See Appendix]
[92] Interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 25, 2010. [See Appendix]
[93] Wynn Macau Manager – Encore Logbook, September 25, 2010. [See Appendix]
[94] Interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 25, 2010 [See Appendix]; Wynn Macau "Miscellaneous Disbursement" record #013066, dated September 25, 2010. [See Appendix]
[95] E-mail from B. Yeung to I. Coughlan, September 27, 2010 [See Appendix]; Wynn Macau Manager – Encore Logbook, September 26, 2010 [See Appendix]; handwritten and signed note dated "9/26/10" with notation "MOP 4.100". [See Appendix]. The returned funds were equal to approximately US 503.07 returned out of a total of approximately US 19,632 provided.
[96] Interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 26, 2010. [See Appendix]

- November 10, 2010: Mr. Shoji advises Mr. Coughlan in an e-mail of receipt of Wynn Macau's invoice for the late September 2010 visit, in which the Villa [for Chairman Naguiat] was charged at the amount of MOP 48,000. Mr. Shoji states that "I understand that Mr. Okada explained to you in Macau that they were our business guests and we made reservations for them and all charges are billed to our company. While some of charges [sic] will be reimbursed by them, room charges were planned to be borne by us as ordinary business expenses. Since the amount charged is too much and beyond the ordinary room charge, our company will be put in a very difficult position to give reasonable explanations if we are inquired by someone. I would appreciate if you would reconsider this matter and charge us the original rate (free upgrade to Villa) since the party directly dealing with [sic] on this matter is our company rather than the each [sic] individual guest."(Emphasis added.)[97]

- On or about December 10, 2010: After e-mails and phone messages following Mr. Shoji's September 20, 2010 e-mail, Mr. Coughlan has a phone conversation with Mr. Shoji, in which he advises Mr. Shoji that, after internal Wynn Macau discussions, the final decision was that Wynn Macau would not provide the requested free upgrade for the Villa occupied during the September 2010 visit.[98]

The foregoing recitation of facts surrounding the September 2010 visit of Chairman Naguiat and his party to Wynn Macau demonstrates several significant elements of that visit:

- Mr. Okada considered these guests to be very important to his company.
- An effort was made from the outset to conceal Chairman Naguiat's identity and official status, to the point of not even wanting to advise Wynn Macau management and staff.
- With Mr. Okada's knowledge, Chairman Naguiat and his family were provided with approximately US 20,000 cash to use for gaming and also shopping
- Mr. Okada's representative sought to have Wynn Resorts fund a portion of the expenses incurred by Chairman Naguiat and his party, i.e., the free upgrade to a Villa.

[97] E-mail from Y. Shoji to I. Coughlan, November 10, 2010 [See Appendix]; interviews of I. Coughlan, December 29, 2011 and January 5, 2012.
[98] Interviews of I. Coughlan, December 29, 2011 and January 5, 2012; e-mail string between I. Coughlan and Y. Shoji and others, September 20 to December 9, 2010, subject: "Invoice and Statement for September Stay." [See Appendix]

- Mr. Okada's representative expressed apprehension about Universal being able to justify the level of expenditures in the event of future inquiries.

There is evidence that Mr. Okada personally directed the payments and gifts provided to Chairman Naguiat and his family during their luxury stay at Wynn Macau's most expensive accommodation in September 2010. On October 5, 2010, Mr. Araki sent an email to Wynn Macau in order to arrange for a "second group of PAGCOR" checking into Wynn Macau on October 8, 2010. Clearly referring back to Chairman Naguiat's stay less than two weeks earlier, Mr. Araki writes: "Our Chairman Okada once again instructed us to take care of the group, but not like last time meaning that we will not take care of their room charges and others." (Emphasis added). Mr. Araki, who worked for Mr. Okada and personally supervised Chairman Naguiat's luxury stay at Wynn Macau, appears to confirm Mr. Okada's personal knowledge and control of the payments for Chairman Naguiat.[99]

It is significant to note that the leadership of PAGCOR, which is appointed by the President of the Republic of the Philippines, changed effective June 30, 2010, when Benigno S. Aquino III assumed office as President of the Republic of the Philippines, succeeding Gloria M. Arroyo. Former PAGCOR Chairman Efraim C. Genuino, an Arroyo appointee, left office effective June 30, 2010, and Cristino L. Naguiat, Jr., President Aquino's appointee, assumed the position of Chairman and CEO of PAGCOR on July 2, 2010.

A review of the Aruze City Ledger Account records reveals that, after June 30, 2010, there are no charges attributed to Mr. Genuino or any of his family members who collectively had three (3) separate stays at Wynn resorts (Macau or Las Vegas) while Mr. Genuino was PAGCOR Chairman.[100] Conversely, the Aruze City Ledger Account reflects charges for Chairman Naguiat, his family, and key PAGCOR staff from Chairman Naguiat's "new" administration only after Naguiat became PAGCOR Chairman. This sequence is evidence that the hosting of these persons at Wynn Resorts, and payments made for them through the Aruze City Ledger Account, are solely related to PAGCOR, the Philippines government agency in charge of licensing and regulating Mr. Okada's business interests.

It is also clear that, having already received approval from PAGCOR in 2008 for a Provisional Licensing Agreement to develop a gaming business in the Philippines, Mr. Okada had a strong and continuing motive through 2010 and beyond to maintain favorable relations with the Chairmen and senior officials of PAGCOR. As previously noted, PAGCOR's primary governmental mission is regulating gaming businesses in the Philippines. Mr. Okada's project in Entertainment City Manila was prominently featured in PAGCOR's annual reports for

[99] Email from Matt Araki to Beatrice Yeung dated October 5, 2010. [See Appendix]
[100] The sole exception identified, Rodolfo Soriano, Jr., is listed on the Aruze City Ledger Account as having a single room charge on August 18, 2010. [See Appendix]

2008,[101] 2009[102] and 2010.[103] The 2010 Annual report features photos and messages from Chairman Naguiat, and several other members of the new PAGCOR leadership. The 2010 Annual report makes it clear that two of the proponents, Bloomsbury and the SM Consortium, are constructing their resorts and are expected to complete their first phase within 2014. The other two proponents (one of which is Tiger, the provisional licensee for Mr. Okada's casino project) are in the initial design stages and are expected to break ground in 2012.

The continuing coverage of Mr. Okada's Manila Bay Resorts project in PAGCOR's annual reports indicates that PAGCOR's interest in and oversight of this project did not stop with the granting of the Provisional Licensing Agreement in 2008. Indeed, the very nature of the Provisional Licensing Agreement requires continued oversight by PAGCOR officials. As Lazaro advised, the Provisional Licensing Agreement was issued in relation to the "Bagong Nayong Philipino Manila Bay Tourism City" project, which is also referred to as "PAGCOR City." PAGCOR City is envisioned to be a Las Vegas-style gaming and entertainment complex. The project was designed to attract proponents with established experience in the hotel and gaming business. PAGCOR released the "Terms of Reference," which detailed a list of requirements to which project proponents must conform in order to qualify for a PAGCOR license to operate within PAGCOR City.

The "Terms of Reference" section provides, in pertinent part, a mandatory Minimum Investment of US 1 Billion, consisting of both equity and debt, and the submission of an associated Project Implementation Plan within 120 days from signing of the Provisional License and approval by PAGCOR (Paragraph 4, Section II, Terms of Reference). Furthermore, within 30 days of signing of the Provisional License, proponents are required to submit a Performance Assurance Bond in the amount of PIIP 100 Million to guarantee the completion of the project (Paragraph 8, Section II, Terms of Reference). Within 15 days of signing of the Provisional License, proponents are also required to open an Escrow Account (with an initial deposit of at least US 100 Million) through which funds for the project will pass. This Escrow Account must maintain a balance of at least US 50 Million. (Paragraph 9, Section II, Terms of Reference).

Specifically, paragraph 13 of the Terms of Reference states the following in relation to achieving a regular, non-provisional, Casino Gaming license:

[101] PAGCOR 2008 Annual Report, pp. 12-18, viewed January 25, 2012 at http://www.pagcor.ph/annual- reports/annual-2008/pagcor-annual-report-2008.html. [See Appendix]
[102] PAGCOR 2009 Annual Report, pp. 16-19, viewed January 25, 2012 at http://www.pagcor.ph/annual- reports/annual-2009/pagcor-annual-report-2009.html. [See Appendix]
[103] PAGCOR 2010 Annual Report, pp. 24-26, viewed January 25, 2012 at http://www.pagcor.ph/annual- reports/annual-2010/pagcor-annual-report-2010.html. [See Appendix]

"13. Issuance of License

A Provisional License will be issued to the winning proponent effective for the duration of the project development period and shall not exceed the approved completion date of the whole project.

The Regular Casino Gaming License will be issued upon completion of the Project and upon approval by PAGCOR of the report detailing the actual total cost of the Project to ensure the proponent's compliance with the approved project cost based on the Project Implementation Plan. The term of the License shall not exceed the term of PAGCOR as specified in RA 9487.

No sub-license will be issued nor allowed." (Emphasis added.)

Thus, a Regular Casino Gaming License will be issued by PAGCOR upon (1) completion of the Project and (2) compliance with the approved project cost as approved by PAGCOR, based on the previously submitted Project Implementation Plan, including all other conditions as may be stipulated in the Provisional License Agreement.[104] Clearly, PAGCOR maintains an active regulatory role over gaming businesses after the issuance of a provisional gaming license. An operator who has already been granted a provisional license, therefore, would have a powerful business incentive to maintain favorable relations with PAGCOR's Chairman and senior leadership.[105]

Finally, the PAGCOR officials with whom FSS spoke in December 2011 indicated that, upon "taking over" from the Genuino Administration in 2010, they conducted a review of previously granted gaming licenses to ensure that all issuance decisions had been done properly, indicating that the Naguiat Administration was exercising close review in monitoring of all licensees, including Mr. Okada.

[104] See research of Michelle Lazaro as expressed in her email dated January 30, 2012 to Mike McCall; See also "Terms of Reference" that were attached to the email. [See Appendix]

[105] A recent example of the extent of PAGCOR's continuing oversight of gaming operators can be found in the August 2011 issue of *Inside Asian Gaming* magazine. An article therein reported on claims by gaming operator Thunderbird Resorts, Inc. ("Thunderbird") that PAGCOR had unlawfully attempted to force Thunderbird, through various allegedly selective enforcement actions, to renegotiate the revenue sharing agreement it had signed with the previous PAGCOR leadership under Mr. Genuino. See "Ball of Confusion," dated August 10, 2011, *Inside Asian Gaming*, online edition, viewed January 26, 2011 at http://www.asgam.com/features/item/1238-ball-of-confusion.html. In the September 2011 issue, PAGCOR responded by making reference to various regulatory or enforcement functions it had been carrying out with regard to Thunderbird's casinos, up through the time that the dispute became heated. Among the functions mentioned were "resident monitoring teams" in Thunderbird casinos to "...guarantee the fair conduct of games..." as well as PAGCOR's serving of a notice of closure to Thunderbird in response to the disputed issues. See "Philippines Gaming Regulation—The Untold Story", dated 23 September 2011, *Inside Asian Gaming*, online edition, viewed January 26, 2011. [See Appendix]. These statements by PAGCOR clearly indicate that PAGCOR maintains active regulatory monitoring of licensed gaming businesses in the Philippines and claims the authority to close down licensed operators.

Mr. Okada's hosting and payments on behalf of PAGCOR Chairman Naguiat and his family at Wynn Macau, was most likely related to Mr. Okada's business interests in the Philippines, and would therefore constitute a prima facie violation of the FCPA both by Mr. Okada as well as by Aruze USA, Inc.

4. Possible Pattern of FCPA Violations Regarding Korean Government Officials

As stated previously, in recent years, Mr. Okada has been pursuing development of a resort complex in the Incheon Free Economic Zone in the Republic of Korea. Jong Cheol Lee, the Commissioner of the Incheon Free Economic Zone Authority, and apparently an Incheon government official, announced the signing of a Memorandum of Understanding on approximately October 27, 2011, between the Incheon Free Economic Zone ("IFEZ") and Okada Holdings Korea to develop a casino resort near the Incheon International Airport.[106]

A review of the Aruze City Ledger Account disclosed charges paid for Jong Cheol Lee and other guests of his party at Wynn Las Vegas and Wynn Macau for the period November 2010 to June 2011. Registration documents provided by Wynn Resorts disclosed annotations for Mr. Lee and three other guests, indicating: "Share with Incheon Free Economic Zone." According to the Aruze City Ledger Account, the following amounts were paid for government Lee and his party:

Name	Relationship to Incheon Free Economic Zone	Location and Date of Stay	Total Charged to Aruze City Ledger Account
Jong Cheol Lee	Commissioner	WLV Nov 16-18 2010	1,597.16
		WM June 2011	1,134.55
Woo Hyeung Lee	Unknown	WLV Nov 16-18 2010	843.89
		WM June 2011	1,083.22
Min Yong Choi	Unknown	WLV Nov 16-18 2010	507.50
Ki Dong Hur	Unknown	WLV Nov 16-18 2010	779.20
TOTAL PAID			5,945.52

These payments made for and on behalf of possible Korean government officials may be part of a continuing pattern by Mr. Okada and his associates to commit prima facie violations of the

[106] http://english.visitkorea.or.kr/enu/bs/tour_investment_support/pds/content/cms_view_1516066.jsp?gotoPage=&item=&keyword=, viewed January 14, 2012 [See Appendix]. http://blog.daum.net/ikoreatimes/60, viewed January 14, 2012. [See Appendix]

FCPA. However, further investigation is required in order to determine (i) the nature of Mr. Okada's relationship with these guests; (ii) whether these guests actually had a government affiliation at the time of their 2010 visits to Wynn Las Vegas and Wynn Macau; and, (iii) the status of Mr. Okada's gaming initiative in Korea.

5. Mr. Okada's Continuing Refusal to Receive Wynn Resorts mandated FCPA Orientation Training and to Acknowledge Wynn Resorts Code of Conduct

Mr. Okada's apparent practice and pattern of committing prima facie violations of the FCPA must also be reviewed in the context of his ongoing and likely future conduct as a majority shareholder and director of Wynn Resorts. Since August, 2011, Mr. Okada has failed to make himself available for requisite Wynn Resorts Board of Directors training regarding the FCPA and compliance. Not only has every other board member accepted and received such training, but attempts to accommodate Mr. Okada (including Japanese translation of the FCPA training materials and telephonic availability for the training) have failed.

Moreover, since August 2011, Mr. Okada has also failed even to acknowledge in writing Wynn Resorts Code of Business Ethics and Wynn Resorts Policy regarding Payments to Government Officials. Mr. Okada's continuing failure to perform this requisite review and agreement to comply with Wynn Resorts Ethics and anti-bribery rules and regulations create risk to Wynn Resorts and its board. Such non-compliance by Mr. Okada also suggests that he intends to continue his apparent practice and pattern of making FCPA prohibited payments on a going-forward basis. Any such future conduct would substantially enhance the risks to Wynn Resorts and compromise Mr. Okada's fiduciary duties to Wynn Resorts.

On August 5, 2011, Cheryl Palmer, the executive assistant to Kevin Tourek, sent out an email memorandum on Mr. Tourek's behalf to all board members stating that per compliance policy requirements, all members must acknowledge in writing on an annual basis having reviewed (and agreeing to comply with) two separate documents: (1) the Company's Code of Business Ethics and (2) Policy Regarding Payments to Government Officials.[107] A copy of the form was attached to the email, as was a copy of both the Code and the Policy. The email asked for the executed form to be returned prior to August 26, 2011. All of the members of the board, except for Mr. Okada, returned a signed copy of the acknowledgement. Mr. Okada was reminded, via emails to his representatives on a number of occasions,[108] as well as via a letter from Kevin Tourek, dated November 2, 2011, to provide an executed copy of the

[107] See email from Cheryl Palmer dated August 5, 2011. [See Appendix]
[108] See emails contained in email from Kevin Tourek to Robert Shapiro, Esq., dated October 24, 2011. [See Appendix]

acknowledgement form no later than November 15, 2011.[109] Mr. Okada failed to meet this deadline and, as of the date of this report, has yet to provide a signed copy of the form.[110]

In addition to his failure to return the fully executed Code of Business Conduct and Ethics and the Policy Regarding Payments to Government Officials Acknowledgment Form, which, as previously indicated, was sent out in August of 2011, Mr. Okada has yet to return a secondary acknowledgement form that was attached to the annual Directors' & Officers' Questionnaire ("D&O Questionnaire"). This form was sent out to each member of the board of directors on January 9, 2012, as part of the overall D&O Questionnaire packet.[111] The packet contained instructions to "sign where indicated by the *sign here tabs"* and asked that the 2012 D&O Questionnaire be returned in its entirety on or before January 27, 2012. The two places that required Mr. Okada's signature were (1) on page 26 of the D/O Questionnaire itself, and (2) on page 50 on the separate Code of Business Conduct and Ethics Acknowledgement Form that was part of the overall D&O Questionnaire packet. Though Mr. Okada returned the signature page (page 26) of the D&O Questionnaire itself on January 27, 2012,[112] (which was confirmed to FSS on February 7, 2012), the fact that he has yet to return the separate Code of Business Conduct and Ethics Acknowledgement Form (which he has unequivocally pledged to do by virtue of signing on the signature page of the D&O Questionnaire) is telling and is consistent with his refusal to provide an executed copy of the Code of Business Conduct and Ethics and the Policy Regarding Payments to Government Officials Acknowledgment Form that was sent to him in August of 2011. Though Wynn Resorts did not send to Mr. Okada the Code of Business Conduct and Ethics and the Policy Regarding Payments to Government Officials attached to the D & O Questionnaire in Japanese language versions, which they did previously with respect to the code and policy sent out in August of 2011 after a request by Mr. Okada's attorney, Mr. Okada has never previously requested that the D & O Questionnaire itself be translated into Japanese. Mr. Okada was again reminded of his obligation to return the separate Code of Business Conduct and Ethics Acknowledgment Form (page 50 of the D&O Questionnaire packet) in an email from Roxane Peper to Mr. Okada's assistant, Takashi Matsui, on January 31, 2012.[113] A copy of the form was attached to the email for Mr. Okada's convenience. This form remains outstanding.

---

[109] See letter from Kevin Tourek to Mr. Okada, dated November 2, 2011. [See Appendix]

[110] In a letter dated December 1, 2011 to Robert Shapiro, Esq., outside counsel for Wynn Resorts, Gidon Caine, Esq., counsel for Mr. Okada, explained that the reason Mr. Okada did not sign the acknowledgment form was due to the fact that the materials had not been translated into Japanese. As of the date of submission of this Report, Mr. Okada has not yet submitted a signed copy of the acknowledgment form despite being provided with the requested translations, which were attached to a letter sent via email dated December 27, 2011 from Jeffrey Soza to Gidon Caine. [See Appendix]

[111] See Memorandum from Kim Sinatra to Board of Directors and Officers of Wynn Resorts, Limited, dated January 9, 2012, and 2012 Director's & Officers Questionnaire attached thereto. [See Appendix]

[112] See email from Takashi Matsui to Roxane Peper, dated January 27, 2012. [See Appendix]

[113] See email from Roxane Peper to Takashi Matsui, dated January 31, 2012. [See Appendix]

On February 1, 2012, Barry Brooks, one of Mr. Okada's attorneys, contacted Kevin Tourek, senior vice president and general counsel with Wynn Resorts, via email regarding "address[ing] the request, forwarded to Mr. Okada under cover of a memorandum from Mr. Wynn, that Mr. Okada execute and return to Wynn Resorts, Ltd. ("Wynn Resorts") a form of acknowledgment ("Acknowledgment") in regard to the Wynn Resorts Code of Business Conduct and Ethics (the "Code"). Most importantly, I wanted to emphasize that Mr. Okada agrees, with a deep sense of commitment, with the principles set out in the Code and agrees that it is in the best interest of Wynn Resorts and its shareholders that he, as a director, be a leader in observing and advocating for those principles. Also, and in any case, Mr. Okada believes that the requirements of the Code, and the spirit of those requirements, are keys to the future success of Wynn Resorts."[114] In a follow-up phone call to that email, Mr. Brooks and Mr. Tourek discussed the ramifications of Mr. Okada not signing the policy, the possibility of interpretation issues, and concerns over whether Mr. Okada may have any conflict of interest issues. Mr. Brooks also asked for a copy of the D & O Questionnaire.[115]

6. Mr. Okada, his associates and companies, Universal have pursued independently a casino gambling development in the Philippines since 2008.

FSS interviewed Mr. Okada on February 15, 2012 and the results of that interview are set forth more fully in Section VI.[116] In this interview, Mr. Okada asserted that all his efforts in the Philippines prior to the change of presidential administration in the summer of 2010 were undertaken on behalf of and for the benefit of Steve Wynn and Wynn Resorts, and that he only undertook to develop a gaming business in the Philippines independently subsequent to the change of presidential administrations.

On December 20, 2007, Aruze Corp. issued a press release entitled "Business Realignment and Future Business Development." The press release stated the following:

"The Company looks to acquire the licenses necessary to operate a casino resort in the Asian region, including Macau, and to commence operation of a casino resort on its own over the next business year. . . . For this know-how, which is vital from a management perspective, the Company intends to enlist the full cooperation of Wynn Resorts, Limited's Steve Wynn in its future pursuits regarding this project. For the purpose of successfully operating a casino resort in the Asian Region on an independent basis, the Company has received agreement from Steve Wynn that he will supply all necessary support, including active personal exchange with Wynn Resorts, Limited."[117] (Emphasis added.)

[114] See email from Barry Brooks to Kevin Tourek, dated February 1, 2012. [See Appendix]
[115] See email from Kevin Tourek to Kim Sinatra, dated February 2, 2012. [See Appendix]
[116] Statements attributed to Okada during the February 15, 2012 interview are based on FSS' contemporaneous notes.
[117] See JASDAQ press release for Aruze Corp., dated December 20, 2007, entitled "Business Realignment and Future Business," available at: http://www.universal-777.com/en/ir/releases/2007/20071220 e.pdf. [See Appendix]

On April 25, 2008, Aruze Corp. issued another press release entitled "Casino Project in the Philippines." This press release stated the following:

"As announced in its Business Realignment and Future Business Development' press release issued December 20, 2007, ARUZE GROUP seeks to commence the operation of a casino resort in the Asian region, which shall be conducted independently by ARUZE CORP. . . . Out of the above mentioned elements, where essential management-based know-how is concerned, the Company intends to proceed with the project under the full guidance of Wynn Resorts, Limited's Steve Wynn."[118] (Emphasis added.)

The press release identifies the location of the planned casino as a plot of land adjacent to "Bagong Nayong Pilipino Manila Bay Tourism City."

The language in the press releases suggest that Universal's intentions from the inception of the project were to develop a gaming business independently, and not for the benefit of Steve Wynn or Wynn Resorts.

7. Mr. Okada has stated that Universal paid expenses related to then-PAGCOR Chairman Genuino's trip to Beijing during the 2008 Olympics.[119]

Mr. Okada was asked during his interview whether he met then-PAGCOR Chairman Genuino in Beijing during the 2008 Olympics. Mr. Okada stated that Universal's President Tokuda made the arrangements for Chairman Genuino to travel to the Olympics. Mr. Okada explained that Mr. Tokuda was involved with the setting of the travel itinerary. When Mr. Okada was asked if the travel arrangements were "paid by Universal," Mr. Okada responded "not 100% perhaps there were people certainly not all but I'm not familiar with the details." Mr. Okada was then asked "To your knowledge, did Universal pay any of the associated costs of any of the travel of Mr. Genuino?" Mr. Okada answered "I don't know whether or not the travel expense was paid by them. My understanding is that there was a certain amount of personal monies being spent from the attendees and participants including Chairman Genuino but I do not know details regarding this." Mr. Okada was then asked "But is it your knowledge that some of those expenses were paid by Universal?" Mr. Okada answered: "Regarding the individual payment of personal monies, whether before or after, it was Universal that put together all of the expenses."

Mr. Okada then explained that since Mr. Okada was previously invited to "one of the islands in the Philippines so in return well we decided that we would decide to do this in turn so I too would invite them as well. There was a time from where we had that understanding now that I recall. So I may have asked Mr. Tokuda to include this person [Genuino] as well." The

[118] See JASDAQ press release for Aruze Corp., dated April 25, 2008, entitled "Casino Project in the Philippines," available at: http://www.universal-777.com/en/ir/releases/2008/20080425 e pr2.pdf. [See Appendix]
[119] Attributions from Mr. Okada's interview are based on FSS contemporaneous notes.

following question was then asked: "If there was a time that Genuino has invited you to the Philippines and in return for that you may have invited him or had some knowledge that Universal paid some of his expenses when he came to Beijing?" Mr. Okada responded: "I don't like to be invited more than what is necessary because that would mean that I am vulnerable and I don't like that. I was told that it was paid for and he insisted so I remember he had to be paid for in this way. So I remember that Mr. Tokuda said he should be included as well. I remember thinking that I had to return this in some way so I may have made that decision based on that memory." (Emphasis Added).

Later in the interview, Mr. Okada stated that Chairman Genuino appeared to have a "few people" with him at the Olympics and, "I asked my staff why wasn't he around and then my people said Mr. Genuino had a few people accompany him and he met with them to go shopping and once I heard that I do not recall now but again I don't have a clear recollection of his whereabouts."

VI. Summary of Mr. Okada's February 15, 2012 Interview[120]

Mr. Okada had four lawyers present over the course of the interview, including a Japanese interpreter/associate. Mr. Okada was given a full opportunity to answer all questions. He attended the interview voluntarily and at the end he was asked whether he wanted to explain anything else.

A. Apparent FCPA Violations regarding Philippine PAGCOR officials.

1. Mr. Okada admitted going to Macau on or about September 24 2010 to meet with PAGCOR chairman Naguiat at Wynn Macau. Mr. Araki called Mr. Okada on either September 24 or 23 to advise that Chairman Naguiat was at Wynn Macau.
2. Mr. Okada stated he flew to Macau from Japan for the sole reason of meeting Chairman Naguiat.
3. Mr. Okada stated the purpose of Chairman Naguiat's visit to Wynn Macau was for business – as a new PAGCOR Chairman, Naguiat wanted to better understand the casino business. Mr. Okada stated that a number of his Universal employees, including Araki, were at Wynn Macau in order to assist Chairman Naguiat in this regard.
4. Mr. Okada stated that when he got to Wynn Macau he asked to see Ian Coughlan, Wynn Macau CEO.
5. Mr. Okada asked to see and met with Ian Coughlan at Wynn Macau but denied telling Coughlan that the guests were Universal VIPs and that they should be treated well.

[120] Certain sections of the report below are presented in an abbreviated form. See the attached notes of Mr. Okada's interview for a more expansive description. [See Appendix]

6. Mr. Okada emphatically denied saying this and related that there is no way he would have said something to that extent regarding special care: "I would have said this is a person with a position with PAGCOR, I would have said be normal and don't do anything out of the ordinary."
7. Mr. Okada stated he attended a dinner for approximately ten (10) people at Wynn Macau and that Chairman Naguiat also attended.
8. Mr. Okada stated that either Araki, Shoji or Universal paid for the dinner
9. Mr. Okada said that he did not know whether any other PAGCOR officials attended the dinner.
10. Mr. Okada stated that he and Naguiat did not discuss any business at the dinner which would have been rude.
11. Mr. Okada stated that he believed Naguiat's wife was present at the dinner but that he was not introduced to her.
12. Mr. Okada stated he left early the next morning.

B. <u>Mr. Okada's Knowledge of and Response to Chairman Naguiat's September 2010 stay</u>

1. Mr. Okada stated that sometime after September 2010 he learned from Universal President Tokuda that the cost of Chairman Naguiat's stay at Wynn Macau exceeded reasonable entertainment expenses.
2. Mr. Okada learned about the excessive September 2010 expenses from Takuda about three or four months after the events when the bills would come up.
3. Mr. Okada stated that he was never told the cost of Chairman Naguiat's Wynn Macau stay nor did he ask anybody that question.
4. Mr. Okada stated that he understood that Chairman Naguiat had stayed in the most expensive accommodation at Wynn Macau. But he said "I heard later on that he was in one of the more expensive rooms. I heard this in the context of it would be a problem regarding our corporate policy."
5. Mr. Okada stated that Chairman Naguiat's wife was present at Wynn Macau. Mr. Okada did not know if his children were present.
6. Mr. Okada stated that he did not know that any cash had been provided to Chairman Naguiat.
7. Mr. Okada stated that he did not know that Universal employees had tried to hide the identity of Chairman Naguiat as a guest.
8. Mr. Okada stated that he did not know how long Chairman Naguiat had stayed at Wynn Macau.
9. Mr. Okada denied seeing two (2) emails from Shoji to Angela Lai at Wynn Macau, dated September 20th and 23rd 2010 respectively, which requested

reservations for a Universal VIP guest, "who would not be registered," and arrangements to provide up to 5,000 US credit for each person staying at Naguiat's Villa. Mr. Okada explained that although he saw his name in the email cc's, he would not have seen either email because for the most part he does not use his PC.

10. Mr. Okada stated that internal Universal rules do not permit the payment of cash to government officials. Mr. Okada stated that no stay in the Villa in Wynn Macau could cost US 50,000
11. Mr. Okada stated that internal Universal rules permitted the payment of reasonable entertainment expense for government officials but did not know what amount was permitted.
12. Mr. Okada stated that the cost of Chairman Naguiat's stay at Wynn Macau caused a "problem" for Universal and that as a result Araki was fired, and Shoji resigned after having been scolded by Mr. Okada.
13. Mr. Okada stated that he did not make any changes at his company or give anyone new instructions as a result of finding out about Naguiat's stay in September 2010.
14. Mr. Okada said that it was possible that Chairman Naguiat would be billed for the cost of the stay.
15. Mr. Okada said, when he was asked about a reference in a Shoji email to posting all expenses to the Universal City Ledger Account, that he lacked any knowledge of such an account and said "I wonder if the City Ledger is in reference to our internal policy, as long as it is under that ceiling."

C. **Mr. Okada stated that he was aware of only one other guest stay at Wynn Macau that he believed was improperly paid by Universal.**

1. Mr. Okada stated only a few weeks ago he learned from President Tokuda that Anthony Genuino, son of former PAGCOR Chairman Genuino, had stayed at Wynn Las Vegas in September of 2008 and that Universal had paid US 2300 for his stay.
2. Mr. Okada stated that Genuino would be sent the bill for this cost
3. Mr. Okada denied any knowledge of other PAGCOR officials staying at Wynn Resorts from 2008 through June 2011 with Universal paying for their expenses.
4. Mr. Okada stated that he had just instructed President Tokuda of Universal to conduct an investigation into Universal's payment of entertainment expenses.
5. Mr. Okada blamed Shoji as the responsible party for these payments.
6. Mr. Okada stated that he yelled at Shoji for not reporting these matters to him and would have fired Shoji except that Shoji resigned. Mr. Okada stated that Tokuda

did report these matters and Mr. Okada believed that Shoji was also in a position to know all about what had happened but had failed to report it to him.

7. Mr. Okada stated that Shoji was a trusted employee who had worked closely with him since 2002 and should have reported these matters to him.
8. Mr. Okada stated that they were just starting this investigation and that bills may be sent to certain of these guests for the expenses which Universal paid.
9. Mr. Okada especially blamed Mr. Shoji since he was the head of the company's compliance committee from 2002-2010.
10. Mr. Okada stated that he last met with Chairman Naguiat in the Philippines during January 2012 in order to seek land leasing approval from PAGCOR.
11. Mr. Okada stated that Universal had an expense policy but he didn't know what the amounts were. Mr. Okada stated that he was unfamiliar with the specific details of his compliance policy because he was too high within the company. He left it to others to handle the details of the policies.
12. Mr. Okada was asked a series of questions regarding about a dozen other PAGCOR officials who stayed at Wynn Macau or Wynn Las Vegas during 2010 and 2011 for whom Universal paid their expenses.
13. Mr. Okada denied having authorized any of these payments and said that he would not have authorized such payments if the guests were PAGCOR officials.
14. Mr. Okada stated that on one occasion he met Jose Miguel Arroyo, husband of Former Philippine President Gloria Arroyo, but did not know that Jose Arroyo had stayed at Wynn Las Vegas in November 2009, with Universal paying for his expenses totaling US 4,642.
15. Mr. Okada stated that he met Chairman Naguiat approximately 4 or 5 times since Naguiat's Chairmanship in June 2010 and that these meetings always involved official matters.
16. Mr. Okada stated that he told Tokuda in December of 2011 to investigate these matters.
17. Mr. Okada stated that December was the first time he asked Mr. Tokuda investigate these charges for Universal.
18. Mr. Okada stated further that Shoji was a trusted employee whom he had met with "very frequently." During the time period in September 2010 when Shoji was setting up the Naguiat visit, Shoji told Mr. Okada nothing about Naguiat.

D. <u>Okada statements to the Board of Directors Regarding doing business in Asia</u>

1. Mr. Okada stated that he could not specifically remember attending a Wynn Resorts Board of Directors meeting in February 2011.

2. Mr. Okada stated that he did not remember attending a Wynn Resorts Board of Directors meeting where bribery was discussed.
3. Mr. Okada denied ever stating to Wynn Resort Directors words to the effect that "it was a matter of hiring the right people and that you must pay other people." He responded "absolutely not, that's a lie."
4. Mr. Okada denied telling fellow board members words to the effect that "you have to follow local customs and that's why you have consultants."
5. Mr. Okada also denied ever stating to fellow board members words to the effect "I wouldn't bribe someone but would have someone else bribe that person."
6. As to bribing someone in the Philippines, Mr. Okada stated that "there is no need to do that in the Philippines even because we are in the position to invest."
7. Mr. Okada also denied ever stating words to the effect that "in Asia, it is okay to give gifts to government officials." His response was "absolutely not."
8. Mr. Okada stated that he had been a member of the Wynn Resorts Board of Directors since 2005 or 2006. When asked about his duties or responsibilities as a director of Wynn Resorts, Okada stated that he had to "ensure socially just company, there should be no illegal activities, and that I have to help them be successful and grow as a company."
9. Mr. Okada was asked if he had ever read the Wynn Resorts Code of Conduct to which he responded, "No because it is in English, no I cannot."
10. Mr. Okada was asked if he had accepted Wynn Resorts Board of Director FCPA training in 2011, to which he replied that he had received some documents but sent them to his lawyers.

E. <u>Doing Business in the Philippines</u>

1. Mr. Okada stated that prior to the new Philippine administration taking over in 2010, his efforts to conduct a gambling business in the Philippines were being done for Wynn Resorts and that he was reporting to Steve Wynn about these activities.
2. Mr. Okada said before the new Philippine administration in 2010 "All of the conversation between myself and Genuino was for the sake of explaining to Mr. Wynn."
3. Mr. Okada stated that a press release from Aruze Corp. dated April 25, 2008, that announced Aruze would independently operate a casino project in the Philippines, had not been presented to him for approval.
4. Mr. Okada stated that neither Steve Wynn nor Wynn Resorts had invested any money in the Philippine business initiative which he had been conducting since 2008.

5. Okada stated that Universal had invested between US 300-400 million in 2008 to acquire the land for the Manila Bay project.
6. When asked whether Mr. Wynn or Wynn Resorts invested any money in the US 300-400 million purchase, Mr. Okada stated that "Wynn Resorts had no involvement whatsoever."
7. Mr. Okada stated that it was only after the new Aquino presidency in June of 2010 that he decided to pursue a Philippine gaming project independently.
8. Mr. Okada stated that this land had been acquired by a company called Eagle I Land Holdings in which Aruze USA had an ownership interest.
9. Mr. Okada stated that at the time of the land acquisition in 2008, Eagle I Land Holdings was 60% owned by Filipino nationals. However, when asked to identify the 60% ownership today, he responded "I know of them I know who they are but I don't remember their names."
10. Mr. Okada stated that he was aware of the Philippine legal requirement that land be 60% owned by Filipinos.
11. Mr. Okada stated that neither Tiger or Aruze had a provisional gaming license for the Philippines.
12. Mr. Okada does not know whether a deposit was made by Universal in order to pursue the Filipino gaming initiative.
13. It was his understanding that to get a gaming license in the Philippines you needed to do certain things beforehand and that he asked questions on Wynn's behalf as to what had to be done.
14. Mr. Okada stated that Platinum Gaming and Entertainment was a Philippine company run by Soriano.
15. Mr. Okada stated that he did not know Paolo Bombase or Manuel Camacho as shareholders of Eagle I and Eagle II.
16. Mr. Okada stated that Masato Araki may have lent his name as a stockholder to Eagle I and Eagle II but that Mr. Okada did not know the details. Mr. Okada stated that he did not know whether Manabu Kawasaki, who was another Universal employee, was a stockholder of Eagle I or Eagle II.

F. <u>Possible Payments by Universal to Korean Government Officials</u>.

Mr. Okada stated that he is interested in the IFEZ for possible investment. Mr. Okada stated that he personally set up arrangements in 2009 or 2010 for a Korean delegation from the IFEZ to visit Las Vegas. According to Mr. Okada, this delegation was led by a Mr. Lee, who was "seconded" to IFEZ by the Korean government. Mr. Okada invited this delegation to see the Venetian.

Mr. Okada stated that "at the very beginning" he discussed the "issue of expense" and the Korean side said they had to pay for their own expenses as government officials. Mr. Okada stated that the Korean delegation stayed at Wynn Las Vegas and paid for their rooms. When told that Universal in fact paid for the Koreans' rooms, Mr. Okada stated "It's possible we paid in advance the first time but then they paid later. I am personally in charge of the Koreans." When Mr. Okada was then asked if he knew that was done he responded "I am certain it was done."

Mr. Okada later repeated that the Koreans paid for their own travel. When advised that Universal paid for Commissioner Lee and others to stay at Wynn Macau in 2011, and Wynn Las Vegas in 2010, Mr. Okada stated that "It may have been that we made a temporary payment to be reimbursed later but in any case for Korea all trips must be applied for with the City Hall and they need to get prior approval."

Mr. Okada later repeated that he did not authorize Universal to pay approximately US 6,000 worth of room charges for Commissioner Lee and other IFEZ officials for stays at Wynn Resorts. When asked if it would be against "Universal's policy" to pay such travel expenses, Mr. Okada repeated that the Koreans would pay for their own expenses. He added that "Maybe it was the case where Universal made a temporary payment to be reimbursed later and all this would be paid by admin official."

G. Mr. Okada Instructs Mr. Tokuda to Conduct an Investigation

Mr. Okada stated that since about 2008-2009, Universal has had both "ordinary" and "extraordinary" rules about paying entertainment expenses regarding government officials. However, he stated that he did not know the "specific details." Mr. Okada stated that "cash" could not be given but that he did not know the dollar amount limit for providing government officials with meals.

Mr. Okada stated that after learning from Mr. Tokuda about the excessive expenses paid by Universal for Chairman Naguiat's September 2010 stay at Wynn Macau, Mr. Okada did not take any steps or give instructions to prevent a recurrence. Indeed, Mr. Okada stated his belief that Universal's corporate policy as it exists today is "plenty on its own."

Mr. Okada stated that "within the last week or so" he learned from Mr. Tokuda that the son of then-PAGCOR Chairman Genuino stayed at Wynn Las Vegas in 2008 and that Universal had paid US 2,800 for his expenses. Mr. Okada said this was "inexcusable" and that he had given instructions to have him [Genuino] billed directly. Mr. Okada further stated that Mr. Tokuda had found "several more" of these instances but that Mr. Okada did not "know the details." Mr. Okada stated that in regard to Chairman Naguiat's stay at Wynn Macau, perhaps an invoice should also be sent to him as the customer.

Mr. Okada stated that "it was just yesterday" that he heard from Tokuda about "these issues being raised." After being asked what he knew about a list of PAGCOR officials whose

stays at Wynn Macau and Wynn Las Vegas were paid by Universal from 2008 – 2011, Mr. Okada denied any knowledge of these events. However, Mr. Okada stated that "everything I believe [FSS] mentioned matches with what Mr. Tokuda is investigating right now. And I will have him write a paper that lists all the countermeasures and a progress report and what has been wrapped up and so forth."

Mr. Okada stated that in approximately December 2011, he "clearly instructed" Mr. Tokuda to conduct an investigation about these matters. At the end of the interview, Mr. Okada stated that "I will look into all the expense that you have asked about and if it is someone who has an existing relationship I will for sure bill that person."

VII. Conclusions

The investigation has produced substantial evidence that directly relates to Mr. Okada's suitability under Nevada law as both a major shareholder and director of Wynn Resorts.

Nevada Gaming Commission Regulations regarding individual suitability issues encompass, among other things, a person's "good character, honesty and integrity," and whether a person's "background, reputation and associations will not result in adverse publicity for the State of Nevada and its gaming industry" (Section 3.090 of the NRS). The NRS also require that a covered person satisfy the Commission that such person has "adequate business probity" (Section 463.170, paragraph 3).

Both Aruze USA , a Nevada corporation, and Mr. Okada personally, as a Director, President, Secretary and Treasurer of Aruze Inc., are covered parties under the jurisdiction of the FCPA.

As set forth above, the investigation has produced substantial evidence that Mr. Okada, his associates and companies have apparently been engaging in a longstanding practice and pattern of committing prima facie violations of anti-bribery laws, particularly the FCPA.

The testimonial and documentary evidence appear to prove that, since at least 2008, Mr. Okada, his associates and companies have made over US 110,000 in payments to his chief gaming regulators (2) in the Philippines (PAGCOR), their families and associates. Mr. Okada is building a multi-billion dollar gaming business and operation in the Philippines.

The practice and means of making these payments varied slightly but were regularly and repeatedly arranged in the same manner. For example, between June 2008 and August 2010, former PAGCOR Chairman Efraim Genuino (February 2001 – June 30, 2010), his son and other PAGCOR government officials, were hosted by Mr. Okada, his associates and companies at either Wynn Resorts Las Vegas or Wynn Resorts Macau. Mr. Okada, his associates and companies would arrange and pay thousands of dollars to cover the expenses of Chairman

Genuino, his son and other then-current PAGCOR officials in his party. These payments were made by Mr. Okada, his associates and companies, using the City Ledger Account, which contained an average balance of US 100,000 funded and replenished by Universal. International money transfers and the facilities of interstate commerce were used to make these payments.

There is substantial evidence to show that Chairman Genuino's June 2010 stay at Wynn Macau was due to the fact that he was then Mr. Okada's principal Philippine gaming regulator. This is also demonstrated by the fact that after Chairman Genuino left his PAGCOR office in June 2010, he and his family were no longer the beneficiaries of such payments at Wynn Resorts facilities.

However, as set forth above in greater detail, Mr. Okada's current chief Philippine gaming regulator, Chairman Cristino Naguiat (July 2, 2010 – present) and his family quickly succeeded Chairman Genuino as the beneficiaries of payments by Universal for stays at Wynn Resorts Las Vegas and Wynn Resorts Macau (September 2010 in Macau; November 2010 in Las Vegas; and June 2011 in Macau, just over seven (7) months ago).

These payments were made using Mr. Okada's City Ledger Account, as was done regarding payments on behalf of the former PAGCOR Chairman. The evidence further suggests that Chairman Naguiat's luxury stays at Wynn Resorts facilities were fully known to Mr. Okada, who actively involved himself in some of the arrangements. For example, Chairman Naguiat's September 22-26, 2010 stay at Wynn Resorts Macau luxury Villa 81, the most expensive accommodation at Wynn Resorts Macau (about 7,000 square feet in size, which then cost about US 6,000 per day), was intended by Mr. Okada and his associates to be kept secret and concealed within Wynn Resorts Macau records. Initially, Mr. Okada's associates arranging for Chairman Naguiat's September 2010 stay at Wynn Resorts Macau purposefully withheld Naguiat's name and had him registered as an "Incognito" VIP guest of Universal, utilizing the named reservation of "Rogelio Bangsil" (another then-senior PAGCOR official). Chairman Naguiat then stayed at the Wynn Resorts Macau for four days, together with his wife, three children and a nanny, without ever once introducing himself to the constantly attending Wynn Resorts Macau VIP service managers.

Mr. Okada's associate, who made this reservation for Chairman Naguiat, requested a "more gorgeous room, such as "Villa" and "the best butler," for this unnamed "VIP for Universal," who turned out to be the chief gaming regulator for the Philippines. The evidence also shows that on September 24, 2010, Mr. Okada personally made clear (via an interpreter) to Ian Coughlan, the Wynn Resorts Macau Executive Director and President, that Chairman Naguiat and his party were important guests and that Mr. Coughlan should make sure that his staff took good care of them. The evidence further shows that on the evening of September 24, 2010, Mr. Okada hosted a dinner at Wynn Macau for Chairman Naguiat (and approximately 13 others). The US 1,673.07 cost of this dinner was charged to Mr. Okada's room.

The testimonial and documentary evidence also shows that despite deliberate attempts to conceal Chairman Naguiat's identity while a guest at Wynn Resorts Macau in September 2010, hotel staff, acting on their own, soon identified Chairman Naguiat by means of a photo from the PAGCOR website. Their interest in doing so was sparked by the fact that the senior PAGCOR guest known to them, Mr. Bangsil, exercised great deference to Chairman Naguiat, who the staff determined must be the boss'. Nevertheless, the VIP service providers continued to refer to Chairman Naguiat only as "sir," thereby following the wishes and directions of Chairman Naguiat and Mr. Okada's associates. The evidence also shows that several weeks after Chairman Naguiat's intended "Incognito" stay at Villa 81, Mr. Okada's associates became concerned about the high cost of Chairman Naguiat's luxury stay at Wynn Resorts Macau. Specifically, Mr. Okada's associate advised Wynn Resorts Macau that the amount being charged for Chairman Naguiat's stay was too much over an ordinary business expense. Mr. Okada's associate then asked if Wynn Resorts Macau "could reconsider the matter [Chairman Naguiat's stay] and charge us [Mr. Okada's company] the original rate [and free upgrade to a Villa] since the party directly dealing with on this matter is our company [Mr. Okada's company] rather than each individual guest [Chairman Naguiat]." Mr. Okada's associate further stated that "since the amount charged [for Chairman Naguiat] is too much beyond the ordinary room charge, our company [Mr. Okada's company] will be put in a very difficult position to give reasonable explanations if we are inquired by someone." (Emphasis added).

Despite Mr. Okada's associate's efforts to have Wynn Resorts Macau reduce these payments and assist in covering up the beneficial amounts received by Chairman Naguiat, Wynn Resorts Macau denied this request.

Mr. Araki's later email ("Our Chairman Okada once again instructed us to take care of the group [PAGCOR], but not like the last time.") to Wynn Macau, dated October 5, 2010, also tends to confirm Mr. Okada's personal knowledge and direction of the payments made on behalf of Chairman Naguiat and his family for their luxury stay at Wynn Macau for September 22-26, 2010.

The evidence also shows that on September 24-25, 2010, Mr. Okada's associates obtained a total of US 20,000 cash from Wynn Resorts Macau's main cage as "cash advances" for Chairman Naguiat, his family and party. This same associate of Mr. Okada returned approximately US 503 of this advance on September 26, 2010 as the remainder from Chairman Naguiat's party. Mr. Okada's City Ledger Account was again used to pay for this advance.

The evidence also shows that the PAGCOR-related payments made by Mr. Okada and his associates are not the result of any misunderstanding of the applicable anti-bribery laws, including the FCPA. Conversely, by his own statements and declarations to fellow Wynn Resorts Board members, Mr. Okada apparently believes that there is nothing wrong with making payments and gifts to government officials when doing business in Asia. When advised by fellow directors and Wynn Resorts lawyers that such payments are bribes strictly prohibited by

the FCPA and other laws, Mr. Okada responded that third party intermediaries or "consultants" can be used to make the payments.

The best evidence of Mr. Okada's belief that it is permissible to make payments to government officials is his admission that Universal paid expenses for then-PAGCOR Chairman Genuino's trip to the 2008 Beijing Olympics. Mr. Okada explained that since Mr. Genuino had previously invited Mr. Okada to "one of the islands in the Philippines," Mr. Okada and Universal's President Tokuda in turn had Universal pay for expenses related to Genuino's trip to Beijing, which Mr. Okada stated was arranged by President Tokuda. This admission by Mr. Okada is consistent with his February 24, 2011 statements to board members that there is nothing wrong with making payments and gifts to government officials.

The evidence about the corporate structures utilized by Mr. Okada and his associates to initiate his multibillion dollar gaming business in the Philippines also appears to demonstrate Mr. Okada's intent to do business as he desires, regardless of the applicable laws and regulations. FSS's examination of the corporate documents relating to Mr. Okada's gaming initiative in the Philippines appears to show that he has used a complex web of corporate structures and companies to evade laws which require Philippine nationals to own 60% interest in all real estate. A separate legal analysis by a Philippine attorney confirms this finding and suggests that Mr. Okada's Philippine gaming initiative has been set up in violation of applicable law.

Additionally, the preliminary evidence also shows that in connection with Mr. Okada's efforts to develop a gaming business in IFEZ, Mr. Okada and his associates may be engaging in the same pattern of proscribed payments to government officials. The preliminary evidence shows that in October 2011, Mr. Okada's company signed a Memorandum of Understanding with IFEZ to develop a casino resort near the Incheon International Airport. Preliminary information indicates that IFEZ is overseen by the Incheon Free Economic Zone Authority, apparently part of the City of Incheon government. Mr. Okada's City Ledger account reflects that from November 2010 through June 2011, four (4) individuals, including IFEZ Commissioner Jong Cheol Lee, had two stays at Wynn Resorts Las Vegas and Wynn Resorts Macau, where payments totaling US 5,945.52 were made on their behalf through Mr. Okada's City Ledger account. Preliminary internet research identifies Jong Cheol Lee as the current IFEZ Commissioner, a position he has held since July 2010. It is not clear at this preliminary stage i) whether Mr. Okada's announced gaming investment and operation within IFEZ has received any gaming licensing, and ii) whether the three (3) guests who accompanied Commissioner Lee were then Korean government officials.

The investigation has established that despite requests by Wynn Resorts since August 2011 that Mr. Okada acknowledge in writing that he has reviewed (and agreed to comply with) Wynn Resort's "Code of Business Ethics" and "Policy Regarding Payments to Government Officials," Mr. Okada has failed to do so.

Finally, Mr. Okada was interviewed by FSS on February 15, 2012 by FSS and was given the opportunity to present his version of the facts. Mr. Okada denied knowledge of Chairman Naguiat staying "incognito" at Wynn Macau in September 2010. He also denied knowledge that Mr. Shoji was actively involved in arranging for Chairman Naguiat's stay. Although Mr. Shoji's emails asking that Chairman Naguiat's identity be kept secret, and that Chairman Naguiat be provided with cash in connection with his visit, were copied directly to Mr. Okada, the latter stated that because he rarely uses his personal computer, he would not have seen such emails. Mr. Okada acknowledged flying to Macau on September 24, 2010 in order to visit Chairman Naguiat but denied telling Ian Coughlan that Chairman Naguiat was an important Universal guest who should be treated well. Conversely, Mr. Okada stated that there is "no way" he would have said something like that, but would have said "be normal and don't do anything out of the ordinary." The substantial evidence relating to Chairman Naguiat's September 2010 stay at Wynn Macau, including emails, Coughlan's statements, and the facts and reasonable inferences regarding this evidence, cast substantial doubt on Mr. Okada's credibility.

Mr. Okada also vehemently denied making statements to fellow board members to the effect that doing business in Asia requires and permits bribes to be made to government officials. Mr. Okada's denials are directly contradicted by many of his fellow board members.

Similarly, Mr. Okada insists that all of his efforts to establish a gambling business in the Philippines prior to 2010 were undertaken solely on behalf of Wynn Resorts. His insistence is largely contradicted by the actions which he undertook. First, Mr. Okada and Universal invested US 300-400 million to buy property in the Manila Bay Entertainment Zone, which was to be used for his gaming operation. Mr. Okada admitted that Wynn Resorts had "no money involved in this investment." Secondly, Mr. Okada and Universal set up an elaborate corporate structure in order to initiate, and operate in the future, a multimillion dollar casino operation. Wynn Resorts had no participation in any of these corporate initiatives or structures, all of which were controlled by Universal and Mr. Okada. Third, the provisional gaming license, which is required in order to establish a gaming business in the Philippines, was procured by Mr. Okada and his companies, without any relation to Wynn Resorts. Finally, when shown an April 25, 2008 Aruze Corp. press release, which states that the Aruze casino operation will be independently developed by Aruze with the mere intent that Wynn Resorts help guide its project, Mr. Okada denied any knowledge of this press release.

In sum, the substantial evidence developed by this investigation and set forth above, based on witness interviews, public information, documentary and electronic data, provide the Compliance Committee and Board of Directors a factual basis to review Mr. Okada's continued suitability to be a major shareholder and director of Wynn Resorts.

Wynn Resorts Issues Statement on Okada Counterclaim

March 13, 2012 09:02 AM Eastern Daylight Time

LAS VEGAS--(BUSINESS WIRE)--Wynn Resorts, Limited (NASDAQ: WYNN) today issued the following statement in response to the counterclaim filed yesterday by Kazuo Okada, Aruze USA, Inc. and Universal Entertainment Corp.:

"Despite its enormous length and scurrilous allegations, the Okada response fails to contain any meaningful denial of the facts detailed in the Freeh Report or Governor Miller's conference call on February 21, 2012. Wynn Resorts looks forward to having Mr. Okada's actions and the Company's response presented to and adjudicated in court."

Contacts
Investors:
Wynn Resorts
Samanta Stewart, 702-770-7555
investorrelations@wynnresorts.com
or
Media:
Sard Verbinnen & Co.
George Sard/Paul Kranhold/Charles Sipkins
212-687-8080 / 415-618-8750 / 310-201-2040

REQT
Samuel S. Lionel (SBN 1766)
Charles H. McCrea, Jr. (SBN 104)
Steven A. Anderson (SBN 11901)
LIONEL SAWYER & COLLINS
1700 Bank of America Plaza
300 South Fourth Street
Las Vegas, Nevada 89101
Telephone: (702) 383-8888
Facsimile: (702) 383-8845

William F. Sullivan*
Thomas A. Zaccaro*
Howard M. Privette*
John S. Durrant*
PAUL HASTINGS LLP
515 South Flower Street, 25th Floor
Los Angeles, CA 90071
Telephone: (213) 683-6000
Facsimile: (213) 683-0705
**admitted pro hac vice*

Attorneys for Defendant KAZUO OKADA and Defendants and Counterclaimants ARUZE USA, INC. and UNIVERSAL ENTERTAINMENT CORPORATION

DISTRICT COURT
CLARK COUNTY, NEVADA

WYNN RESORTS, LIMITED, a Nevada Corporation, Plaintiff, vs. KAZUO OKADA, an individual, et al., Defendants.	CASE NO: A-12-656710-B DEPT. NO: XI ELECTRONIC FILING CASE
AND ALL RELATED CLAIMS.	

DEFENDANTS' FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO WYNN RESORTS, LIMITED

PROPOUNDING PARTY: DEFENDANT KAZUO OKADA AND DEFENDANTS AND COUNTERCLAIMANTS ARUZE USA, INC. AND UNIVERSAL ENTERTAINMENT CORPORATION

RESPONDING PARTY: PLAINTIFF AND COUNTERDEFENDANT WYNN RESORTS, LIMITED

SET NO.: ONE

Pursuant to NEV. R. CIV. P. 34, Defendant KAZUO OKADA and Defendants and Counterclaimants ARUZE USA, INC. and UNIVERSAL ENTERTAINMENT CORPORATION hereby request that Plaintiff and Counterdefendant WYNN RESORTS, LIMITED produce the following documents and things for inspection and copying in this First Set of Requests for Production of Documents (the "Requests"). Such production shall be made within thirty (30) days of service, at Lionel Sawyer & Collins, 1700 Bank of America Plaza, 300 South Fourth Street, Las Vegas, Nevada 89101. The documents and things subject to these Requests shall remain available to Defendants' counsel until such inspection and copying can be reasonably completed.

DEFINITIONS

Unless otherwise specifically stated in the body of a particular Request, the following terms and phrases in the Requests shall have the following meaning:

1. The term "Articles of Incorporation" refers to Wynn Resorts' Articles of Incorporation and all amendments, including but not limited to the first Articles of Incorporation dated June 3, 2002 and the Second Amended and Restated Articles of Incorporation dated September 16, 2002.

2. The term "Aruze" refers to Aruze USA, Inc., and its predecessors, successors, parents, subsidiaries, divisions and affiliates, and each of their respective current and former officers, directors, agents, attorneys, accountants, employees, representatives, partners, and other persons occupying similar positions or performing similar functions, and all other persons acting or purporting to act on its behalf or under its control.

3. The term "Bylaws" refers to Wynn Resorts' Bylaws and all amendments, including but not limited to the first Bylaws of Wynn Resorts, Limited dated June 14, 2002, the Second Amended and Restated Bylaws, the Third Amended and Restated Bylaws effective as of September 23, 2002 (and as amended on October 21, 2002), the Fourth Amended and Restated Bylaws effective as of November 13, 2006, and the Fifth Amended and Restated Bylaws effective as of November 2, 2012.

4. The term "China" refers to People's Republic of China, including but not limited to Macau.

5. The term "Communication(s)" means the transmission of information by any medium, including, without limitation, orally, by personal meeting, in writing, by telephone, letter, telegraph, teleconference, facsimile, telex, telecopy, wire, radio, television, electronic mail, magnetic tape, floppy disk, diagram, graph, chart, drawing, or posting or other display on the Internet or the World Wide Web.

6. The term "Complaint" refers to the Amended Complaint filed in this action on October 29, 2012.

7. The term "concerning" shall mean, without limitation, anything that, in whole or in part, contains, constitutes, compromises, deals with, describes, evidences, embodies, reflects, refers to, relates to, mentions, defines, bears upon, pertains directly or indirectly to, discusses, alludes to, responds to, mentions, memorializes, records, comments upon, analyzes, explains, summarizes, or is in any other way relevant to the particular subject matter identified.

8. The term "Contribution Agreement" refers to the to the Contribution Agreement between Wynn Resorts, Wynn, Aruze, Baron Asset Fund and the Kenneth R. Wynn Family Trust dated June 11, 2002.

9. The term "Cotai" refers to the Cotai area of Macau.

10. The term "Counterclaim" refers to the Second Amended Counterclaim of Aruze USA, Inc. and Universal Entertainment Corp. filed in this action on September 12, 2012

11. The term "Counterdefendants" refers to Wynn, Kimmarie Sinatra, Linda Chen, Ray R. Irani, Russell Goldsmith, Robert J. Miller, John A. Moran, Marc D. Schorr, Alvin

V. Shoemaker, Boone Wayson, Elaine P. Wynn, Allan Zeman, individually and collectively, and each person's agents, representatives, associates, attorneys, and all other persons acting or purporting to act on each person's behalf or under each person's control.

12. The term "Defendants" refers to Okada, Aruze, and Universal.

13. The term "document(s)" includes, but is not limited to, any Communications, any written, typed, printed, recorded or graphic matter, however produced or reproduced, of any type or description, regardless of origin or location, including but not limited to all correspondence, minutes, records, tables, charts, analyses, graphs, regulations, investigation results, microfiche or microfilm, training materials, electronic records, electronic logs, schedules, reports, audits, guidelines, policies, protocols, reviews, assessments, budgets, standing order directives, post orders, manuals, memoranda, notes, lists, logs, notations, contact sheets, calendar and diary entries, letters (sent or received), telegrams, faxes, telexes, messages (including but not limited to reports of telephone conversations and conferences), studies, rosters, schedules, booklets, circulars, bulletins, instructions, papers, files, minutes, emails, summaries, bulletins, questionnaires, contracts, memoranda or agreements, requests for proposals or responses to requests for proposals, assignments, licenses, ledgers, books of account, orders, invoices, statements, bills, checks, vouchers, notebooks, receipts, acknowledgments, data processing cards, computer generated matter, photographs, photographic negatives, phonograph records, tape recordings, evaluations, video recordings, wire recordings, discs, other mechanical recording transcripts or logs of any such recordings, all other data compilations from which information can be obtained, or translated if necessary, and any other tangible thing of a similar nature. Each Request for a document or documents shall be deemed to call for the production of the original document or documents to the extent that they are in or subject to, directly or indirectly, the control of the party to whom these Requests for Production are directed. In addition, each Request should be considered as including but not limited to all copies and, to the extent applicable, preliminary drafts of documents that differ in any respect from the original or final draft or from each other (e.g., by reason of differences in form or content or by reason of

handwritten notes or comments having been added to one copy of a document but not on the original or other copies thereof).

14. The term "FCPA" refers to the Foreign Corrupt Practices Act of 1977, 15 U.S.C. § 78dd-1, *et seq.*

15. The term "Freeh Report" refers to the report prepared by Freeh Sporkin & Sullivan, LLP (n/k/a Pepper Hamilton LLP) under the direction of Wynn Resorts' Compliance Committee, attached as Exhibit 1 to Wynn Resorts' Complaint, and

16. The term "Freeh Sporkin" refers to Freeh Sporkin & Sullivan LLP (n/k/a Pepper Hamilton LLP), including but not limited to its predecessors, successors, parents, subsidiaries, divisions and affiliates, and each of their respective current and former partners (including but not limited to Louis J. Freeh), employees, representatives, agents, attorneys, accountants, and other persons occupying similar positions or performing similar functions, and all other persons acting or purporting to act on its behalf or under its control.

17. The term "Government Official" refers to any officer or employee of a government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization.

18. The term "public international organization" means (i) an organization that is designated by Executive order pursuant to section 288 of title 22 of the United States Code; or (ii) any other international organization that is designated by the President by Executive order for the purposes of this section, effective as of the date of publication of such order in the Federal Register.

19. The term "Investigation(s)" includes but is not limited to any research, examination, review, study, assessment, analysis, diligence, or inquiry into the matter stated in the Request, whether formal or informal.

20. The term "Korea" refers to the Republic of Korea, including but not limited to the Incheon Free Economic Zone.

- September 23, 2010: In an e-mail to Ms. Lai, with a copy to Mr. Okada, Mr. Shoji requests that a credit of US 5,000 be extended to each person now staying at the Villa for shopping and gaming, up to a total of US 50,000. According to Mr. Shoji's email, the funds are to be advanced by Wynn Macau and charged to the Universal City Ledger account. [85]

- September 24, 2010 (13:45): MOP 80,000[86] (approximately US 10,000) is advanced from the Wynn Macau main cage to a Wynn Macau VIP Services employee (no longer employed at Wynn Macau), who in turn hands the money to Masato Araki, special assistant to president of Aruze USA, based upon instructions in the above referenced e-mail to Ms. Lai. The handover of funds is witnessed by Wynn Encore manager Alex Kong. The funds are charged to the Universal City Ledger Account.[87] MOP 15,000 of this sum is used to pay for a Chanel bag that Chairman Naguiat requested be purchased for his wife.[88]

- September 24, 2010 (Approximately 14:00): Mrs. Naguiat, her three children, Mrs. Bangsil and her daughter arrive at Wynn Macau.

- September 24, 2010 (15:45): Wynn Macau employees meet Mr. Okada and his assistant, Jun Yoshie, at the airport, transport them to Wynn Macau and escort Mr. Okada to room 5688.[89]

- September 24, 2010 (late afternoon): Mr. Coughlan receives a phone message from Mr. Yoshie that Mr. Okada would like to speak to him. Mr. Coughlan proceeds to an area near the Wynn Encore reception desk, where he meets Mr. Yoshie and Mr. Okada. They step into the Cristal Bar to talk, whereupon Mr. Okada, with Mr. Yoshie interpreting into English, tells Mr. Coughlan that the guests [referring to

[85] E-mail from Y. Shoji to A. Lai, September 23, 2010 [See Appendix]; e-mail from B. Yeung to I. Coughlan, September 27, 2010 [See Appendix]; interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 24, 2010.
[86] MOP 80,000 was worth approximately US 9,816 at that time.
[87] Wynn Macau Manager – Encore Logbook, September 24, 2010 [See Appendix]; Wynn Macau "Miscellaneous Disbursement" record #013014, dated September 24, 2010 [See Appendix]; e-mail from B. Yeung to I. Coughlan, September 27, 2010 [See Appendix]; interview of B. Yeung, January 4, 2012; interview of Alex Kong, February 1, 2012.
[88] Wynn Macau Manager – Encore Logbook, September 24, 2010. [See Appendix]. The Chanel bag was purchased by a Wynn Macau employee as per instructions by Mr. Araki, who works for Mr. Okada. The Wynn Macau employee gave the bag, store receipt and change to Mr. Araki to deliver to Mrs. Naguiat. Later, Mr. Araki stated that Mrs. Naguiat did not like the bag so he would give it to his own wife.
[89] Wynn Macau Manager – Encore Logbook, September 24, 2010 [See Appendix]; interview of B. Yeung, January 4, 2012.

Chairman Naguiat's party] are very important to Universal, and that Mr. Okada wants Mr. Couglan to insure that they are well cared for during their stay.[90]

- September 24, 2010 (17:00): Mr. Okada meets Chairman Naguiat (and approximately thirteen (13)) others in his party) for dinner at Okada Restaurant.[91] Mr. Okada hosts the dinner and the bill for $1,673.07 is charged to his room.

- September 25, 2010 (05:45): Wynn Macau employees meet Mr. Okada outside his room and escort him to a limousine, which transports him to the Macau Ferry Terminal for 07:00 scheduled ferry departure to Hong Kong International Airport.[92]

- September 25, 2010: Beatrice Yeung describes in her log book "Movements – Incognito (Mr. Naguiat, Cristino L) / Mr. Bangsil, Rogelio / Mr. Opinion, Jeffrey (Mr. Okada's guests, Villa 81)."[93]

- September 25, 2010: Mr. Araki requests a second advance of MOP 80,000 for guests in Villa 81. Ms. Yeung accompanies Mr. Araki to the Main Cage and obtains the advance for him.[94] [This makes a total of MOP 160,000 advanced for the use of Chairman Naguiat and his party and charged to the Universal City Ledger Account per Mr. Okada's orders, as relayed in Mr. Shoji's e-mail.]

- September 26, 2010 (11:10): Mr. Araki departs the Wynn Macau Encore main entrance. He hands Ms. Yeung MOP 4100, returning what he says is the remainder of the two cash advances for Chairman Naguiat's party.[95]

- September 26, 2010 (13:15): Chairman Naguiat's party departs via Wynn Macau limousine to pick up Mrs. Naguiat from shopping and proceeds to the airport.[96]

---

[90] Interviews of Ian Coughlan, January 5, 2012 and February 2, 2012.
[91] Interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 24, 2010. [See Appendix]
[92] Interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 25, 2010. [See Appendix]
[93] Wynn Macau Manager – Encore Logbook, September 25, 2010. [See Appendix]
[94] Interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 25, 2010 [See Appendix]; Wynn Macau "Miscellaneous Disbursement" record #013066, dated September 25, 2010. [See Appendix]
[95] E-mail from B. Yeung to I. Coughlan, September 27, 2010 [See Appendix]; Wynn Macau Manager – Encore Logbook, September 26, 2010 [See Appendix]; handwritten and signed note dated "9/26/10" with notation "MOP 4,100". [See Appendix]. The returned funds were equal to approximately US 503.07 returned out of a total of approximately US 19,632 provided.
[96] Interview of B. Yeung, January 4, 2012; Wynn Macau Manager – Encore Logbook, September 26, 2010. [See Appendix]

- November 10, 2010: Mr. Shoji advises Mr. Coughlan in an e-mail of receipt of Wynn Macau's invoice for the late September 2010 visit, in which the Villa [for Chairman Naguiat] was charged at the amount of MOP 48,000. Mr. Shoji states that "I understand that Mr. Okada explained to you in Macau that they were our business guests and we made reservations for them and all charges are billed to our company. While some of charges [sic] will be reimbursed by them, room charges were planned to be borne by us as ordinary business expenses. Since the amount charged is too much and beyond the ordinary room charge, our company will be put in a very difficult position to give reasonable explanations if we are inquired by someone. I would appreciate if you would reconsider this matter and charge us the original rate (free upgrade to Villa) since the party directly dealing with [sic] on this matter is our company rather than the each [sic] individual guest."(Emphasis added.)[97]

- On or about December 10, 2010: After e-mails and phone messages following Mr. Shoji's September 20, 2010 e-mail, Mr. Coughlan has a phone conversation with Mr. Shoji, in which he advises Mr. Shoji that, after internal Wynn Macau discussions, the final decision was that Wynn Macau would not provide the requested free upgrade for the Villa occupied during the September 2010 visit.[98]

The foregoing recitation of facts surrounding the September 2010 visit of Chairman Naguiat and his party to Wynn Macau demonstrates several significant elements of that visit:

- Mr. Okada considered these guests to be very important to his company.

- An effort was made from the outset to conceal Chairman Naguiat's identity and official status, to the point of not even wanting to advise Wynn Macau management and staff.

- With Mr. Okada's knowledge, Chairman Naguiat and his family were provided with approximately US 20,000 cash to use for gaming and also shopping

- Mr. Okada's representative sought to have Wynn Resorts fund a portion of the expenses incurred by Chairman Naguiat and his party, i.e., the free upgrade to a Villa.

[97] E-mail from Y. Shoji to I. Coughlan, November 10, 2010 [See Appendix]; interviews of I. Coughlan, December 29, 2011 and January 5, 2012.
[98] Interviews of I. Coughlan, December 29, 2011and January 5, 2012; e-mail string between I. Coughlan and Y. Shoji and others, September 20 to December 9, 2010, subject: "Invoice and Statement for September Stay." [See Appendix]

- Mr. Okada's representative expressed apprehension about Universal being able to justify the level of expenditures in the event of future inquiries.

There is evidence that Mr. Okada personally directed the payments and gifts provided to Chairman Naguiat and his family during their luxury stay at Wynn Macau's most expensive accommodation in September 2010. On October 5, 2010, Mr. Araki sent an email to Wynn Macau in order to arrange for a "second group of PAGCOR" checking into Wynn Macau on October 8, 2010. Clearly referring back to Chairman Naguiat's stay less than two weeks earlier, Mr. Araki writes: "Our Chairman Okada once again instructed us to take care of the group, but not like last time meaning that we will not take care of their room charges and others." (Emphasis added). Mr. Araki, who worked for Mr. Okada and personally supervised Chairman Naguiat's luxury stay at Wynn Macau, appears to confirm Mr. Okada's personal knowledge and control of the payments for Chairman Naguiat.[99]

It is significant to note that the leadership of PAGCOR, which is appointed by the President of the Republic of the Philippines, changed effective June 30, 2010, when Benigno S. Aquino III assumed office as President of the Republic of the Philippines, succeeding Gloria M. Arroyo. Former PAGCOR Chairman Efraim C. Genuino, an Arroyo appointee, left office effective June 30, 2010, and Cristino L. Naguiat, Jr., President Aquino's appointee, assumed the position of Chairman and CEO of PAGCOR on July 2, 2010.

A review of the Aruze City Ledger Account records reveals that, after June 30, 2010, there are no charges attributed to Mr. Genuino or any of his family members who collectively had three (3) separate stays at Wynn resorts (Macau or Las Vegas) while Mr. Genuino was PAGCOR Chairman.[100] Conversely, the Aruze City Ledger Account reflects charges for Chairman Naguiat, his family, and key PAGCOR staff from Chairman Naguiat's "new" administration only after Naguiat became PAGCOR Chairman. This sequence is evidence that the hosting of these persons at Wynn Resorts, and payments made for them through the Aruze City Ledger Account, are solely related to PAGCOR, the Philippines government agency in charge of licensing and regulating Mr. Okada's business interests.

It is also clear that, having already received approval from PAGCOR in 2008 for a Provisional Licensing Agreement to develop a gaming business in the Philippines, Mr. Okada had a strong and continuing motive through 2010 and beyond to maintain favorable relations with the Chairmen and senior officials of PAGCOR. As previously noted, PAGCOR's primary governmental mission is regulating gaming businesses in the Philippines. Mr. Okada's project in Entertainment City Manila was prominently featured in PAGCOR's annual reports for

[99] Email from Matt Araki to Beatrice Yeung dated October 5, 2010. [See Appendix]
[100] The sole exception identified, Rodolfo Soriano, Jr., is listed on the Aruze City Ledger Account as having a single room charge on August 18, 2010. [See Appendix]

2008,[101] 2009[102] and 2010.[103] The 2010 Annual report features photos and messages from Chairman Naguiat, and several other members of the new PAGCOR leadership. The 2010 Annual report makes it clear that two of the proponents, Bloomsbury and the SM Consortium, are constructing their resorts and are expected to complete their first phase within 2014. The other two proponents (one of which is Tiger, the provisional licensee for Mr. Okada's casino project) are in the initial design stages and are expected to break ground in 2012.

The continuing coverage of Mr. Okada's Manila Bay Resorts project in PAGCOR's annual reports indicates that PAGCOR's interest in and oversight of this project did not stop with the granting of the Provisional Licensing Agreement in 2008. Indeed, the very nature of the Provisional Licensing Agreement requires continued oversight by PAGCOR officials. As Lazaro advised, the Provisional Licensing Agreement was issued in relation to the "Bagong Nayong Philipino Manila Bay Tourism City" project, which is also referred to as "PAGCOR City." PAGCOR City is envisioned to be a Las Vegas-style gaming and entertainment complex. The project was designed to attract proponents with established experience in the hotel and gaming business. PAGCOR released the "Terms of Reference," which detailed a list of requirements to which project proponents must conform in order to qualify for a PAGCOR license to operate within PAGCOR City.

The "Terms of Reference" section provides, in pertinent part, a mandatory Minimum Investment of US 1 Billion, consisting of both equity and debt, and the submission of an associated Project Implementation Plan within 120 days from signing of the Provisional License and approval by PAGCOR (Paragraph 4, Section II, Terms of Reference). Furthermore, within 30 days of signing of the Provisional License, proponents are required to submit a Performance Assurance Bond in the amount of PHP 100 Million to guarantee the completion of the project (Paragraph 8, Section II, Terms of Reference). Within 15 days of signing of the Provisional License, proponents are also required to open an Escrow Account (with an initial deposit of at least US 100 Million) through which funds for the project will pass. This Escrow Account must maintain a balance of at least US 50 Million. (Paragraph 9, Section II, Terms of Reference).

Specifically, paragraph 13 of the Terms of Reference states the following in relation to achieving a regular, non-provisional, Casino Gaming license:

[101] PAGCOR 2008 Annual Report, pp. 12-18, viewed January 25, 2012 at http://www.pagcor.ph/annual-reports/annual-2008/pagcor-annual-report-2008.html. [See Appendix]
[102] PAGCOR 2009 Annual Report, pp. 16-19, viewed January 25, 2012 at http://www.pagcor.ph/annual-reports/annual-2009/pagcor-annual-report-2009.html. [See Appendix]
[103] PAGCOR 2010 Annual Report, pp. 24-26, viewed January 25, 2012 at http://www.pagcor.ph/annual-reports/annual-2010/pagcor-annual-report-2010.html. [See Appendix]

"13. Issuance of License

A Provisional License will be issued to the winning proponent effective for the duration of the project development period and shall not exceed the approved completion date of the whole project.

The Regular Casino Gaming License will be issued upon completion of the Project and upon approval by PAGCOR of the report detailing the actual total cost of the Project to ensure the proponent's compliance with the approved project cost based on the Project Implementation Plan. The term of the License shall not exceed the term of PAGCOR as specified in RA 9487.

No sub-license will be issued nor allowed." (Emphasis added.)

Thus, a Regular Casino Gaming License will be issued by PAGCOR upon (1) completion of the Project and (2) compliance with the approved project cost as approved by PAGCOR, based on the previously submitted Project Implementation Plan, including all other conditions as may be stipulated in the Provisional License Agreement.[104] Clearly, PAGCOR maintains an active regulatory role over gaming businesses after the issuance of a provisional gaming license. An operator who has already been granted a provisional license, therefore, would have a powerful business incentive to maintain favorable relations with PAGCOR's Chairman and senior leadership.[105]

Finally, the PAGCOR officials with whom FSS spoke in December 2011 indicated that, upon "taking over" from the Genuino Administration in 2010, they conducted a review of previously granted gaming licenses to ensure that all issuance decisions had been done properly, indicating that the Naguiat Administration was exercising close review in monitoring of all licensees, including Mr. Okada.

[104] See research of Michelle Lazaro as expressed in her email dated January 30, 2012 to Mike McCall; See also "Terms of Reference" that were attached to the email. [See Appendix]

[105] A recent example of the extent of PAGCOR's continuing oversight of gaming operators can be found in the August 2011 issue of *Inside Asian Gaming* magazine. An article therein reported on claims by gaming operator Thunderbird Resorts, Inc. ("Thunderbird") that PAGCOR had unlawfully attempted to force Thunderbird, through various allegedly selective enforcement actions, to renegotiate the revenue sharing agreement it had signed with the previous PAGCOR leadership under Mr. Genuino. See "Ball of Confusion," dated August 10, 2011, *Inside Asian Gaming*, online edition, viewed January 26, 2011 at http://www.asgam.com/features/item/1238-ball-of-confusion.html. In the September 2011 issue, PAGCOR responded by making reference to various regulatory or enforcement functions it had been carrying out with regard to Thunderbird's casinos, up through the time that the dispute became heated. Among the functions mentioned were "resident monitoring teams" in Thunderbird casinos to "...guarantee the fair conduct of games..." as well as PAGCOR's serving of a notice of closure to Thunderbird in response to the disputed issues. See "Philippines Gaming Regulation—The Untold Story", dated 23 September 2011, *Inside Asian Gaming*, online edition, viewed January 26, 2011. [See Appendix]. These statements by PAGCOR clearly indicate that PAGCOR maintains active regulatory monitoring of licensed gaming businesses in the Philippines and claims the authority to close down licensed operators.

Mr. Okada's hosting and payments on behalf of PAGCOR Chairman Naguiat and his family at Wynn Macau, was most likely related to Mr. Okada's business interests in the Philippines, and would therefore constitute a prima facie violation of the FCPA both by Mr. Okada as well as by Aruze USA, Inc.

4. Possible Pattern of FCPA Violations Regarding Korean Government Officials

As stated previously, in recent years, Mr. Okada has been pursuing development of a resort complex in the Incheon Free Economic Zone in the Republic of Korea. Jong Cheol Lee, the Commissioner of the Incheon Free Economic Zone Authority, and apparently an Incheon government official, announced the signing of a Memorandum of Understanding on approximately October 27, 2011, between the Incheon Free Economic Zone ("IFEZ") and Okada Holdings Korea to develop a casino resort near the Incheon International Airport.[106]

A review of the Aruze City Ledger Account disclosed charges paid for Jong Cheol Lee and other guests of his party at Wynn Las Vegas and Wynn Macau for the period November 2010 to June 2011. Registration documents provided by Wynn Resorts disclosed annotations for Mr. Lee and three other guests, indicating: "Share with Incheon Free Economic Zone." According to the Aruze City Ledger Account, the following amounts were paid for government Lee and his party:

Name	Relationship to Incheon Free Economic Zone	Location and Date of Stay	Total Charged to Aruze City Ledger Account
Jong Cheol Lee	Commissioner	WLV Nov 16-18 2010	1,597.16
		WM June 2011	1,134.55
Woo Hyeung Lee	Unknown	WLV Nov 16-18 2010	843.89
		WM June 2011	1,083.22
Min Yong Choi	Unknown	WLV Nov 16-18 2010	507.50
Ki Dong Hur	Unknown	WLV Nov 16-18 2010	779.20
TOTAL PAID			5,945.52

These payments made for and on behalf of possible Korean government officials may be part of a continuing pattern by Mr. Okada and his associates to commit prima facie violations of the

[106] http://english.visitkorea.or.kr/enu/bs/tour_investment_support/pds/content/cms_view_1516066.jsp?gotoPage=&item=&keyword=, viewed January 14, 2012 [See Appendix]. http://blog.daum.net/ikoreatimes/60, viewed January 14, 2012. [See Appendix]

FCPA. However, further investigation is required in order to determine (i) the nature of Mr. Okada's relationship with these guests; (ii) whether these guests actually had a government affiliation at the time of their 2010 visits to Wynn Las Vegas and Wynn Macau; and, (iii) the status of Mr. Okada's gaming initiative in Korea.

5. Mr. Okada's Continuing Refusal to Receive Wynn Resorts mandated FCPA Orientation Training and to Acknowledge Wynn Resorts Code of Conduct

Mr. Okada's apparent practice and pattern of committing prima facie violations of the FCPA must also be reviewed in the context of his ongoing and likely future conduct as a majority shareholder and director of Wynn Resorts. Since August, 2011, Mr. Okada has failed to make himself available for requisite Wynn Resorts Board of Directors training regarding the FCPA and compliance. Not only has every other board member accepted and received such training, but attempts to accommodate Mr. Okada (including Japanese translation of the FCPA training materials and telephonic availability for the training) have failed.

Moreover, since August 2011, Mr. Okada has also failed even to acknowledge in writing Wynn Resorts Code of Business Ethics and Wynn Resorts Policy regarding Payments to Government Officials. Mr. Okada's continuing failure to perform this requisite review and agreement to comply with Wynn Resorts Ethics and anti-bribery rules and regulations create risk to Wynn Resorts and its board. Such non-compliance by Mr. Okada also suggests that he intends to continue his apparent practice and pattern of making FCPA prohibited payments on a going-forward basis. Any such future conduct would substantially enhance the risks to Wynn Resorts and compromise Mr. Okada's fiduciary duties to Wynn Resorts.

On August 5, 2011, Cheryl Palmer, the executive assistant to Kevin Tourek, sent out an email memorandum on Mr. Tourek's behalf to all board members stating that per compliance policy requirements, all members must acknowledge in writing on an annual basis having reviewed (and agreeing to comply with) two separate documents: (1) the Company's Code of Business Ethics and (2) Policy Regarding Payments to Government Officials.[107] A copy of the form was attached to the email, as was a copy of both the Code and the Policy. The email asked for the executed form to be returned prior to August 26, 2011. All of the members of the board, except for Mr. Okada, returned a signed copy of the acknowledgement. Mr. Okada was reminded, via emails to his representatives on a number of occasions,[108] as well as via a letter from Kevin Tourek, dated November 2, 2011, to provide an executed copy of the

[107] See email from Cheryl Palmer dated August 5, 2011. [See Appendix]
[108] See emails contained in email from Kevin Tourek to Robert Shapiro, Esq., dated October 24, 2011. [See Appendix]

acknowledgement form no later than November 15, 2011.[109] Mr. Okada failed to meet this deadline and, as of the date of this report, has yet to provide a signed copy of the form.[110]

In addition to his failure to return the fully executed Code of Business Conduct and Ethics and the Policy Regarding Payments to Government Officials Acknowledgment Form, which, as previously indicated, was sent out in August of 2011, Mr. Okada has yet to return a secondary acknowledgement form that was attached to the annual Directors' & Officers' Questionnaire ("D&O Questionnaire"). This form was sent out to each member of the board of directors on January 9, 2012, as part of the overall D&O Questionnaire packet.[111] The packet contained instructions to "sign where indicated by the *sign here tabs*" and asked that the 2012 D&O Questionnaire be returned in its entirety on or before January 27, 2012. The two places that required Mr. Okada's signature were (1) on page 26 of the D/O Questionnaire itself, and (2) on page 50 on the separate Code of Business Conduct and Ethics Acknowledgement Form that was part of the overall D&O Questionnaire packet. Though Mr. Okada returned the signature page (page 26) of the D&O Questionnaire itself on January 27, 2012,[112] (which was confirmed to FSS on February 7, 2012), the fact that he has yet to return the separate Code of Business Conduct and Ethics Acknowledgement Form (which he has unequivocally pledged to do by virtue of signing on the signature page of the D&O Questionnaire) is telling and is consistent with his refusal to provide an executed copy of the Code of Business Conduct and Ethics and the Policy Regarding Payments to Government Officials Acknowledgment Form that was sent to him in August of 2011. Though Wynn Resorts did not send to Mr. Okada the Code of Business Conduct and Ethics and the Policy Regarding Payments to Government Officials attached to the D & O Questionnaire in Japanese language versions, which they did previously with respect to the code and policy sent out in August of 2011 after a request by Mr. Okada's attorney, Mr. Okada has never previously requested that the D & O Questionnaire itself be translated into Japanese. Mr. Okada was again reminded of his obligation to return the separate Code of Business Conduct and Ethics Acknowledgment Form (page 50 of the D&O Questionnaire packet) in an email from Roxane Peper to Mr. Okada's assistant, Takashi Matsui, on January 31, 2012.[113] A copy of the form was attached to the email for Mr. Okada's convenience. This form remains outstanding.

---

[109] See letter from Kevin Tourek to Mr. Okada, dated November 2, 2011. [See Appendix]

[110] In a letter dated December 1, 2011 to Robert Shapiro, Esq., outside counsel for Wynn Resorts, Gidon Caine, Esq., counsel for Mr. Okada, explained that the reason Mr. Okada did not sign the acknowledgment form was due to the fact that the materials had not been translated into Japanese. As of the date of submission of this Report, Mr. Okada has not yet submitted a signed copy of the acknowledgment form despite being provided with the requested translations, which were attached to a letter sent via email dated December 27, 2011 from Jeffrey Soza to Gidon Caine. [See Appendix]

[111] See Memorandum from Kim Sinatra to Board of Directors and Officers of Wynn Resorts, Limited, dated January 9, 2012, and 2012 Director's & Officers Questionnaire attached thereto. [See Appendix]

[112] See email from Takashi Matsui to Roxane Peper, dated January 27, 2012. [See Appendix]

[113] See email from Roxane Peper to Takashi Matsui, dated January 31, 2012. [See Appendix]

On February 1, 2012, Barry Brooks, one of Mr. Okada's attorneys, contacted Kevin Tourek, senior vice president and general counsel with Wynn Resorts, via email regarding "address[ing] the request, forwarded to Mr. Okada under cover of a memorandum from Mr. Wynn, that Mr. Okada execute and return to Wynn Resorts, Ltd. ("Wynn Resorts") a form of acknowledgment ("Acknowledgment") in regard to the Wynn Resorts Code of Business Conduct and Ethics (the "Code"). Most importantly, I wanted to emphasize that Mr. Okada agrees, with a deep sense of commitment, with the principles set out in the Code and agrees that it is in the best interest of Wynn Resorts and its shareholders that he, as a director, be a leader in observing and advocating for those principles. Also, and in any case, Mr. Okada believes that the requirements of the Code, and the spirit of those requirements, are keys to the future success of Wynn Resorts."[114] In a follow-up phone call to that email, Mr. Brooks and Mr. Tourek discussed the ramifications of Mr. Okada not signing the policy, the possibility of interpretation issues, and concerns over whether Mr. Okada may have any conflict of interest issues. Mr. Brooks also asked for a copy of the D & O Questionnaire.[115]

6. **Mr. Okada, his associates and companies, Universal have pursued independently a casino gambling development in the Philippines since 2008.**

FSS interviewed Mr. Okada on February 15, 2012 and the results of that interview are set forth more fully in Section VI.[116] In this interview, Mr. Okada asserted that all his efforts in the Philippines prior to the change of presidential administration in the summer of 2010 were undertaken on behalf of and for the benefit of Steve Wynn and Wynn Resorts, and that he only undertook to develop a gaming business in the Philippines independently subsequent to the change of presidential administrations.

On December 20, 2007, Aruze Corp. issued a press release entitled "Business Realignment and Future Business Development." The press release stated the following:

"The Company looks to acquire the licenses necessary to operate a casino resort in the Asian region, including Macau, and to commence operation of a casino resort on its own over the next business year. . . . For this know-how, which is vital from a management perspective, the Company intends to enlist the full cooperation of Wynn Resorts, Limited's Steve Wynn in its future pursuits regarding this project. For the purpose of successfully operating a casino resort in the Asian Region on an independent basis, the Company has received agreement from Steve Wynn that he will supply all necessary support, including active personal exchange with Wynn Resorts, Limited...."[117](Emphasis added.)

[114] See email from Barry Brooks to Kevin Tourek, dated February 1, 2012. [See Appendix]
[115] See email from Kevin Tourek to Kim Sinatra, dated February 2, 2012. [See Appendix]
[116] Statements attributed to Okada during the February 15, 2012 interview are based on FSS' contemporaneous notes.
[117] See JASDAQ press release for Aruze Corp., dated December 20, 2007, entitled "Business Realignment and Future Business," available at: http://www.universal-777.com/en/ir/releases/2007/20071220_e.pdf. [See Appendix]

On April 25, 2008, Aruze Corp. issued another press release entitled "Casino Project in the Philippines." This press release stated the following:

"As announced in its 'Business Realignment and Future Business Development' press release issued December 20, 2007, ARUZE GROUP seeks to commence the operation of a casino resort in the Asian region, which shall be conducted independently by ARUZE CORP. . . . Out of the above mentioned elements, where essential management-based know-how is concerned, the Company intends to proceed with the project under the full guidance of Wynn Resorts, Limited's Steve Wynn."[118](Emphasis added.)

The press release identifies the location of the planned casino as a plot of land adjacent to "Bagong Nayong Pilipino Manila Bay Tourism City."

The language in the press releases suggest that Universal's intentions from the inception of the project were to develop a gaming business independently, and not for the benefit of Steve Wynn or Wynn Resorts.

7. **Mr. Okada has stated that Universal paid expenses related to then-PAGCOR Chairman Genuino's trip to Beijing during the 2008 Olympics.**[119]

Mr. Okada was asked during his interview whether he met then-PAGCOR Chairman Genuino in Beijing during the 2008 Olympics. Mr. Okada stated that Universal's President Tokuda made the arrangements for Chairman Genuino to travel to the Olympics. Mr. Okada explained that Mr. Tokuda was involved with the setting of the travel itinerary. When Mr. Okada was asked if the travel arrangements were "paid by Universal," Mr. Okada responded "not 100% perhaps there were people certainly not all but I'm not familiar with the details." Mr. Okada was then asked "To your knowledge, did Universal pay any of the associated costs of any of the travel of Mr. Genuino?" Mr. Okada answered "I don't know whether or not the travel expense was paid by them. My understanding is that there was a certain amount of personal monies being spent from the attendees and participants including Chairman Genuino but I do not know details regarding this." Mr. Okada was then asked "But is it your knowledge that some of those expenses were paid by Universal?" Mr. Okada answered: "Regarding the individual payment of personal monies, whether before or after, it was Universal that put together all of the expenses."

Mr. Okada then explained that since Mr. Okada was previously invited to "one of the islands in the Philippines so in return well we decided that we would decide to do this in turn so I too would invite them as well. There was a time from where we had that understanding now that I recall. So I may have asked Mr. Tokuda to include this person [Genuino] as well." The

[118] See JASDAQ press release for Aruze Corp., dated April 25, 2008, entitled "Casino Project in the Philippines," available at: http://www.universal-777.com/en/ir/releases/2008/20080425_e_pr2.pdf. [See Appendix]
[119] Attributions from Mr. Okada's interview are based on FSS contemporaneous notes.

following question was then asked: "If there was a time that Genuino has invited you to the Philippines and in return for that you may have invited him or had some knowledge that Universal paid some of his expenses when he came to Beijing?" Mr. Okada responded; "I don't like to be invited more than what is necessary because that would mean that I am vulnerable and I don't like that. I was told that it was paid for and he insisted so I remember he had to be paid for in this way. So I remember that Mr. Tokuda said he should be included as well. I remember thinking that I had to return this in some way so I may have made that decision based on that memory." (Emphasis Added).

Later in the interview, Mr. Okada stated that Chairman Genuino appeared to have a "few people" with him at the Olympics and, "I asked my staff why wasn't he around and then my people said Mr. Genuino had a few people accompany him and he met with them to go shopping and once I heard that I do not recall now but again I don't have a clear recollection of his whereabouts."

VI. Summary of Mr. Okada's February 15, 2012 Interview[120]

Mr. Okada had four lawyers present over the course of the interview, including a Japanese interpreter/associate. Mr. Okada was given a full opportunity to answer all questions. He attended the interview voluntarily and at the end he was asked whether he wanted to explain anything else.

A. Apparent FCPA Violations regarding Philippine PAGCOR officials.

1. Mr. Okada admitted going to Macau on or about September 24 2010 to meet with PAGCOR chairman Naguiat at Wynn Macau. Mr. Araki called Mr. Okada on either September 24 or 23 to advise that Chairman Naguiat was at Wynn Macau.
2. Mr. Okada stated he flew to Macau from Japan for the sole reason of meeting Chairman Naguiat.
3. Mr. Okada stated the purpose of Chairman Naguiat's visit to Wynn Macau was for business – as a new PAGCOR Chairman, Naguiat wanted to better understand the casino business. Mr. Okada stated that a number of his Universal employees, including Araki, were at Wynn Macau in order to assist Chairman Naguiat in this regard.
4. Mr. Okada stated that when he got to Wynn Macau he asked to see Ian Coughlan, Wynn Macau CEO.
5. Mr. Okada asked to see and met with Ian Coughlan at Wynn Macau but denied telling Coughlan that the guests were Universal VIPs and that they should be treated well.

[120] Certain sections of the report below are presented in an abbreviated form. See the attached notes of Mr. Okada's interview for a more expansive description. [See Appendix]

6. Mr. Okada emphatically denied saying this and related that there is no way he would have said something to that extent regarding special care: "I would have said this is a person with a position with PAGCOR, I would have said be normal and don't do anything out of the ordinary."
7. Mr. Okada stated he attended a dinner for approximately ten (10) people at Wynn Macau and that Chairman Naguiat also attended.
8. Mr. Okada stated that either Araki, Shoji or Universal paid for the dinner
9. Mr. Okada said that he did not know whether any other PAGCOR officials attended the dinner.
10. Mr. Okada stated that he and Naguiat did not discuss any business at the dinner which would have been rude.
11. Mr. Okada stated that he believed Naguiat's wife was present at the dinner but that he was not introduced to her.
12. Mr. Okada stated he left early the next morning.

B. <u>Mr. Okada's Knowledge of and Response to Chairman Naguiat's September 2010 stay</u>

1. Mr. Okada stated that sometime after September 2010 he learned from Universal President Tokuda that the cost of Chairman Naguiat's stay at Wynn Macau exceeded reasonable entertainment expenses.
2. Mr. Okada learned about the excessive September 2010 expenses from Takuda about three or four months after the events when the bills would come up.
3. Mr. Okada stated that he was never told the cost of Chairman Naguiat's Wynn Macau stay nor did he ask anybody that question.
4. Mr. Okada stated that he understood that Chairman Naguiat had stayed in the most expensive accommodation at Wynn Macau. But he said "I heard later on that he was in one of the more expensive rooms. I heard this in the context of it would be a problem regarding our corporate policy...."
5. Mr. Okada stated that Chairman Naguiat's wife was present at Wynn Macau. Mr. Okada did not know if his children were present.
6. Mr. Okada stated that he did not know that any cash had been provided to Chairman Naguiat.
7. Mr. Okada stated that he did not know that Universal employees had tried to hide the identity of Chairman Naguiat as a guest.
8. Mr. Okada stated that he did not know how long Chairman Naguiat had stayed at Wynn Macau.
9. Mr. Okada denied seeing two (2) emails from Shoji to Angela Lai at Wynn Macau, dated September 20th and 23rd 2010 respectively, which requested

reservations for a Universal VIP guest, "who would not be registered," and arrangements to provide up to 5,000 US credit for each person staying at Naguiat's Villa. Mr. Okada explained that although he saw his name in the email cc's, he would not have seen either email because for the most part he does not use his PC.

10. Mr. Okada stated that internal Universal rules do not permit the payment of cash to government officials. Mr. Okada stated that no stay in the Villa in Wynn Macau could cost US 50,000
11. Mr. Okada stated that internal Universal rules permitted the payment of reasonable entertainment expense for government officials but did not know what amount was permitted.
12. Mr. Okada stated that the cost of Chairman Naguiat's stay at Wynn Macau caused a "problem" for Universal and that as a result Araki was fired, and Shoji resigned after having been scolded by Mr. Okada.
13. Mr. Okada stated that he did not make any changes at his company or give anyone new instructions as a result of finding out about Naguiat's stay in September 2010.
14. Mr. Okada said that it was possible that Chairman Naguiat would be billed for the cost of the stay.
15. Mr. Okada said, when he was asked about a reference in a Shoji email to posting all expenses to the Universal City Ledger Account, that he lacked any knowledge of such an account and said "I wonder if the City Ledger is in reference to our internal policy, as long as it is under that ceiling...."

C. **Mr. Okada stated that he was aware of only one other guest stay at Wynn Macau that he believed was improperly paid by Universal.**

1. Mr. Okada stated only a few weeks ago he learned from President Tokuda that Anthony Genuino, son of former PAGCOR Chairman Genuino, had stayed at Wynn Las Vegas in September of 2008 and that Universal had paid US 2300 for his stay.
2. Mr. Okada stated that Genuino would be sent the bill for this cost
3. Mr. Okada denied any knowledge of other PAGCOR officials staying at Wynn Resorts from 2008 through June 2011 with Universal paying for their expenses.
4. Mr. Okada stated that he had just instructed President Tokuda of Universal to conduct an investigation into Universal's payment of entertainment expenses.
5. Mr. Okada blamed Shoji as the responsible party for these payments.
6. Mr. Okada stated that he yelled at Shoji for not reporting these matters to him and would have fired Shoji except that Shoji resigned. Mr. Okada stated that Tokuda

did report these matters and Mr. Okada believed that Shoji was also in a position to know all about what had happened but had failed to report it to him.

7. Mr. Okada stated that Shoji was a trusted employee who had worked closely with him since 2002 and should have reported these matters to him.
8. Mr. Okada stated that they were just starting this investigation and that bills may be sent to certain of these guests for the expenses which Universal paid.
9. Mr. Okada especially blamed Mr. Shoji since he was the head of the company's compliance committee from 2002-2010.
10. Mr. Okada stated that he last met with Chairman Naguiat in the Philippines during January 2012 in order to seek land leasing approval from PAGCOR.
11. Mr. Okada stated that Universal had an expense policy but he didn't know what the amounts were. Mr. Okada stated that he was unfamiliar with the specific details of his compliance policy because he was too high within the company. He left it to others to handle the details of the policies.
12. Mr. Okada was asked a series of questions regarding about a dozen other PAGCOR officials who stayed at Wynn Macau or Wynn Las Vegas during 2010 and 2011 for whom Universal paid their expenses.
13. Mr. Okada denied having authorized any of these payments and said that he would not have authorized such payments if the guests were PAGCOR officials.
14. Mr. Okada stated that on one occasion he met Jose Miguel Arroyo, husband of Former Philippine President Gloria Arroyo, but did not know that Jose Arroyo had stayed at Wynn Las Vegas in November 2009, with Universal paying for his expenses totaling US 4,642.
15. Mr. Okada stated that he met Chairman Naguiat approximately 4 or 5 times since Nagulat's Chairmanship in June 2010 and that these meetings always involved official matters.
16. Mr. Okada stated that he told Tokuda in December of 2011 to investigate these matters.
17. Mr. Okada stated that December was the first time he asked Mr. Tokuda investigate these charges for Universal.
18. Mr. Okada stated further that Shoji was a trusted employee whom he had met with "very frequently." During the time period in September 2010 when Shoji was setting up the Naguiat visit, Shoji told Mr. Okada nothing about Naguiat.

D. <u>Okada statements to the Board of Directors Regarding doing business in Asia</u>

1. Mr. Okada stated that he could not specifically remember attending a Wynn Resorts Board of Directors meeting in February 2011.

2. Mr. Okada stated that he did not remember attending a Wynn Resorts Board of Directors meeting where bribery was discussed.
3. Mr. Okada denied ever stating to Wynn Resort Directors words to the effect that "it was a matter of hiring the right people and that you must pay other people." He responded "absolutely not, that's a lie."
4. Mr. Okada denied telling fellow board members words to the effect that "you have to follow local customs and that's why you have consultants."
5. Mr. Okada also denied ever stating to fellow board members words to the effect "I wouldn't bribe someone but would have someone else bribe that person."
6. As to bribing someone in the Philippines, Mr. Okada stated that "there is no need to do that in the Philippines even because we are in the position to invest."
7. Mr. Okada also denied ever stating words to the effect that "In Asia, it is okay to give gifts to government officials." His response was "absolutely not."
8. Mr. Okada stated that he had been a member of the Wynn Resorts Board of Directors since 2005 or 2006. When asked about his duties or responsibilities as a director of Wynn Resorts, Okada stated that he had to "ensure socially just company, there should be no illegal activities, and that I have to help them be successful and grow as a company."
9. Mr. Okada was asked if he had ever read the Wynn Resorts Code of Conduct to which he responded, "No because it is in English, no I cannot."
10. Mr. Okada was asked if he had accepted Wynn Resorts Board of Director FCPA training in 2011, to which he replied that he had received some documents but sent them to his lawyers.

E. Doing Business in the Philippines

1. Mr. Okada stated that prior to the new Philippine administration taking over in 2010, his efforts to conduct a gambling business in the Philippines were being done for Wynn Resorts and that he was reporting to Steve Wynn about these activities.
2. Mr. Okada said before the new Philippine administration in 2010 "All of the conversation between myself and Genuino was for the sake of explaining to Mr. Wynn."
3. Mr. Okada stated that a press release from Aruze Corp. dated April 25, 2008, that announced Aruze would independently operate a casino project in the Philippines, had not been presented to him for approval.
4. Mr. Okada stated that neither Steve Wynn nor Wynn Resorts had invested any money in the Philippine business initiative which he had been conducting since 2008.

5. Okada stated that Universal had invested between US 300-400 million in 2008 to acquire the land for the Manila Bay project.
6. When asked whether Mr. Wynn or Wynn Resorts invested any money in the US 300-400 million purchase, Mr. Okada stated that "Wynn Resorts had no involvement whatsoever."
7. Mr. Okada stated that it was only after the new Aquino presidency in June of 2010 that he decided to pursue a Philippine gaming project independently.
8. Mr. Okada stated that this land had been acquired by a company called Eagle I Land Holdings in which Aruze USA had an ownership interest.
9. Mr. Okada stated that at the time of the land acquisition in 2008, Eagle I Land Holdings was 60% owned by Filipino nationals. However, when asked to identify the 60% ownership today, he responded "I know of them I know who they are but I don't remember their names."
10. Mr. Okada stated that he was aware of the Philippine legal requirement that land be 60% owned by Filipinos.
11. Mr. Okada stated that neither Tiger or Aruze had a provisional gaming license for the Philippines.
12. Mr. Okada does not know whether a deposit was made by Universal in order to pursue the Filipino gaming initiative.
13. It was his understanding that to get a gaming license in the Philippines you needed to do certain things beforehand and that he asked questions on Wynn's behalf as to what had to be done.
14. Mr. Okada stated that Platinum Gaming and Entertainment was a Philippine company run by Soriano.
15. Mr. Okada stated that he did not know Paolo Bombase or Manuel Camacho as shareholders of Eagle I and Eagle II.
16. Mr. Okada stated that Masato Araki may have lent his name as a stockholder to Eagle I and Eagle II but that Mr. Okada did not know the details. Mr. Okada stated that he did not know whether Manabu Kawasaki, who was another Universal employee, was a stockholder of Eagle I or Eagle II.

F. Possible Payments by Universal to Korean Government Officials.

Mr. Okada stated that he is interested in the IFEZ for possible investment. Mr. Okada stated that he personally set up arrangements in 2009 or 2010 for a Korean delegation from the IFEZ to visit Las Vegas. According to Mr. Okada, this delegation was led by a Mr. Lee, who was "seconded" to IFEZ by the Korean government. Mr. Okada invited this delegation to see the Venetian.

Mr. Okada stated that "at the very beginning" he discussed the "issue of expense" and the Korean side said they had to pay for their own expenses as government officials. Mr. Okada stated that the Korean delegation stayed at Wynn Las Vegas and paid for their rooms. When told that Universal in fact paid for the Koreans' rooms, Mr. Okada stated "It's possible we paid in advance the first time but then they paid later. I am personally in charge of the Koreans." When Mr. Okada was then asked if he knew that was done he responded "I am certain it was done."

Mr. Okada later repeated that the Koreans paid for their own travel. When advised that Universal paid for Commissioner Lee and others to stay at Wynn Macau in 2011, and Wynn Las Vegas in 2010, Mr. Okada stated that "It may have been that we made a temporary payment to be reimbursed later but in any case for Korea all trips must be applied for with the City Hall and they need to get prior approval."

Mr. Okada later repeated that he did not authorize Universal to pay approximately US 6,000 worth of room charges for Commissioner Lee and other IFEZ officials for stays at Wynn Resorts. When asked if it would be against "Universal's policy" to pay such travel expenses, Mr. Okada repeated that the Koreans would pay for their own expenses. He added that "Maybe it was the case where Universal made a temporary payment to be reimbursed later and all this would be paid by 'admin official.'"

G. Mr. Okada Instructs Mr. Tokuda to Conduct an Investigation

Mr. Okada stated that since about 2008-2009, Universal has had both "ordinary" and "extraordinary" rules about paying entertainment expenses regarding government officials. However, he stated that he did not know the "specific details." Mr. Okada stated that "cash" could not be given but that he did not know the dollar amount limit for providing government officials with meals.

Mr. Okada stated that after learning from Mr. Tokuda about the excessive expenses paid by Universal for Chairman Naguiat's September 2010 stay at Wynn Macau, Mr. Okada did not take any steps or give instructions to prevent a recurrence. Indeed, Mr. Okada stated his belief that Universal's corporate policy as it exists today is "plenty on its own."

Mr. Okada stated that "within the last week or so" he learned from Mr. Tokuda that the son of then-PAGCOR Chairman Genuino stayed at Wynn Las Vegas in 2008 and that Universal had paid US 2,800 for his expenses. Mr. Okada said this was "inexcusable" and that he had given instructions to have him [Genuino] billed directly. Mr. Okada further stated that Mr. Tokuda had found "several more" of these instances but that Mr. Okada did not "know the details." Mr. Okada stated that in regard to Chairman Naguiat's stay at Wynn Macau, perhaps an invoice should also be sent to him as the customer.

Mr. Okada stated that "it was just yesterday" that he heard from Tokuda about "these issues being raised." After being asked what he knew about a list of PAGCOR officials whose

stays at Wynn Macau and Wynn Las Vegas were paid by Universal from 2008 – 2011, Mr. Okada denied any knowledge of these events. However, Mr. Okada stated that "everything I believe [FSS] mentioned matches with what Mr. Tokuda is investigating right now. And I will have him write a paper that lists all the countermeasures and a progress report and what has been wrapped up and so forth."

Mr. Okada stated that in approximately December 2011, he "clearly instructed" Mr. Tokuda to conduct an investigation about these matters. At the end of the interview, Mr. Okada stated that "I will look into all the expense that you have asked about and if it is someone who has an existing relationship I will for sure bill that person."

VII. Conclusions

The investigation has produced substantial evidence that directly relates to Mr. Okada's suitability under Nevada law as both a major shareholder and director of Wynn Resorts.

Nevada Gaming Commission Regulations regarding individual suitability issues encompass, among other things, a person's "good character, honesty and integrity," and whether a person's "background, reputation and associations will not result in adverse publicity for the State of Nevada and its gaming industry" (Section 3.090 of the NRS). The NRS also require that a covered person satisfy the Commission that such person has "adequate business probity" (Section 463.170, paragraph 3).

Both Aruze USA , a Nevada corporation, and Mr. Okada personally, as a Director, President, Secretary and Treasurer of Aruze Inc., are covered parties under the jurisdiction of the FCPA.

As set forth above, the investigation has produced substantial evidence that Mr. Okada, his associates and companies have apparently been engaging in a longstanding practice and pattern of committing prima facie violations of anti-bribery laws, particularly the FCPA.

The testimonial and documentary evidence appear to prove that, since at least 2008, Mr. Okada, his associates and companies have made over US 110,000 in payments to his chief gaming regulators (2) in the Philippines (PAGCOR), their families and associates. Mr. Okada is building a multi-billion dollar gaming business and operation in the Philippines.

The practice and means of making these payments varied slightly but were regularly and repeatedly arranged in the same manner. For example, between June 2008 and August 2010, former PAGCOR Chairman Efraim Genuino (February 2001 – June 30, 2010), his son and other PAGCOR government officials, were hosted by Mr. Okada, his associates and companies at either Wynn Resorts Las Vegas or Wynn Resorts Macau. Mr. Okada, his associates and companies would arrange and pay thousands of dollars to cover the expenses of Chairman

Genuino, his son and other then-current PAGCOR officials in his party. These payments were made by Mr. Okada, his associates and companies, using the City Ledger Account, which contained an average balance of US 100,000 funded and replenished by Universal. International money transfers and the facilities of interstate commerce were used to make these payments.

There is substantial evidence to show that Chairman Genuino's June 2010 stay at Wynn Macau was due to the fact that he was then Mr. Okada's principal Philippine gaming regulator. This is also demonstrated by the fact that after Chairman Genuino left his PAGCOR office in June 2010, he and his family were no longer the beneficiaries of such payments at Wynn Resorts facilities.

However, as set forth above in greater detail, Mr. Okada's current chief Philippine gaming regulator, Chairman Cristino Naguiat (July 2, 2010 – present) and his family quickly succeeded Chairman Genuino as the beneficiaries of payments by Universal for stays at Wynn Resorts Las Vegas and Wynn Resorts Macau (September 2010 in Macau; November 2010 in Las Vegas; and June 2011 in Macau, just over seven (7) months ago).

These payments were made using Mr. Okada's City Ledger Account, as was done regarding payments on behalf of the former PAGCOR Chairman. The evidence further suggests that Chairman Naguiat's luxury stays at Wynn Resorts facilities were fully known to Mr. Okada, who actively involved himself in some of the arrangements. For example, Chairman Naguiat's September 22-26, 2010 stay at Wynn Resorts Macau luxury Villa 81, the most expensive accommodation at Wynn Resorts Macau (about 7,000 square feet in size, which then cost about US 6,000 per day), was intended by Mr. Okada and his associates to be kept secret and concealed within Wynn Resorts Macau records. Initially, Mr. Okada's associates arranging for Chairman Naguiat's September 2010 stay at Wynn Resorts Macau purposefully withheld Naguiat's name and had him registered as an "Incognito" VIP guest of Universal, utilizing the named reservation of "Rogelio Bangsil" (another then-senior PAGCOR official). Chairman Naguiat then stayed at the Wynn Resorts Macau for four days, together with his wife, three children and a nanny, without ever once introducing himself to the constantly attending Wynn Resorts Macau VIP service managers.

Mr. Okada's associate, who made this reservation for Chairman Naguiat, requested a "more gorgeous room, such as "Villa" and "the best butler," for this unnamed "VIP for Universal," who turned out to be the chief gaming regulator for the Philippines. The evidence also shows that on September 24, 2010, Mr. Okada personally made clear (via an interpreter) to Ian Coughlan, the Wynn Resorts Macau Executive Director and President, that Chairman Naguiat and his party were important guests and that Mr. Coughlan should make sure that his staff took good care of them. The evidence further shows that on the evening of September 24, 2010, Mr. Okada hosted a dinner at Wynn Macau for Chairman Naguiat (and approximately13 others). The US 1,673.07 cost of this dinner was charged to Mr. Okada's room.

The testimonial and documentary evidence also shows that despite deliberate attempts to conceal Chairman Naguiat's identity while a guest at Wynn Resorts Macau in September 2010, hotel staff, acting on their own, soon identified Chairman Naguiat by means of a photo from the PAGCOR website. Their interest in doing so was sparked by the fact that the senior PAGCOR guest known to them, Mr. Bangsil, exercised great deference to Chairman Naguiat, who the staff determined must be the 'boss'. Nevertheless, the VIP service providers continued to refer to Chairman Naguiat only as "sir," thereby following the wishes and directions of Chairman Naguiat and Mr. Okada's associates. The evidence also shows that several weeks after Chairman Naguiat's intended "Incognito" stay at Villa 81, Mr. Okada's associates became concerned about the high cost of Chairman Naguiat's luxury stay at Wynn Resorts Macau. Specifically, Mr. Okada's associate advised Wynn Resorts Macau that the amount being charged for Chairman Naguiat's stay was too much over an ordinary business expense. Mr. Okada's associate then asked if Wynn Resorts Macau "could reconsider the matter [Chairman Naguiat's stay] and charge us [Mr. Okada's company] the original rate [and free upgrade to a Villa] since the party directly dealing with on this matter is our company [Mr. Okada's company] rather than each individual guest [Chairman Naguiat]." Mr. Okada's associate further stated that "since the amount charged [for Chairman Naguiat] is too much beyond the ordinary room charge, <u>our company</u> [Mr. Okada's company] <u>will be put in a very difficult position to give reasonable explanations if we are inquired by someone</u>." (Emphasis added).

Despite Mr. Okada's associate's efforts to have Wynn Resorts Macau reduce these payments and assist in covering up the beneficial amounts received by Chairman Naguiat, Wynn Resorts Macau denied this request.

Mr. Araki's later email ("Our Chairman Okada once again instructed us to take care of the group [PAGCOR], but not like the last time....") to Wynn Macau, dated October 5, 2010, also tends to confirm Mr. Okada's personal knowledge and direction of the payments made on behalf of Chairman Naguiat and his family for their luxury stay at Wynn Macau for September 22-26, 2010.

The evidence also shows that on September 24-25, 2010, Mr. Okada's associates obtained a total of US 20,000 cash from Wynn Resorts Macau's main cage as "cash advances" for Chairman Naguiat, his family and party. This same associate of Mr. Okada returned approximately US 503 of this advance on September 26, 2010 as the remainder from Chairman Naguiat's party. Mr. Okada's City Ledger Account was again used to pay for this advance.

The evidence also shows that the PAGCOR-related payments made by Mr. Okada and his associates are not the result of any misunderstanding of the applicable anti-bribery laws, including the FCPA. Conversely, by his own statements and declarations to fellow Wynn Resorts Board members, Mr. Okada apparently believes that there is nothing wrong with making payments and gifts to government officials when doing business in Asia. When advised by fellow directors and Wynn Resorts lawyers that such payments are bribes strictly prohibited by

the FCPA and other laws, Mr. Okada responded that third party intermediaries or "consultants" can be used to make the payments.

The best evidence of Mr. Okada's belief that it is permissible to make payments to government officials is his admission that Universal paid expenses for then-PAGCOR Chairman Genuino's trip to the 2008 Beijing Olympics. Mr. Okada explained that since Mr. Genuino had previously invited Mr. Okada to "one of the islands in the Philippines," Mr. Okada and Universal's President Tokuda in turn had Universal pay for expenses related to Genuino's trip to Beijing, which Mr. Okada stated was arranged by President Tokuda. This admission by Mr. Okada is consistent with his February 24, 2011 statements to board members that there is nothing wrong with making payments and gifts to government officials.

The evidence about the corporate structures utilized by Mr. Okada and his associates to initiate his multibillion dollar gaming business in the Philippines also appears to demonstrate Mr. Okada's intent to do business as he desires, regardless of the applicable laws and regulations. FSS's examination of the corporate documents relating to Mr. Okada's gaming initiative in the Philippines appears to show that he has used a complex web of corporate structures and companies to evade laws which require Philippine nationals to own 60% interest in all real estate. A separate legal analysis by a Philippine attorney confirms this finding and suggests that Mr. Okada's Philippine gaming initiative has been set up in violation of applicable law.

Additionally, the preliminary evidence also shows that in connection with Mr. Okada's efforts to develop a gaming business in IFEZ, Mr. Okada and his associates may be engaging in the same pattern of proscribed payments to government officials. The preliminary evidence shows that in October 2011, Mr. Okada's company signed a Memorandum of Understanding with IFEZ to develop a casino resort near the Incheon International Airport. Preliminary information indicates that IFEZ is overseen by the Incheon Free Economic Zone Authority, apparently part of the City of Incheon government. Mr. Okada's City Ledger account reflects that from November 2010 through June 2011, four (4) individuals, including IFEZ Commissioner Jong Cheol Lee, had two stays at Wynn Resorts Las Vegas and Wynn Resorts Macau, where payments totaling US 5,945.52 were made on their behalf through Mr. Okada's City Ledger account. Preliminary internet research identifies Jong Cheol Lee as the current IFEZ Commissioner, a position he has held since July 2010. It is not clear at this preliminary stage i) whether Mr. Okada's announced gaming investment and operation within IFEZ has received any gaming licensing, and ii) whether the three (3) guests who accompanied Commissioner Lee were then Korean government officials.

The investigation has established that despite requests by Wynn Resorts since August 2011 that Mr. Okada acknowledge in writing that he has reviewed (and agreed to comply with) Wynn Resort's "Code of Business Ethics" and "Policy Regarding Payments to Government Officials," Mr. Okada has failed to do so.

Finally, Mr. Okada was interviewed by FSS on February 15, 2012 by FSS and was given the opportunity to present his version of the facts. Mr. Okada denied knowledge of Chairman Naguiat staying "incognito" at Wynn Macau in September 2010. He also denied knowledge that Mr. Shoji was actively involved in arranging for Chairman Naguiat's stay. Although Mr. Shoji's emails asking that Chairman Naguiat's identity be kept secret, and that Chairman Naguiat be provided with cash in connection with his visit, were copied directly to Mr. Okada, the latter stated that because he rarely uses his personal computer, he would not have seen such emails. Mr. Okada acknowledged flying to Macau on September 24, 2010 in order to visit Chairman Naguiat but denied telling Ian Coughlan that Chairman Naguiat was an important Universal guest who should be treated well. Conversely, Mr. Okada stated that there is "no way" he would have said something like that, but would have said "be normal and don't do anything out of the ordinary." The substantial evidence relating to Chairman Naguiat's September 2010 stay at Wynn Macau, including emails, Coughlan's statements, and the facts and reasonable inferences regarding this evidence, cast substantial doubt on Mr. Okada's credibility.

Mr. Okada also vehemently denied making statements to fellow board members to the effect that doing business in Asia requires and permits bribes to be made to government officials. Mr. Okada's denials are directly contradicted by many of his fellow board members.

Similarly, Mr. Okada insists that all of his efforts to establish a gambling business in the Philippines prior to 2010 were undertaken solely on behalf of Wynn Resorts. His insistence is largely contradicted by the actions which he undertook. First, Mr. Okada and Universal invested US 300-400 million to buy property in the Manila Bay Entertainment Zone, which was to be used for his gaming operation. Mr. Okada admitted that Wynn Resorts had "no money involved in this investment." Secondly, Mr. Okada and Universal set up an elaborate corporate structure in order to initiate, and operate in the future, a multimillion dollar casino operation. Wynn Resorts had no participation in any of these corporate initiatives or structures, all of which were controlled by Universal and Mr. Okada. Third, the provisional gaming license, which is required in order to establish a gaming business in the Philippines, was procured by Mr. Okada and his companies, without any relation to Wynn Resorts. Finally, when shown an April 25, 2008 Aruze Corp. press release, which states that the Aruze casino operation will be independently developed by Aruze with the mere intent that Wynn Resorts help guide its project, Mr. Okada denied any knowledge of this press release.

In sum, the substantial evidence developed by this investigation and set forth above, based on witness interviews, public information, documentary and electronic data, provide the Compliance Committee and Board of Directors a factual basis to review Mr. Okada's continued suitability to be a major shareholder and director of Wynn Resorts.

THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit http://www.djreprints.com.

http://www.wsj.com/articles/SB10001424052970204131004577234941765158940

BUSINESS

Wynn's War: Casino Titans Go to Battle

By **KATE O'KEEFFE** And **ALEXANDRA BERZON**
February 21, 2012

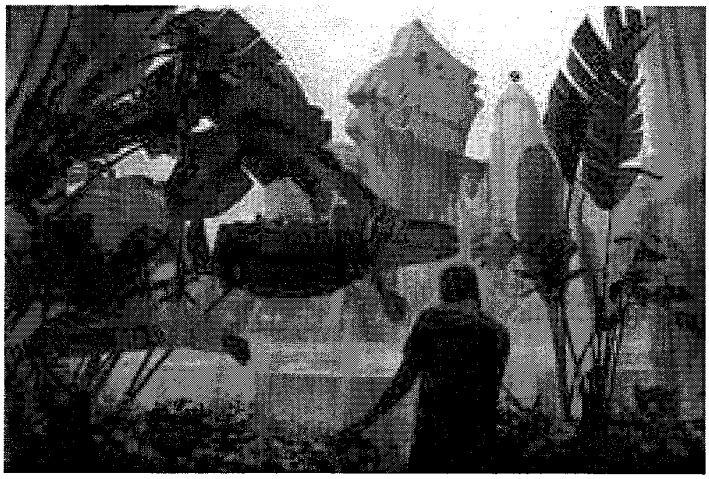
A partnership that built two Macau casinos that together bring in three-quarters as much revenue as the entire Las Vegas Strip ended in the middle of the night with an email.

Bearing the subject line, "For Okada," the Sunday morning email informed Japanese gambling tycoon Kazuo Okada that Steve Wynn was dumping him and that Wynn Resorts Ltd. was forcibly buying out his 20% stake at a big discount. What's more, Mr. Okada wouldn't get the bulk of his cash for 10 years.

A few hours earlier, Mr. Okada had been sitting in a hotel conference room in South Korea listening over the phone as the Wynn board in Las Vegas heard accusations from a private investigator that Mr. Okada had made improper payments to gambling regulators in the Philippines. When he couldn't understand the translation of the meeting, Mr. Okada began shouting during the call, according to a person familiar with the call.

On Monday, Mr. Okada said he would sue to block the board's "outrageous" action and accused it of operating like a "star chamber." A spokesman for Wynn Resorts followed with a terse statement: "Mr. Okada's challenges to the board process are a desperate attempt to divert attention from his misdeeds."

The disagreement is the latest in a boardroom battle that first burst into the open in January when Mr. Okada sued Wynn Resorts, questioning whether a $135 million gift the company made to a private university in Macau on government-owned land was appropriate.

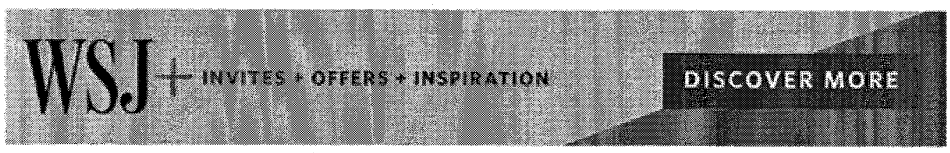


The Wynn hotel in Macau. Wynn Resorts' two casinos there generate 70% of its total revenue. *REUTERS*

Shares in a company controlled by Mr. Okada tumbled Monday. His Universal Entertainment Corp. fell the maximum amount allowed on the Jasdaq stock exchange in Japan, dropping 21% to ¥1,516 ($19.05); early Tuesday, shares were trading at ¥1,515. Shares in Wynn Macau Ltd., a Wynn Resorts unit traded in Hong Kong, rose 3% to 20.90 Hong Kong dollars ($2.70); early Tuesday shares were trading at HK$20.95.

Messrs. Okada and Wynn came together in 2000 after Mr. Wynn lost control of casino operator Mirage Resorts Inc. in a takeover by Kirk Kerkorian's MGM Grand Inc. Mr. Okada invested $260 million in Wynn Resorts, which at the time consisted of an old casino on the Las Vegas Strip that Mr. Wynn had bought and shut down with plans to redevelop. He later increased that by $120 million. In 2006, Wynn opened its first of two casinos in Macau. The company now gets about 70% of its revenue from Macau.

In a 2006 company legal document the two referenced "the spirit of friendship and cooperation that exists between" them.



The board's move came after an internal investigation of Mr. Okada's alleged actions with Philippine regulators, conducted by Louis Freeh of Freeh Sporkin & Sullivan LLP, found Mr. Okada to be "unsuitable" based on Wynn Resorts' internal regulations. Mr. Freeh is a former director of the U.S. Federal Bureau of Investigation. The report was viewed by The Wall Street Journal. Mr. Freeh is out of the country and couldn't be

Wynn Resorts co-founder Kazuo Okada in 2007. Wynn bought out his 20% stake in the company at a steep discount.
BLOOMBERG NEWS

MORE

- Board of Wynn Resorts Forcibly Buys Out Founder (/articles/SB10001424052970203358704577233052477385494)
- **Deal Journal:** Wynn's Stock Wins, Universal Plunges (http://blogs.wsj.com/deals/2012/02/19/wynns-stock-wins-universal-plunges/)
- **Heard on the Street**: Governance Gamble (/articles/SB10001424052970204909104577234202453660944)

reached.

"It's really a dirty war," said Cristino Naguiat, the top gambling regulator in the Philippines, who denied he had received any improper payments.

Behind the feud is a hard reality facing U.S. casino companies that are now seeing the vast majority of their growth and profits in Asia. Macau last year generated $33.5 billion in revenue, or more than five times that of Las Vegas, while Singapore in two years has become one of the biggest markets in the world with just two casinos. Other Asian countries, including the Philippines, are getting into the game.

U.S. companies are seeking licenses and other approvals to expand in Asia but are under rising scrutiny by U.S. regulators looking into charges of bribery and other practices in the region. Wynn competitor Las Vegas Sands is under investigation by the Securities and Exchange Commission and the Department of Justice for possible violations of the law that prohibits U.S. companies from paying bribes overseas, which the company denies.

Casinos occasionally oust executives or partners at the behest of regulators or during an investigation by regulators, but legal experts say they haven't heard of such a move before a regulatory investigation.

Under Nevada casino law, a company isn't required to remove someone before

RELATED DOCUMENTS

Read the complaint filed Feb. 18 in Nevada by Wynn Resorts against Kazuo Okada.

WYNN RESORTS, LIMITED, , a Nevada Corporation,

Plaintiff,

vs.

KAZUO OKADA, an individual, ARUZE USA, INC., a Nevada corporation, UNIVERSAL ENTERTAINMENT CORP., a Japanese corporation,

Defendants.

Read the Louis Freeh report alleging wrongdoing by Mr. Okada.

II. Summary

The investigation has produced substantial evidence that:

1. Despite being advised by the Wynn Resorts Board of Directors an attorneys on the strict US anti-bribery laws which govern Wynn R board, Mr. Okada strongly believes and asserts that when doing b should be able to provide gifts and things of value to foreign gove whether directly or by the use of third party intermediaries or com

2. Mr. Okada, his associates and companies have arranged and desig gaming business and operations in the Philippines in a manner wh contravene Philippine Constitutional provisions and statutes that r ownership by Philippine nationals, as well as a Philippine crimina

regulators find them unfit so long as it cooperates with a probe and turns over information to authorities, according to experts in Nevada regulatory law. The company says it intends to "communicate" with government authorities about its investigation. "We'll do our own independent review and come to our own conclusions," said Mark Lipparelli, chairman of the Nevada Gaming Control Board.

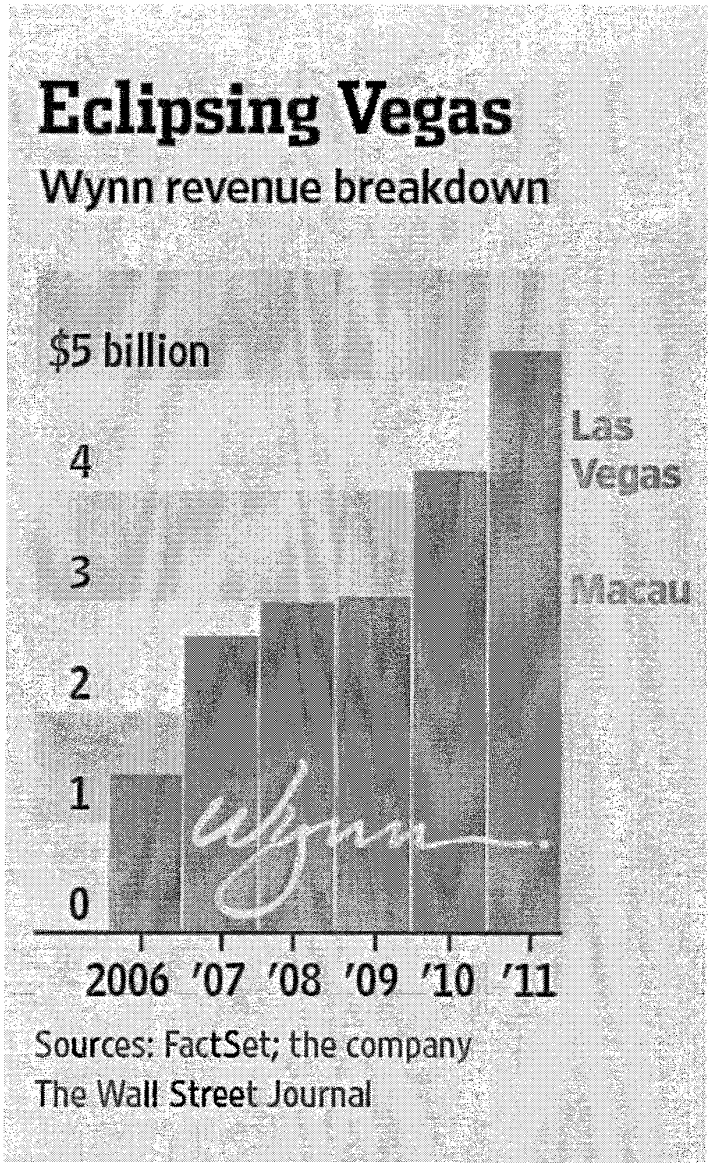
In January, Mr. Okada sued Wynn Resorts, questioning whether the $135 million gift the company made to the private university in Macau "is an appropriate use of corporate funds." Wynn has asked a court to dismiss the suit, saying it was full of "innuendo, hyperbole, half-truths and sweeping generalizations." The accusation prompted the SEC to begin an investigation into Wynn earlier this month.

Mr. Okada is beginning his own investigation into the donation and has directed attorneys to interview people about the donation, according to a person familiar with the matter.

In coming legal disputes, Mr. Okada is likely to argue he wasn't given a fair chance to present his case to the board and was targeted because he is a whistleblower who raised concerns about the donation, the person said.

The company says the probe was sparked by statements from Mr. Okada at a February 2011 board meeting that suggested that gifts to Asian officials might be appropriate. He later denied making those statements.

At the heart of Wynn Resorts' charges against Mr. Okada is the claim he spent $110,000 on hotel rooms and other perks at Wynn casinos for gambling regulators in the Philippines, where he has recently broken ground on a casino. Investigators working for Wynn Resorts were able to track Mr. Okada's spending at the casinos because Mr. Okada used an account with Wynn Resorts tied to Mr. Okada's company, Universal Entertainment Corp., according to the report. The account was set up in February 2008, the same year he began seeking to build a casino in the Philippines, the Wynn report



says.

Many of the expenses listed were between $1,000 and $5,000, according to the report. In one case in September 2010, according to the report, Universal paid around $50,000 in expenses for a lavish trip to Macau by Mr. Naguiat, the current chairman of the Philippines Amusement and Gaming Corporation, a government corporation that operates casinos in the Philippines and licenses and regulates them for third parties.

Mr. Naguiat and family members were registered as "Incognito" VIP guests and stayed at the most expensive accommodation in the Wynn Macau, which rented for $6,000 a day, the report says.

The report says Mr. Okada's staff asked for cash to be delivered to the group for shopping and gambling.

In a statement issued by the Philippines gaming authority, Mr. Naguiat said he did receive free accommodations and some meals but nothing else at Wynn Macau, and he called that a normal practice in the industry.

Write to Alexandra Berzon at alexandra.berzon@wsj.com

Copyright 2014 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

WYNN RESORTS LTD (WYNN)

8-K
Current report filing
Filed on 02/22/2012
Filed Period 02/19/2012

THOMSON REUTERS ACCELUS™

THOMSON REUTERS

WYNN00013895

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 19, 2012

WYNN RESORTS, LIMITED
(Exact name of registrant as specified in its charter)

Nevada	**000-50028**	**46-0484987**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

3131 Las Vegas Boulevard South
Las Vegas, Nevada **89109**
(Address of principal executive offices of the registrant) (Zip Code)

(702) 770-7555
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events.

On February 19, 2012, Wynn Resorts, Limited (the "Company") filed a complaint in the District Court of Clark County, Nevada against Mr. Kazuo Okada, a member of the Board of Directors of the Company, and certain of his affiliates, alleging breaches of fiduciary duty and related claims (the "Complaint"). The Complaint included as an exhibit a report on the results of an independent investigation by Freeh Sporkin & Sullivan, LLP to the Company's Gaming Compliance Committee (the "Freeh Report"). The Complaint and the Freeh Report are attached as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit Number	Description
99.1	Complaint, Wynn Resorts, Ltd. v. Kazuo Okada, et al., No. A-12-656710-B (Nev. Dist. Ct., Clark Cnty., Feb. 19, 2012).
99.2	Report by Freeh, Sporkin & Sullivan, LLP to the Gaming Compliance Committee of Wynn Resorts, Limited.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 22, 2012

WYNN RESORTS, LIMITED
By: /s/ Matt Maddox
Matt Maddox
Chief Financial Officer and Treasurer

Exhibit 99.1

Electronically Filed
02/19/2012 02:14:35 AM

CLERK OF THE COURT

COMP
James J. Pisanelli, Esq., Bar No. 4027
JJP@pisanellibice.com
Todd L. Bice, Esq., Bar No. 4534
TLB@pisanellibice.com
Debra L. Spinelli, Esq., Bar No. 9695
DLS@pisanellibice.com
Jarrad L. Rickard, Esq., Bar No. 10203
JLR@pisanellibice.com
PISANELLI BICE PLLC
3883 Howard Hughes Parkway, Suite 800
Las Vegas, Nevada 89169
Telephone: 702.214.2100
Facsimile: 702.214.2100

Paul K. Rowe, Esq. *(pro hac vice forthcoming)*
pkrowe@wlrk.com
Stephen R. DiPrima, Esq. *(pro hac vice forthcoming)*
srdiprima@wlrk.com
WACHTELL, LIPTON, ROSEN & KATZ, LLP
51 West 52nd Street
New York, NY 10019
Telephone: 212.403.1000
Facsimile: 212.403.2000

Robert L. Shapiro, Esq. *(pro hac vice forthcoming)*
RS@glaserweil.com
GLASER WEIL FINK JACOBS HOWARD AVCHEN & SHAPIRO, LLP
10250 Constellation Boulevard, 19th Floor
Los Angeles, CA 90067
Telephone: 310.553.3000
Facsimile: 310.556.2920

Attorneys for Wynn Resorts, Limited

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

DISTRICT COURT

CLARK COUNTY, NEVADA

WYNN RESORTS, LIMITED, , a Nevada Corporation, Plaintiff, vs. KAZUO OKADA, an individual, ARUZE USA, INC., a Nevada corporation, UNIVERSAL ENTERTAINMENT CORP., a Japanese corporation, Defendants.	Case No.: A-12-656710-B Dept. No.: XI **COMPLAINT** **(Request for Business Court Assignment Pursuant to EDCR 1.61(a))** **(Exempt from Arbitration – Declaratory Relief Requested)**

Plaintiff WYNN RESORTS, LIMITED ("Wynn Resorts"), by and through its undersigned counsel, hereby files the above-captioned Complaint:

NATURE OF THE ACTION

This is an action for breach of fiduciary duty and related offenses committed against Wynn Resorts at the hands of one of its directors, Kazuo Okada ("Okada") and his affiliates. Wynn Resorts' Compliance Committee commissioned former Director of the Federal Bureau of Investigation, Louis J. Freeh, to examine Okada's domestic and foreign activities impacting Wynn Resorts. Based upon a multi-month investigation – which culminated with a personal interview that Okada long evaded – Freeh uncovered substantial evidence of gross improprieties by Okada and his agents, as explained in Freeh's report, attached as Exhibit 1. In particular, Freeh presented Wynn Resorts' Board with evidence that Okada had made unlawful payments to foreign gaming regulators who could advance Okada's business interests. Okada surreptitiously undertook these acts despite admonishments that all Directors closely adhere to Company policy, scrupulous business practices/ethics, and the law, both foreign and domestic. The public's confidence in gaming's integrity depends upon strict observance of these principles. Okada's conduct poses a direct assault upon, and a present threat to, Wynn Resorts' reputation for probity, which is central to maintaining its stature in the gaming industry as well as its current and future licensing.

PARTIES AND RELATED PERSONS/ENTITIES

1. Plaintiff WYNN RESORTS is and was at all times relevant hereto a corporation organized and existing under the laws of the State of Nevada, with its principal place of business in the State of Nevada. Wynn Resorts is publicly traded on NASDAQ.

2. Wynn Resorts is a world class developer of destination resort casinos. Wynn Resorts owns resort casinos through its wholly owned subsidiary, WYNN LAS VEGAS, LLC ("Wynn Las Vegas") and through WYNN MACAU, LIMITED ("Wynn Macau").

3. Wynn Las Vegas operates the Wynn Las Vegas and Encore resort casinos in Las Vegas, Nevada.

HEANEY LLP BICE PLLC
3883 HOWARD HUGHES PARKWAY, Suite 800
LAS VEGAS, NEVADA 89169

4. Wynn Macau is a Cayman Islands company, publicly traded on the Hong Kong Stock Exchange (of which Wynn Resorts owns a majority interest). Through its wholly owned subsidiary, WYNN RESORTS (MACAU), S.A., a company organized and existing under the laws of Macau Special Administrative Region of the Peoples Republic of China, Wynn Macau operates the Wynn Macau and Encore at Wynn Macau resort-casinos in Macau.

5. Defendant OKADA is and was at all times relevant hereto a citizen of Japan, and a director of Wynn Resorts. Okada serves multiple roles with Wynn Resorts and its affiliated companies (the "Wynn Companies"). He is a member of the Board of Directors for both Wynn Resorts and Wynn Macau and, until February 18, 2012, through UNIVERSAL ENTERTAINMENT CORPORATION ("Universal") and ARUZE USA, controlled a shareholder that had owned approximately 19.66% of Wynn Resorts. From October 2002 up to and until October 2011, Okada also served as Vice Chairman of Wynn Resorts. In these capacities, Okada owed, and continues to owe, fiduciary duties of care, loyalty, and good faith to the Wynn Companies.

6. Defendant ARUZE USA, INC. ("ARUZE USA") is and was at all times relevant hereto a corporation organized and existing under the laws of the State of Nevada, and a wholly owned subsidiary of Universal ("Universal"). Until February 18, 2012, ARUZE USA was a 19.66% shareholder in Wynn Resorts. Okada serves as director, President, Secretary, and Treasurer of ARUZE USA.

7. Defendant UNIVERSAL is a public corporation organized under the laws of Japan, and formerly known as ARUZE Corporation until a November 2009 name change. Universal manufactures and sells pachislot and pachinko machines, and other similar gaming equipment. Universal does business in the State of Nevada, has been issued a manufacturer's license by the Nevada Gaming Commission, and was deemed suitable by the Nevada Gaming Commission as a 100% shareholder in ARUZE USA. Okada is Director, Chairman of the Board and, together with his family members, a 67.9% shareholder in Universal.

8. The Wynn Resorts' Board of Directors consists of 12 members, comprised of Stephen A. Wynn ("Mr. Wynn") as Chairman, Okada, Russell Goldsmith, Linda Chen,

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, Suite 800
LAS VEGAS, NEVADA 89169

Dr. Ray R. Irani, former Nevada Governor Robert J. Miller, John A. Moran, Alvin V. Shoemaker, D. Boone Wayson, Elaine P. Wynn, Allan Zeman, and Marc D. Schorr (collectively "Wynn Directors" and/or "Wynn Board").

9. Wynn Resorts' Gaming Compliance Committee ("Compliance Committee") is an internal committee chaired by Director Miller and comprised of two additional members, Schorr (director and COO) and John Strzemp (Wynn Resorts' Executive Vice President and Chief Administrative Officer). The Compliance Committee is charged with assuring Wynn Resorts' compliance with all laws and regulations, particularly on gaming laws, regulations, and policies.

10. The Honorable Louis J. Freeh, Esq., is a former director of the Federal Bureau of Investigation ("FBI"), having led that agency with distinction from 1993 to 2001. Prior to serving as FBI Director, Freeh was a United States District Court Judge. Today, Freeh is a partner in Freeh Sporkin & Sullivan, LLP – a law firm he founded with two other former federal judges – which specializes in domestic and foreign corporate investigations and compliance.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

JURISDICTION

11. Defendants Universal, ARUZE USA, and Okada have each individually and in concert with one another, caused the acts and events alleged herein within the State of Nevada and all are subject to the jurisdiction of this Court. Venue is also proper in this Court.

12. This matter is properly designated as a business court matter and assigned to the Business Docket under EDCR 1.61(a) as the claims alleged herein arise from business torts.

GENERAL ALLEGATIONS

13. A Nevada gaming license is a privilege. Nevada law imposes comprehensive regulatory requirements upon gaming licensees, including obligations that those associated with the licensee possess the necessary character, qualifications, and integrity to be suitable to hold that privilege so as to not pose a threat to the public interest or the integrity of the regulation and control of gaming. As a Director of Wynn Resorts, Okada is subject to these demanding standards.

14. Additionally, all of Wynn Resorts' Directors agreed to be, were, and are subject to Wynn Resorts' Code of Business Conduct and Ethics (the "Code of Conduct"). The Code of

Conduct reinforces and enhances Wynn Resorts' commitment to doing business in an ethical manner. The Code of Conduct reflects Wynn Resorts' values, demonstrates ethical leadership, and promotes an environment that upholds its longstanding reputation for integrity, ethical conduct, and trust.

15. Forsaking his obligations to maintain the integrity required of a gaming licensee, the Company's Code of Conduct and his other fiduciary duties, Okada committed improper acts that included making payments for the benefit of foreign gaming officials who could advance his personal business interests. He has furthermore elected to compete against Wynn Resorts, undertaking a campaign to convert Wynn Resorts' assets for his own benefit, and that of his affiliates. Wynn Resorts has been compelled to defend against Okada's acts of aggression by, among other things, the initiation of remedial and defensive Board actions and the prosecution of this action.

Okada Enters the Philippine Market

16. By all measures, Okada's abandonment of his duty of loyalty to Wynn Resorts commenced with his plan to develop gaming operations in the Philippines.

17. Upon learning of opportunities in the Philippines, Okada approached Mr. Wynn with an idea of creating a casino resort in Manila Bay. Neither Mr. Wynn nor the Board of Directors was willing to pursue such opportunities in the Philippines.

18. Undeterred, Okada pressed on with his personal agenda without full disclosure to Mr. Wynn or the Board. In furtherance of his personal scheme, Okada asked that a city ledger account at Wynn Resorts be opened in the name of his company, Universal ("Universal City Ledger"). Upon information and belief, and unbeknownst to Wynn Resorts, Okada sought the city ledger account, in part, to facilitate his pursuit of his personal business interests in the Philippines and to promote the false appearance of an affiliation with Wynn Resorts to his Philippine business contacts.

19. Upon information and belief, many doors opened for Okada in the Philippines due to his well-publicized relationship with Mr. Wynn and Wynn Resorts. Wynn Resorts is informed and believes that Okada touted his relationship and affiliation with Wynn Resorts so as to

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

convince others that Wynn Resorts was and/or is somehow affiliated with Universal's desired presence in Manila. All such representations were and are false.

20. In 2008, the Philippine Amusement and Gaming Corporation ("PAGCOR"), a 100% government-owned and controlled corporation that operates under the direct supervision of the Office of the President of the Philippines and is charged with "[r]egulat[ing], authoriz[ing] and licens[ing] games of chance, games of cards and games of numbers, particularly casino gaming, in the Philippines," awarded four provisional gaming licenses without public bidding. PAGCOR issued one such license to a newly-formed entity that is owned 99% by ARUZE USA, known as Tiger Resort, Leisure and Entertainment Inc. Okada's pursuit and development of that license expressly contradicts Wynn Resorts' requests to Okada not to pursue business in the Philippines. Moreover, Okada's actions to obtain and exploit that license involved violations of his duties to Wynn Resorts.

Initial Examination of Okada's Activities

21. In or around the fall of 2010, Wynn Resorts heard that Okada was continuing to represent to multiple people that he (and/or Universal) and Wynn Resorts were involved in a joint venture together in the Philippines and were pursuing, also as joint venturers, potential opportunities in Japan. Such representations were again false.

22. Questioning Okada's actions, in or around January 2011, Wynn Resorts, through its Compliance Committee, commissioned an independent investigation and risk assessment of investing in the gaming industry in the Philippines, which found:

a. Official corruption in the Philippine gaming industry is "deeply ingrained";

b. Doubts that newly-elected President Aquino's stated plans for reform would eliminate corruption from the gaming industry;

c. The country's legal/regulatory frameworks were not closely aligned with American compliance and transparency standards; and

d. Despite a general refusal by witnesses to discuss Okada's role in the Philippines (many refused to comment), other information created

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, Suite 800
LAS VEGAS, NEVADA 89169

reasonable suspicion that persons acting on Okada's behalf had engaged in improprieties.

23. Notwithstanding the issues identified by the investigation/assessment, Okada was unrelenting in his appeal to Wynn Resorts. In February 2011, he repeated his oft-uttered request that Mr. Wynn travel to the Philippines to explore investing in Universal's Manila Bay project.

24. During the February 24, 2011 meeting of the Board of Directors, following discussion of the Foreign Corrupt Practices Act ("FCPA"), the findings from the independent investigation were relayed to the Board. Mr. Wynn advised the Board that he had been invited by Okada to meet Philippine President Aquino. Okada was present for the Board's discussions. The independent directors (Goldsmith, Irani, Miller, Moran, Shoemaker, Wayson, and Zeman) unanimously advised Wynn Resorts management that involvement in the Philippines was inadvisable and that the meeting should be cancelled. In plain terms, the Board informed Okada that Wynn Resorts would not invest in Universal's Manila Bay project.

25. Okada, who had scheduled on his own initiative a meeting between Mr. Wynn and Philippine President Aquino, was embarrassed and angry in having to cancel the arrangements. Again, however, Okada remained undeterred.

26. Finally recognizing that Wynn Resorts was not going to provide Okada and Universal with funds or know-how for his Philippine project, Okada nonetheless moved forward with his secret plans to compete against Wynn Resorts by false claims of affiliation and endorsement, among other things.

27. Despite knowing the Board's opposition to his plans in the Philippines, Okada proceeded to announce that he and Universal planned to lure high-limit, VIP gamblers from China to its Manila Bay resort-casino, the same customer base as Wynn Macau. In short, Okada was creating a new casino in direct competition with Wynn Macau.

28. Universal purportedly intends to construct two casinos and three hotels in Manila by December 2013, intends to open those facilities in early 2014, intends to spend $2.3 billion on the project, and hopes to turn $2 billion in sales in its first year of operation. Okada has publicly

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

stated his intent to open more casinos in Asia in 2015. On or about January 26, 2012, Universal broke ground on construction of the Manila Bay casino resort.

29. To promote his own interests, Okada launched a campaign to misappropriate Wynn Resorts' assets and secrets for his and his affiliates' use. Among other things, Okada arranged to have several people serve as interns at the Wynn Macau property so that Wynn Macau "know how" could be learned and siphoned from Wynn Resorts.

Wynn Resorts Expects Compliance

30. During a July 28, 2011 executive session, the independent directors again discussed Okada's ongoing involvement in the Philippines and expressed concern about probity issues attendant to Okada's involvement and the effect that Okada's actions in the Philippines could have on Wynn Resorts. Of notable concern were Okada's comments at prior Board meetings. Specifically, Okada had relayed his familiarity with local business practices that involved having third parties make payments to government officials rather than someone doing so directly (acts prohibited not only under the Foreign Corrupt Practices Act, but also by Wynn Resorts' Code of Conduct and other policies).

31. Following Okada's comments, Wynn Resorts took several steps to reiterate and to ensure awareness of the boundaries of corporate policies and legal restrictions on payments to government officials (among other things). These include the following:

a. To ensure that all directors, especially Okada, were kept informed about the Foreign Corrupt Practices Act, on August 4, 2011, a notice to the Board was issued for a training on the Foreign Corrupt Practices Act to be held on October 31, 2011, followed by a Board meeting on November 1, 2011.

b. To further protect Wynn Resorts, on August 5, 2011, all members of the Board of Directors were asked to review: (1) the Code of Business Ethics; and (2) the Policy Regarding Payments to Government Officials, and execute an acknowledgement that they read, understood, and acknowledged the policies. All members of the Board have signed the

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

acknowledgement but for one. Despite multiple attempts to follow-up, Okada has still failed to sign.

c. Attached to the Directors' & Officers' Questionnaire sent to all members of the Board on January 12, 2012 was an acknowledgement form that required the Directors to sign in two places: (1) Page 26 of the questionnaire; and (2) Page 50 on the separate Code of Business Conduct and Ethics Acknowledgement Form that was part of the questionnaire packet. Okada signed and returned the former on the January 27, 2012 deadline but failed to return a signed Code of Business Conduct and Ethics Acknowledgement Form. Okada has still not returned the acknowledgement despite a follow-up request to do so.

32. On September 15, 2011, Okada, through his assistant, sent an RSVP that he would attend both the Foreign Corrupt Practices Act training on October 31 and the Board meeting noticed for November 1, 2011. But Okada never attended the training.

33. To follow up on issues raised during the July 28, 2011 Board meeting, in early August, Wynn Resorts' Board of Directors also commissioned a second independent investigation into the regulatory and compliance climate in the Philippines. This investigation identified anomalies and improprieties related to Universal's/Okada's dealings in the Philippines.

34. On September 27, 2011, the Compliance Committee held a special meeting to discuss the findings of the second independent investigation. Those findings identified a number of concerns regarding Okada's activities, including that he may be: (a) engaging in acts that would render him unsuitable under Nevada gaming regulations, and (b) breaching the fiduciary duties he owed to Wynn Resorts.

35. At the direction of the Compliance Committee, Wynn Resorts approached Okada's counsel to discuss the Committee's concerns relative to Okada's conduct and business in the Philippines, and its effect on Wynn Resorts and Okada's duties and responsibilities as a member of Wynn Resorts' Board of Directors. Wynn Resorts' concerns were ill-received.

PISANELLI BICE PLLC
400 SOUTH 7TH STREET, SUITE 300
LAS VEGAS, NEVADA 89101
702.214.2100

36. Over the next month, counsel for Wynn Resorts and Okada engaged in discussions about Wynn Resorts' concerns that Okada's involvement in the Philippines was placing Wynn Resorts and its shareholders at substantial risk.

37. Okada designed and executed a strategy to divert attention away from his own misconduct. Okada claimed to need access to certain books and records (*e.g.*, records related to an amendment to a shareholder's agreement between Mr. Wynn, Elaine Wynn, and Okada). Okada's diversionary tactics underscored his need to change the topic from the real issue – his misconduct in the Philippines.

38. Okada's game playing continued. On October 25, 2011, days before the long-scheduled Foreign Corrupt Practices Act training, he requested that the training materials be translated into Japanese (despite his previous, long-term practice of translating all materials on his own) and that the date of the training be moved (despite that it had been planned around his previous confirmation). His refusal to attend the training, an event attended by all other Board members, demonstrated a cavalier disregard for his obligations as director of a company in a highly regulated gaming industry. In the end, Okada was the sole Board member who failed to attend the training, with all other directors appearing in person or telephonically.

Former FBI Director Freeh Investigates

39. On or about October 29, 2011, Wynn Resorts, on behalf of its Compliance Committee, retained Freeh to conduct an independent investigation into Okada and his activities, with a focus on three main areas: (1) whether Okada breached the fiduciary duties owed to Wynn Resorts; (2) whether Okada engaged in conduct that could jeopardize Wynn Resorts' gaming licenses; and (3) whether Okada engaged in any conduct that could violate Wynn Resorts' compliance policy.

40. As part of that investigation, Freeh conducted dozens of interviews (including of all independent members of Wynn Resorts' Board of Directors), and reviewed thousands of pages of documents and emails. As of January 1, 2012, there remained only one outstanding item on Freeh's to-do list: interview Okada. Yet, Okada refused to schedule the interview despite Freeh's

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

stated willingness to travel on short notice to conduct the interview anywhere in the world to accommodate Okada's schedule.

41. With only Okada's interview outstanding, on February 6, 2012, Freeh briefed Wynn Resorts' Compliance Committee.

42. Okada finally sat for his interview with Freeh in Tokyo, Japan, on February 15, 2012, where Okada was accompanied by United States counsel.

43. Freeh announced that he would report his findings to the Board of Directors on February 18, 2012.

44. At the February 18, 2012 Board meeting, Freeh made a detailed presentation and provided the Board with copies of his final report, outlining the following improprieties, among others:

a. The Universal City Ledger account established by Okada revealed 36 separate instances, from May 2008 to through June 2011 where Okada or his associates/affiliates made payments exceeding US $110,000 that directly benefitted senior PAGCOR officials. This included payment for luxury lodging, extravagant dinners, shopping, and cash to spend for, among others, former PAGCOR Chairman Gemino and his family and friends and current PAGCOR Chairman, Cristino Naguiat ("Naguiat").

b. The Freeh report noted that Okada's conduct constituted *prima facie* evidence of violations of the Foreign Corrupt Practices Act. On one particular occasion, Okada arranged for PAGCOR Chairman Naguiat, his wife, his three children, their nanny, other senior PAGCOR officials, one of whom also brought his family to stay at Wynn Macau. Okada and his associates refused to provide Wynn Macau management with the name of Chairman Naguiat and tried to conceal his identity. At Okada's associates' request and Okada's direction, Chairman Naguiat and his entourage were provided with the most expensive accommodation, food, and star treatment. In addition, Okada's associates asked that each guest be

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, Suite 800
LAS VEGAS, NEVADA 89169

provided a $5,000 cash advance during their stay. Following the stay, Okada's associates requested Wynn Macau reduce the excessive charges because they feared an investigation and did not want Universal to get in trouble. Wynn Macau refused.

c. There is substantial evidence that Okada, his associates and companies may have arranged and manipulated ownership and management of legal entities in the Philippines under his control, in a manner that may have enabled the evasion of Philippine constitutional and statutory requirements.

d. Moreover, close associates and consultants of the former PAGCOR administration attained positions as corporate officers, directors and/or nominal shareholders of entities controlled by Okada and, in some cases, served as links between Okada and the former PAGCOR chair.

e. There is substantial evidence that the ownership structure of Okada-affiliated, ARUZE USA-owned entities may subject Okada to civil and criminal penalties under Philippine law.

f. Despite being repeatedly advised of the strict anti-bribery laws and Wynn Resorts' policies, Okada insists and strongly believes that, when doing business in Asia, he is permitted to provide gifts and things of value to government officials, whether directly or indirectly.

g. His conduct is not accidental or based upon a misunderstanding of the law or the policies. Rather, Okada stated his personal rejection of anti-bribery laws and Wynn Resorts' related policies to fellow Wynn Resorts Board members.

45. Following Freeh's presentation, the Board deliberated at length and unanimously adopted resolutions finding the Defendants to be Unsuitable Persons under Wynn Resorts' Second Amended and Restated Articles of Incorporation ("Articles of Incorporation" and/or "Articles"), and redeemed ARUZE USA's shares in Wynn Resorts in accordance with the provisions of the Articles.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

46. Okada's deplorable actions demonstrate that he had abandoned and forsaken all duties owed to Wynn Resorts. Worse, Okada undertook a pattern of conduct that jeopardizes Wynn Resorts' good reputation, its long-standing business relationships, and its gaming and business licenses. Accordingly, the Board of Directors has unanimously (except for Okada) authorized the pursuit of this action.

FIRST CAUSE OF ACTION

(Breach of Fiduciary Duty)

(Wynn Resorts against Okada)

47. Wynn Resorts repeats and realleges the allegations set forth in Paragraphs 1 through 46 above as though fully set forth herein.

48. Wynn Resorts' Code of Conduct, which applies to all employees, officers, and directors, provides guidelines for ethical behavior consistent with the reputation and integrity of Wynn Resorts. The Code of Conduct supplements the duties, fiduciary and otherwise, imposed upon Okada under Wynn Resorts' governing documents and the law.

49. The Code of Conduct addresses conflicts of interest. Specifically, the Code of Conduct provides that "directors are expected to dedicate their best efforts to advancing [Wynn Resorts'] interests and to make decisions that affect [Wynn Resorts] based on [Wynn Resorts'] best interest, independent of outside influences."

50. The Code of Conduct defines a "conflict of interest" as "when your own interests (including the interests of a family member or an organization with which you have a significant relationship) interfere, or even appear to interfere with the interests of [Wynn Resorts]. A conflict situation can arise when you take actions, have interests or are offered benefits that make it difficult for you to perform your [Wynn Resorts] work objectively and effectively."

51. The Code of Conduct provides a non-exclusive list of potential conflict scenarios. Included in this list is an express prohibition on financial interests in other businesses: "You may not own a significant interest in any company that competes with [Wynn Resorts]." The Code of Conduct provides that "it is not typically" a conflict if the competing entity "is a publicly traded company *and* you and your family members' only relationship with any such entity is to have an

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

interest of *less than 2%* of the outstanding shares of the [competing] company." (Emphasis added).

52. Further, the Code of Conduct precludes outside employment or activities with a competitor. Specifically, "[s]imultaneous employment with or serving as a director of a competitor of [Wynn Resorts] is prohibited, as is any activity that is intended to or that you should reasonably expect to advance a competitor's interests. You may not market products or services in competition with [Wynn Resorts'] current or potential business activities. . . . ."

53. In addition, the Code of Conduct expressly states that "*[y]ou may not use corporate property or information or your position at [Wynn Resorts] for improper personal gain, and you may not compete with [Wynn Resorts].*" (Emphasis added.)

54. The Code of Conduct also provides as follows:

a. With respect to offering gifts and entertainment,

i. "Special rules apply in the context of dealing with government officials and employees. See 'Interacting with Government – Prohibition on Gifts to Government Officials and Employees' below."

ii. "Giving or receiving any payment or gift in the nature of a bribe or a kickback is absolutely prohibited."

iii. "You are prohibited from providing gifts, meals or anything of value to government officials or employees or members of their families in connection with Company business without prior written approval from the Compliance Officer."

iv. "The Company's Policy Regarding Payments to Foreign Officials, the U.S. Foreign Corrupt Practices Act (the "FCPA"), and the laws of many other countries prohibit the Company and its officers, employees and agents or other third parties from giving or offering to give money or anything of value, directly or through an intermediary, to a foreign officials, employees of a state-owned

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, Suite 800
LAS VEGAS, NEVADA 89169

company, a foreign political party, a party official or a candidate for political office in order to attempt to influence officials acts or decisions of that person or entity, to obtain or retain business, or to secure any improper advantage."

b. With respect to company information and intellectual property:

i. "Company assets, including Company time, equipment, materials, resources and proprietary information, must be used for business purposes only."

ii. "The Intellectual Property must not be used or reproduced without the consent of the Company and for authorized use in connection with the Company's business. Every effort must be undertaken to protect the Intellectual Property from illegal copying or misuse."

55. As a Wynn Resorts director, Okada was bound by the Code of Conduct.

56. Further, as a Director, Okada stands as a fiduciary to Wynn Resorts and, therefore, owes a high duty to the Company, including the duty of care, the duty of loyalty, and that he at all times discharged those duties in good faith and with a view to the interests of Wynn Resorts.

57. The fiduciary duty of loyalty that Okada owed as a Director required him to maintain, in good faith, the corporation's and its shareholders' best interests over the interests of anyone else, including his own.

58. Okada breached his fiduciary duties by engaging in unlawful activities, many of which occurred on Wynn Resorts' properties, and all of which undermine Wynn Resorts' reputation as well as its business and gaming licenses.

59. Okada further breached his fiduciary duty of loyalty by, among other things, self-dealing, placing his own interests above those of Wynn Resorts, and using Wynn Resorts' confidential information, trade secrets, and related trademarks for his own benefit and to Wynn Resorts' detriment. Specifically, and among other things, the website of Universal (of which Okada holds a significant interest and serves as Chairman of the Board) states that Universal obtained its purported experience and "know how" in operating top quality facilities

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

and providing services to the high end market through Okada's experience with Wynn Resorts. Universal's website also states that it intends to use its know-how acquired by Okada from his relationship with Wynn Resorts in Universal's Manila Bay casino-resort operation. Universal and Okada expressly admit (and those in the industry indisputably recognize) that a Manila Bay casino-resort will compete with Wynn Macau (in which Wynn Resorts has a significant ownership interest) for gaming customers and resort clientele.

60. Okada's acts and/or failures to act constituted breaches of his fiduciary duties. Okada's breaches of duty involved intentional misconduct and knowing violations of the law.

61. As a direct and proximate result of Okada's acts and omissions, Wynn Resorts has suffered and will continue to suffer direct, incidental and consequential damages in an amount to be proven at trial, but in any event, in excess of $10,000, plus prejudgment interest.

62. In committing the acts herein above alleged, Okada is guilty of oppression, fraud, and malice toward Wynn Resorts. As such, Wynn Resorts is entitled to recover punitive damages from Okada for the purpose of deterring him and others similarly situated from engaging in like conduct.

63. As a result of the acts and omissions of Okada, Wynn Resorts has been compelled to hire the services of an attorney for the protection of its interests.

SECOND CAUSE OF ACTION

(Aiding & Abetting Breach of Fiduciary Duty)

(Wynn Resorts against ARUZE USA & Universal)

64. Wynn Resorts repeats and realleges the allegations set forth in Paragraphs 1 through 63 above as though fully set forth herein.

65. As a director, Okada owed Wynn Resorts a fiduciary duty of loyalty which, as alleged herein, he breached.

66. ARUZE USA and Universal knowingly participated in Okada's breach by facilitating the self-dealing and misappropriation of Wynn Resorts' confidential information, trade secrets, and trademarks, and committing unlawful acts that undermine Wynn Resorts' good reputation as well as its business and gaming licenses.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, Suite 800
LAS VEGAS, NEVADA 89169

67. As a direct and proximate result of ARUZE USA's and Universal's acts and omissions in aiding and abetting Okada's breach of duty, Wynn Resorts has suffered and will continue to suffer direct, incidental and consequential damages in an amount to be proven at trial, but in any event, in excess of $10,000, plus prejudgment interest.

68. In committing the acts herein above alleged, ARUZE USA and Universal are guilty of oppression, fraud, and malice toward Wynn Resorts. As such, Wynn Resorts is entitled to recover punitive damages from ARUZE USA and Universal for the purpose of deterring them and others similarly situated from engaging in like conduct.

69. As a result of the acts and omissions of ARUZE USA and Universal, Wynn Resorts has been compelled to hire the services of an attorney for the protection of its interests.

THIRD CAUSE OF ACTION

(Declaratory Relief – NRS Chapter 30)

(Wynn Resorts against Okada, ARUZE USA & Universal)

70. Wynn Resorts repeats and realleges the allegations set forth in Paragraphs 1 through 69 above as though fully set forth herein.

71. To be deemed "suitable" under Nevada gaming law, the applicant must be: (a) a person of good character, honesty and integrity; (b) a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of the State of Nevada or to the effective regulation and control of gaming, and (c) must have adequate business probity, competence and experience, in gaming or generally.

72. Section 3.090 of the Nevada Gaming Regulations provides that a license, registration, and suitability finding requires, among other things, a person of "good character, honesty, and integrity" and one "whose background, reputation and associations will not result in adverse publicity for the State of Nevada and its gaming industry . . . ."

73. Even after a suitability finding, Regulation 3.080 provides that "[t]he commission may deny, revoke, suspend, limit condition or restrict any registration or finding of suitability or application therefor upon the same grounds as it may take such action with respect to licenses, licensees and licensing; without exclusion of any other grounds."

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, Suite 800
Las Vegas, Nevada 89169

74. In recognition of the central importance of its gaming license, Wynn Resorts' Articles of Incorporation afford the Board of Directors the "sole discretion" to take certain action to protect the gaming licenses and approvals of Wynn Resorts and its affiliates. Under the Articles of Incorporation, an "Unsuitable Person' shall mean a Person who . . . in the sole discretion of the board of directors of the Corporation, is deemed likely to jeopardize the Corporation's or any Affiliated Company's application for, receipt of approval for, right to the use of, or entitlement to, any Gaming License." In addition, the Amended and Restated Gaming and Compliance Program defines an "Unsuitable Person" as, among other things, one "that the Company determines is unqualified as a business associate of the Company or its Affiliates based on, without limitation, that person's antecedents, financial practices, financial condition or business probity."

75. Following a determination of unsuitability, the Articles of Incorporation provide that "[t]he Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person shall be subject to redemption by the Corporation, out of funds legally available therefor, by action of the board of directors, to the extent . . . deemed necessary or advisable by the board of directors. If . . . the board of directors deems it necessary or advisable, to redeem any such Securities, the Corporation shall give a redemption Notice to the Unsuitable Person or its Affiliate and shall purchase on the Redemption Date the number of shares of the Securities specified in the Redemption Notice for the price set forth in the Redemption Notice . . . ."

76. On February 18, 2012, following Freeh's presentation, the Board of Directors deliberated at length and thereafter adopted resolutions that: (1) determined that ARUZE USA, and Universal were likely to jeopardize Wynn Resorts' and its affiliated companies' gaming licenses; (2) deemed Okada, ARUZE USA, and Universal to be unsuitable persons under Wynn Resorts' Articles of Incorporation; and (3) redeemed ARUZE USA's shares in Wynn Resorts for approximately US $1.936 billion via a promissory note, in accordance with Article VII of the Articles of Incorporation.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

77. Aware of the magnitude of his improprieties and what any reasonable Board of Directors of a Nevada gaming company would have to do, Okada attempted, in advance of the February 18, 2012 Board meeting, to set up a defense by disputing the Board's authority to act upon Frech's report.

78. Accordingly, a justiciable controversy has arisen between the parties whose interests are adverse, and the dispute is ripe for adjudication. Wynn Resorts acted lawfully and in full compliance with its Articles of Incorporation, Bylaws, and other governing documents and is entitled to a declaration from this Court to that effect.

79. As a result of the acts and omissions of Defendants, Wynn Resorts has been compelled to hire the services of an attorney for the protection of its interests.

WHEREFORE, Wynn Resorts prays for judgment as follows:

1. For compensatory and special damages, including attorneys' fees, against Defendants in an amount to be determined at trial;

2. For a declaration that Wynn Resorts acted lawfully and in full compliance with its Articles of Incorporation, Bylaws, and other governing documents as set forth herein;

3. Disgorgement of profits;

4. Punitive damages;

5. For an award of reasonable costs and attorneys' fees;

6. For prejudgment and post-judgment interest on the foregoing sums at the highest rate permitted by law; and

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

7. Any additional relief this Court deems just and proper on the evidence presented at trial.

DATED this 18th day of February, 2012.

PISANELLI BICE PLLC

By: _____

James J. Pisanelli, Esq., Bar No. 4027
Todd L. Bice, Esq., Bar No. 4534
Debra L. Spinelli, Esq., Bar No. 9695
Jarrod L. Rickard, Esq., Bar No. 10203
3883 Howard Hughes Parkway, Suite 800
Las Vegas, Nevada 89169

and

Paul K. Rowe, Esq. (pro hac vice forthcoming)
Stephen R. DiPrima, Esq. (pro hac vice forthcoming)
WACHTELL, LIPTON, ROSEN & KATZ, LLP
51 West 52nd Street
New York, NY 10019

and

Robert L. Shapiro, Esq. (pro hac vice forthcoming)
GLASER WEIL FINK JACOBS HOWARD
AVCHEN & SHAPIRO, LLP
10250 Constellation Boulevard, 19th Floor
Los Angeles, CA 90067

Attorneys for Wynn Resorts, Limited

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

IN THE SUPREME COURT OF THE STATE OF NEVADA

WYNN RESORTS, LIMITED,

Petitioner,

v.

THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF CLARK; AND THE HONORABLE ELIZABETH GOFF GONZALEZ, DISTRICT JUDGE, DEPT. 11,

Respondents,

and

KAZUO OKADA, UNIVERSAL ENTERTAINMENT CORP. AND ARUZE USA, INC.,

Real Parties in Interest.

Supreme Court No. 70452

District Court Case No. A-12-656710-B

Electronically Filed
Aug 12 2016 01:11 p.m.
Tracie K. Lindeman
Clerk of Supreme Court

APPENDIX TO REAL PARTIES' ANSWER TO PETITION FOR WRIT OF PROHIBITION OR ALTERNATIVELY, MANDAMUS

VOLUME 1 (RAPP 001-224)

HOLLAND & HART LLP
J. Stephen Peek, Esq. (1758)
9555 Hillwood Drive, 2nd Floor
Las Vegas, Nevada 89134
Telephone No. (702) 669-4600

Steve Morris, Esq. (1543)
MORRIS LAW GROUP
900 Bank of America Plaza
300 South Fourth Street
Las Vegas, Nevada 89101

BUCKLEYSANDLER LLP
David S. Krakoff, Esq.
(*Admitted Pro Hac Vice*)
Benjamin B. Klubes, Esq.
(*Admitted Pro Hac Vice*)
1250 24th Street NW, Suite 700
Washington DC 20037
Telephone No. (202) 349-8000

Attorneys for Real Parties in Interest Defendant Kazuo Okada and Defendants/ Counterclaimants Universal Entertainment Corp. and Aruze USA, Inc.

CERTIFICATE OF SERVICE

Pursuant to Nev. R. App. P. 25, I certify that I am an employee of Morris Law Group, that in accordance therewith, I caused a copy of **APPENDIX TO REAL PARTIES' ANSWER TO PETITION FOR WRIT OF PROHIBITION OR ALTERNATIVELY, MANDAMUS - VOLUME 1 (RAPP 001-224)** to be served as indicated below, on the date and to the addressee(s) shown below:

VIA HAND DELIVERY ON August 11, 2016

Judge Elizabeth Gonzalez
Eighth Judicial District Court of
Clark County, Nevada
Regional Justice Center
200 Lewis Avenue
Las Vegas, NV 89155

VIA ELECTRONIC AND U.S. MAIL ON August 11, 2016

James J. Pisanelli
Todd L. Bice
Debra Spinelli
PISANELLI BICE PLLC
400 South 7th Street,
Suite 300
Las Vegas, NV 89101
T: 702.214.2100

Paul K. Rowe
Bradley R. Wilson
WACHTELL, LIPTON,
ROSEN & KATZ
51 West 52nd Street
New York, NY 10019
T: 212.403.1000

Robert L. Shapiro
GLASER WEIL FINK
HOWARD AVCHEN &
SHAPIRO LLP
10250 Constellation
Boulevard, 19th Floor
Los Angeles, CA 90067
T: 310.553.3000

Attorneys for Wynn Resorts, Limited, Real Party in Interest, Linda Chen, Russell Goldsmith, Ray R. Irani, Robert J. Miller, John A. Moran, Marc D. Schorr, Alvin V. Shoemaker, Kimmarie Sinatra, D. Boone Wayson, and Allan Zeman

Donald J. Campbell
J. Colby Williams
CAMPBELL & WILLIAMS
700 South 7th Street
Las Vegas, Nevada 89101
Telephone: 702.382.5222

Attorneys for Stephen A. Wynn

William R. Urga
Martin A. Little
David J. Malley
JOLLEY URGA WOODBURY & LITTLE
3800 Howard Hughes Parkway, 16th Floor
Las Vegas, NV 89169
T: 702.699.7500

John B. Quinn
Michael T. Zeller
Susan R. Estrich
Michael L. Fazio
QUINN EMANUEL URQUHART & SULLIVAN, LLP
865 S. Figueroa Street, 10th Floor
Los Angeles, CA 90017
T: 213.443.3000

Attorneys for Elaine P. Wynn

Melinda Haag, Esq. (*pro hac vice*)
James N. Kramer, Esq. (*pro hac vice*)
ORRICK, HERRINGTON & SUTCLIFFE LLP
405 Howard Street
San Francisco, CA 94015

Attorneys for Kimmarie Sinatra

DATED this 11th day of August, 2016

By: /s/ PATRICIA FERRUGIA

APPENDIX TO REAL PARTIES' ANSWER
CHRONOLOGICAL INDEX

Date	Description	Vol. #	Page Nos.
10-12-2011	Letter from Robert Shapiro to Robert D. Faiss **(FILED UNDER SEAL)**	1	RAPP 001-3
11-08-2011	Email from Louis Freeh re Steve Wynn Meeting **(FILED UNDER SEAL)**	1	RAPP 004-5
02-11-2012	Email to Louis Freeh re Japan **(FILED UNDER SEAL)**	1	RAPP 006-10
02-18-2012	Email from Louis Freeh **(FILED UNDER SEAL)**	1	RAPP 011-14
02-19-2012	Complaint	1	RAPP 015-82
02-21-2012	The Wall Street Journal, Wynn's War: Casino Titans Go to Battle	1	RAPP 083-88
02-22-2012	Wynn Resorts Ltd Form 8-K	1	RAPP 089-161
03-13-2012	Wynn Resorts Issues Statement on Okada Counterclaim	1	RAPP 162
01-02-2013	Defendants' First Request for Production of Documents to Wynn Resorts, Limited	1	RAPP 163-198
04-22-2013	Second Amended Complaint	1	RAPP 199-224
11-10-2015	Email from Debra Spinelli **(REDACTED)**	2	RAPP 225
01-26-2016	Transcript: The Wynn Parties' Motion to Compel	2	RAPP 226-88
01-28-2016	Excerpts from Alvin V. Shoemaker Deposition **(REDACTED)**	2	RAPP 289-92
04-08-2016	Minute Order **(Court Exhibit 2 FILED UNDER SEAL)**	2	RAPP 293-315
04-12-2016	Minute Order **(Court Exhibit 2A FILED UNDER SEAL)**	2	RAPP 316-39
06-03-2016	Excerpts from Louis J. Freeh Deposition **(FILED UNDER SEAL)**	2	RAPP 340-44

APPENDIX TO REAL PARTIES' ANSWER
ALPHABETICAL INDEX

Date	Description	Vol. #	Page Nos.
02-19-2012	Complaint	1	RAPP 015-82
01-02-2013	Defendants' First Request for Production of Documents to Wynn Resorts, Limited	1	RAPP 163-198
11-10-2015	Email from Debra Spinelli **(REDACTED)**	2	RAPP 225
02-18-2012	Email from Louis Freeh **(FILED UNDER SEAL)**	1	RAPP 011-14
11-08-2011	Email from Louis Freeh re Steve Wynn Meeting **(FILED UNDER SEAL)**	1	RAPP 004-5
02-11-2012	Email from Louis Freeh re Japan **(FILED UNDER SEAL)**	2	RAPP 289-92
01-28-2016	Excerpts from Alvin V. Shoemaker Deposition **(REDACTED)**	2	RAPP 289-92
06-03-2016	Excerpts from Louis J. Freeh Deposition **(FILED UNDER SEAL)**	2	RAPP 340-44
10-12-2011	Letter from Robert Shapiro to Robert D. Faiss **(FILED UNDER SEAL)**	1	RAPP 001-3
04-08-2016	Minute Order **(Court Exhibit 2 FILED UNDER SEAL)**	2	RAPP 293-315
04-12-2016	Minute Order **(Court Exhibit 2A FILED UNDER SEAL)**	2	RAPP 316-39
04-22-2013	Second Amended Complaint	1	RAPP 199-224
02-21-2012	The Wall Street Journal, Wynn's War: Casino Titans Go to Battle	1	RAPP 083-88
01-26-2016	Transcript: The Wynn Parties' Motion to Compel	2	RAPP 226-88
03-13-2012	Wynn Resorts Issues Statements on Okada Counterclaim	1	RAPP 162
02-22-2012	Wynn Resorts Ltd Form 8-K	1	RAPP 089-161

FILED UNDER SEAL
RAPP 001-3

FILED UNDER SEAL
RAPP 004-5

FILED UNDER SEAL
RAPP 006-10

FILED UNDER SEAL
RAPP 011-14

Electronically Filed
02/19/2012 02:14:35 AM

CLERK OF THE COURT

RECEIVED
LIONEL SAWYER & COLLINS
FEB 28 2012
CHARLES H. McCREA

COMP
James J. Pisanelli, Esq., Bar No. 4027
JJP@pisanellibice.com
Todd L. Bice, Esq., Bar No. 4534
TLB@pisanellibice.com
Debra L. Spinelli, Esq., Bar No. 9695
DLS@pisanellibice.com
Jarrod L. Rickard, Esq., Bar No. 10203
JLR@pisanellibice.com
PISANELLI BICE PLLC
3883 Howard Hughes Parkway, Suite 800
Las Vegas, Nevada 89169
Telephone: 702.214.2100
Facsimile: 702.214.2100

Paul K. Rowe, Esq. *(pro hac vice forthcoming)*
pkrowe@wlrk.com
Stephen R. DiPrima, Esq. *(pro hac vice forthcoming)*
srdiprima@wlrk.com
WACHTELL, LIPTON, ROSEN & KATZ, LLP
51 West 52nd Street
New York, NY 10019
Telephone: 212.403.1000
Facsimile: 212.403.2000

Robert L. Shapiro, Esq. *(pro hac vice forthcoming)*
RS@glaserweil.com
GLASER WEIL FINK JACOBS HOWARD
AVCHEN & SHAPIRO, LLP
10259 Constellation Boulevard, 19th Floor
Los Angeles, CA 90067
Telephone: 310.553.3000
Facsimile: 310.556.2920

Attorneys for Wynn Resorts, Limited

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

DISTRICT COURT

CLARK COUNTY, NEVADA

WYNN RESORTS, LIMITED, , a Nevada Corporation, Plaintiff, vs. KAZUO OKADA, an individual, ARUZE USA, INC., a Nevada corporation, UNIVERSAL ENTERTAINMENT CORP., a Japanese corporation, Defendants.	Case No.: A-12-656710-B Dept. No.: XI **COMPLAINT** **(Request for Business Court Assignment Pursuant to EDCR 1.61(a))** **(Exempt from Arbitration – Declaratory Relief Requested)**

Plaintiff WYNN RESORTS, LIMITED ("Wynn Resorts"), by and through its undersigned counsel, hereby files the above-captioned Complaint:

NATURE OF THE ACTION

This is an action for breach of fiduciary duty and related offenses committed against Wynn Resorts at the hands of one of its directors, Kazuo Okada ("Okada") and his affiliates. Wynn Resorts' Compliance Committee commissioned former Director of the Federal Bureau of Investigation, Louis J. Freeh, to examine Okada's domestic and foreign activities impacting Wynn Resorts. Based upon a multi-month investigation – which culminated with a personal interview that Okada long evaded – Freeh uncovered substantial evidence of gross improprieties by Okada and his agents, as explained in Freeh's report, attached as Exhibit 1. In particular, Freeh presented Wynn Resorts' Board with evidence that Okada had made unlawful payments to foreign gaming regulators who could advance Okada's business interests. Okada surreptitiously undertook these acts despite admonishments that all Directors closely adhere to Company policy, scrupulous business practices/ethics, and the law, both foreign and domestic. The public's confidence in gaming's integrity depends upon strict observance of these principles. Okada's conduct poses a direct assault upon, and a present threat to, Wynn Resorts' reputation for probity, which is central to maintaining its stature in the gaming industry as well as its current and future licensing.

PARTIES AND RELATED PERSONS/ENTITIES

1. Plaintiff WYNN RESORTS is and was at all times relevant hereto a corporation organized and existing under the laws of the State of Nevada, with its principal place of business in the State of Nevada. Wynn Resorts is publicly traded on NASDAQ.

2. Wynn Resorts is a world class developer of destination resort casinos. Wynn Resorts owns resort casinos through its wholly owned subsidiary, WYNN LAS VEGAS, LLC ("Wynn Las Vegas") and through WYNN MACAU, LIMITED ("Wynn Macau").

3. Wynn Las Vegas operates the Wynn Las Vegas and Encore resort casinos in Las Vegas, Nevada.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

4. Wynn Macau is a Cayman Islands company, publicly traded on the Hong Kong Stock Exchange (of which Wynn Resorts owns a majority interest). Through its wholly owned subsidiary, WYNN RESORTS (MACAU), S.A., a company organized and existing under the laws of Macau Special Administrative Region of the Peoples Republic of China, Wynn Macau operates the Wynn Macau and Encore at Wynn Macau resort-casinos in Macau.

5. Defendant OKADA is and was at all times relevant hereto a citizen of Japan, and a director of Wynn Resorts. Okada serves multiple roles with Wynn Resorts and its affiliated companies (the "Wynn Companies"). He is a member of the Board of Directors for both Wynn Resorts and Wynn Macau and, until February 18, 2012, through UNIVERSAL ENTERTAINMENT CORPORATION ("Universal") and ARUZE USA, controlled a shareholder that had owned approximately 19.66% of Wynn Resorts. From October 2002 up to and until October 2011, Okada also served as Vice Chairman of Wynn Resorts. In these capacities, Okada owed, and continues to owe, fiduciary duties of care, loyalty, and good faith to the Wynn Companies.

6. Defendant ARUZE USA, INC. ("ARUZE USA") is and was at all times relevant hereto a corporation organized and existing under the laws of the State of Nevada, and a wholly owned subsidiary of Universal ("Universal"). Until February 18, 2012, ARUZE USA was a 19.66% shareholder in Wynn Resorts. Okada serves as director, President, Secretary, and Treasurer of ARUZE USA.

7. Defendant UNIVERSAL is a public corporation organized under the laws of Japan, and formerly known as ARUZE Corporation until a November 2009 name change. Universal manufactures and sells pachislot and pachinko machines, and other similar gaming equipment. Universal does business in the State of Nevada, has been issued a manufacturer's license by the Nevada Gaming Commission, and was deemed suitable by the Nevada Gaming Commission as a 100% shareholder in ARUZE USA. Okada is Director, Chairman of the Board and, together with his family members, a 67.9% shareholder in Universal.

8. The Wynn Resorts' Board of Directors consists of 12 members, comprised of Stephen A. Wynn ("Mr. Wynn") as Chairman, Okada, Russell Goldsmith, Linda Chen,

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

Dr. Ray R. Irani, former Nevada Governor Robert J. Miller, John A. Moran, Alvin V. Shoemaker, D. Boone Wayson, Elaine P. Wynn, Allan Zeman, and Marc D. Schorr (collectively "Wynn Directors" and/or "Wynn Board").

9. Wynn Resorts' Gaming Compliance Committee ("Compliance Committee") is an internal committee chaired by Director Miller and comprised of two additional members, Schorr (director and COO) and John Strzemp (Wynn Resorts' Executive Vice President and Chief Administrative Officer). The Compliance Committee is charged with assuring Wynn Resorts' compliance with all laws and regulations, particularly on gaming laws, regulations, and policies.

10. The Honorable Louis J. Freeh, Esq., is a former director of the Federal Bureau of Investigation ("FBI"), having led that agency with distinction from 1993 to 2001. Prior to serving as FBI Director, Freeh was a United States District Court Judge. Today, Freeh is a partner in Freeh Sporkin & Sullivan, LLP – a law firm he founded with two other former federal judges – which specializes in domestic and foreign corporate investigations and compliance.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

JURISDICTION

11. Defendants Universal, ARUZE USA, and Okada have each individually and in concert with one another, caused the acts and events alleged herein within the State of Nevada and all are subject to the jurisdiction of this Court. Venue is also proper in this Court.

12. This matter is properly designated as a business court matter and assigned to the Business Docket under EDCR 1.61(a) as the claims alleged herein arise from business torts.

GENERAL ALLEGATIONS

13. A Nevada gaming license is a privilege. Nevada law imposes comprehensive regulatory requirements upon gaming licensees, including obligations that those associated with the licensee possess the necessary character, qualifications, and integrity to be suitable to hold that privilege so as to not pose a threat to the public interest or the integrity of the regulation and control of gaming. As a Director of Wynn Resorts, Okada is subject to these demanding standards.

14. Additionally, all of Wynn Resorts' Directors agreed to be, were, and are subject to Wynn Resorts' Code of Business Conduct and Ethics (the "Code of Conduct"). The Code of

Conduct reinforces and enhances Wynn Resorts' commitment to doing business in an ethical manner. The Code of Conduct reflects Wynn Resorts' values, demonstrates ethical leadership, and promotes an environment that upholds its longstanding reputation for integrity, ethical conduct, and trust.

15. Forsaking his obligations to maintain the integrity required of a gaming licensee, the Company's Code of Conduct and his other fiduciary duties, Okada committed improper acts that included making payments for the benefit of foreign gaming officials who could advance his personal business interests. He has furthermore elected to compete against Wynn Resorts, undertaking a campaign to convert Wynn Resorts' assets for his own benefit, and that of his affiliates. Wynn Resorts has been compelled to defend against Okada's acts of aggression by, among other things, the initiation of remedial and defensive Board actions and the prosecution of this action.

Okada Enters the Philippine Market

16. By all measures, Okada's abandonment of his duty of loyalty to Wynn Resorts commenced with his plan to develop gaming operations in the Philippines.

17. Upon learning of opportunities in the Philippines, Okada approached Mr. Wynn with an idea of creating a casino resort in Manila Bay. Neither Mr. Wynn nor the Board of Directors was willing to pursue such opportunities in the Philippines.

18. Undeterred, Okada pressed on with his personal agenda without full disclosure to Mr. Wynn or the Board. In furtherance of his personal scheme, Okada asked that a city ledger account at Wynn Resorts be opened in the name of his company, Universal ("Universal City Ledger"). Upon information and belief, and unbeknownst to Wynn Resorts, Okada sought the city ledger account, in part, to facilitate his pursuit of his personal business interests in the Philippines and to promote the false appearance of an affiliation with Wynn Resorts to his Philippine business contacts.

19. Upon information and belief, many doors opened for Okada in the Philippines due to his well-publicized relationship with Mr. Wynn and Wynn Resorts. Wynn Resorts is informed and believes that Okada touted his relationship and affiliation with Wynn Resorts so as to

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

convince others that Wynn Resorts was and/or is somehow affiliated with Universal's desired presence in Manila. All such representations were and are false.

20. In 2008, the Philippine Amusement and Gaming Corporation ("PAGCOR"), a 100% government-owned and controlled corporation that operates under the direct supervision of the Office of the President of the Philippines and is charged with "[r]egulat[ing], authoriz[ing] and licens[ing] games of chance, games of cards and games of numbers, particularly casino gaming, in the Philippines," awarded four provisional gaming licenses without public bidding. PAGCOR issued one such license to a newly-formed entity that is owned 99% by ARUZE USA, known as Tiger Resort, Leisure and Entertainment Inc. Okada's pursuit and development of that license expressly contradicts Wynn Resorts' requests to Okada not to pursue business in the Philippines. Moreover, Okada's actions to obtain and exploit that license involved violations of his duties to Wynn Resorts.

Initial Examination of Okada's Activities

21. In or around the fall of 2010, Wynn Resorts heard that Okada was continuing to represent to multiple people that he (and/or Universal) and Wynn Resorts were involved in a joint venture together in the Philippines and were pursuing, also as joint venturers, potential opportunities in Japan. Such representations were again false.

22. Questioning Okada's actions, in or around January 2011, Wynn Resorts, through its Compliance Committee, commissioned an independent investigation and risk assessment of investing in the gaming industry in the Philippines, which found:

a. Official corruption in the Philippine gaming industry is "deeply ingrained";

b. Doubts that newly-elected President Aquino's stated plans for reform would eliminate corruption from the gaming industry;

c. The country's legal/regulatory frameworks were not closely aligned with American compliance and transparency standards; and

d. Despite a general refusal by witnesses to discuss Okada's role in the Philippines (many refused to comment), other information created

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

reasonable suspicion that persons acting on Okada's behalf had engaged in improprieties.

23. Notwithstanding the issues identified by the investigation/assessment, Okada was unrelenting in his appeal to Wynn Resorts. In February 2011, he repeated his oft-uttered request that Mr. Wynn travel to the Philippines to explore investing in Universal's Manila Bay project.

24. During the February 24, 2011 meeting of the Board of Directors, following discussion of the Foreign Corrupt Practices Act ("FCPA"), the findings from the independent investigation were relayed to the Board. Mr. Wynn advised the Board that he had been invited by Okada to meet Philippine President Aquino. Okada was present for the Board's discussions. The independent directors (Goldsmith, Irani, Miller, Moran, Shoemaker, Wayson, and Zeman) unanimously advised Wynn Resorts management that involvement in the Philippines was inadvisable and that the meeting should be cancelled. In plain terms, the Board informed Okada that Wynn Resorts would not invest in Universal's Manila Bay project.

25. Okada, who had scheduled on his own initiative a meeting between Mr. Wynn and Philippine President Aquino, was embarrassed and angry in having to cancel the arrangements. Again, however, Okada remained undeterred.

26. Finally recognizing that Wynn Resorts was not going to provide Okada and Universal with funds or know-how for his Philippine project, Okada nonetheless moved forward with his secret plans to compete against Wynn Resorts by false claims of affiliation and endorsement, among other things.

27. Despite knowing the Board's opposition to his plans in the Philippines, Okada proceeded to announce that he and Universal planned to lure high-limit, VIP gamblers from China to its Manila Bay resort-casino, the same customer base as Wynn Macau. In short, Okada was creating a new casino in direct competition with Wynn Macau.

28. Universal purportedly intends to construct two casinos and three hotels in Manila by December 2013, intends to open those facilities in early 2014, intends to spend $2.3 billion on the project, and hopes to turn $2 billion in sales in its first year of operation. Okada has publicly

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

stated his intent to open more casinos in Asia in 2015. On or about January 26, 2012, Universal broke ground on construction of the Manila Bay casino resort.

29. To promote his own interests, Okada launched a campaign to misappropriate Wynn Resorts' assets and secrets for his and his affiliates' use. Among other things, Okada arranged to have several people serve as interns at the Wynn Macau property so that Wynn Macau "know how" could be learned and siphoned from Wynn Resorts.

Wynn Resorts Expects Compliance

30. During a July 28, 2011 executive session, the independent directors again discussed Okada's ongoing involvement in the Philippines and expressed concern about probity issues attendant to Okada's involvement and the effect that Okada's actions in the Philippines could have on Wynn Resorts. Of notable concern were Okada's comments at prior Board meetings. Specifically, Okada had relayed his familiarity with local business practices that involved having third parties make payments to government officials rather than someone doing so directly (acts prohibited not only under the Foreign Corrupt Practices Act, but also by Wynn Resorts' Code of Conduct and other policies).

31. Following Okada's comments, Wynn Resorts took several steps to reiterate and to ensure awareness of the boundaries of corporate policies and legal restrictions on payments to government officials (among other things). These include the following:

a. To ensure that all directors, especially Okada, were kept informed about the Foreign Corrupt Practices Act, on August 4, 2011, a notice to the Board was issued for a training on the Foreign Corrupt Practices Act to be held on October 31, 2011, followed by a Board meeting on November 1, 2011.

b. To further protect Wynn Resorts, on August 5, 2011, all members of the Board of Directors were asked to review: (1) the Code of Business Ethics; and (2) the Policy Regarding Payments to Government Officials, and execute an acknowledgement that they read, understood, and acknowledged the policies. All members of the Board have signed the

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

acknowledgement but for one. Despite multiple attempts to follow-up, Okada has still failed to sign.

c. Attached to the Directors' & Officers' Questionnaire sent to all members of the Board on January 12, 2012 was an acknowledgement form that required the Directors to sign in two places: (1) Page 26 of the questionnaire; and (2) Page 50 on the separate Code of Business Conduct and Ethics Acknowledgement Form that was part of the questionnaire packet. Okada signed and returned the former on the January 27, 2012 deadline but failed to return a signed Code of Business Conduct and Ethics Acknowledgement Form. Okada has still not returned the acknowledgement despite a follow-up request to do so.

32. On September 15, 2011, Okada, through his assistant, sent an RSVP that he would attend both the Foreign Corrupt Practices Act training on October 31 and the Board meeting noticed for November 1, 2011. But Okada never attended the training.

33. To follow up on issues raised during the July 28, 2011 Board meeting, in early August, Wynn Resorts' Board of Directors also commissioned a second independent investigation into the regulatory and compliance climate in the Philippines. This investigation identified anomalies and improprieties related to Universal's/Okada's dealings in the Philippines.

34. On September 27, 2011, the Compliance Committee held a special meeting to discuss the findings of the second independent investigation. Those findings identified a number of concerns regarding Okada's activities, including that he may be: (a) engaging in acts that would render him unsuitable under Nevada gaming regulations, and (b) breaching the fiduciary duties he owed to Wynn Resorts.

35. At the direction of the Compliance Committee, Wynn Resorts approached Okada's counsel to discuss the Committee's concerns relative to Okada's conduct and business in the Philippines, and its effect on Wynn Resorts and Okada's duties and responsibilities as a member of Wynn Resorts' Board of Directors. Wynn Resorts' concerns were ill-received.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

36. Over the next month, counsel for Wynn Resorts and Okada engaged in discussions about Wynn Resorts' concerns that Okada's involvement in the Philippines was placing Wynn Resorts and its shareholders at substantial risk.

37. Okada designed and executed a strategy to divert attention away from his own misconduct. Okada claimed to need access to certain books and records (*e.g.*, records related to an amendment to a shareholder's agreement between Mr. Wynn, Elaine Wynn, and Okada). Okada's diversionary tactics underscored his need to change the topic from the real issue – his misconduct in the Philippines.

38. Okada's game playing continued. On October 25, 2011, days before the long-scheduled Foreign Corrupt Practices Act training, he requested that the training materials be translated into Japanese (despite his previous, long-term practice of translating all materials on his own) and that the date of the training be moved (despite that it had been planned around his previous confirmation). His refusal to attend the training, an event attended by all other Board members, demonstrated a cavalier disregard for his obligations as director of a company in a highly regulated gaming industry. In the end, Okada was the sole Board member who failed to attend the training, with all other directors appearing in person or telephonically.

Former FBI Director Freeh Investigates

39. On or about October 29, 2011, Wynn Resorts, on behalf of its Compliance Committee, retained Freeh to conduct an independent investigation into Okada and his activities, with a focus on three main areas: (1) whether Okada breached the fiduciary duties owed to Wynn Resorts; (2) whether Okada engaged in conduct that could jeopardize Wynn Resorts' gaming licenses; and (3) whether Okada engaged in any conduct that could violate Wynn Resorts' compliance policy.

40. As part of that investigation, Freeh conducted dozens of interviews (including of all independent members of Wynn Resorts' Board of Directors), and reviewed thousands of pages of documents and emails. As of January 1, 2012, there remained only one outstanding item on Freeh's to-do list: interview Okada. Yet, Okada refused to schedule the interview despite Freeh's

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

stated willingness to travel on short notice to conduct the interview anywhere in the world to accommodate Okada's schedule.

41. With only Okada's interview outstanding, on February 6, 2012, Freeh briefed Wynn Resorts' Compliance Committee.

42. Okada finally sat for his interview with Freeh in Tokyo, Japan, on February 15, 2012, where Okada was accompanied by United States counsel.

43. Freeh announced that he would report his findings to the Board of Directors on February 18, 2012.

44. At the February 18, 2012 Board meeting, Freeh made a detailed presentation and provided the Board with copies of his final report, outlining the following improprieties, among others:

a. The Universal City Ledger account established by Okada revealed 36 separate instances, from May 2008 to through June 2011 where Okada or his associates/affiliates made payments exceeding US $110,000 that directly benefitted senior PAGCOR officials. This included payment for luxury lodging, extravagant dinners, shopping, and cash to spend for, among others, former PAGCOR Chairman Genuino and his family and friends and current PAGCOR Chairman, Cristino Naguiat ("Naguiat").

b. The Freeh report noted that Okada's conduct constituted *prima facie* evidence of violations of the Foreign Corrupt Practices Act. On one particular occasion, Okada arranged for PAGCOR Chairman Naguiat, his wife, his three children, their nanny, other senior PAGCOR officials, one of whom also brought his family to stay at Wynn Macau. Okada and his associates refused to provide Wynn Macau management with the name of Chairman Naguiat and tried to conceal his identity. At Okada's associates' request and Okada's direction, Chairman Naguiat and his entourage were provided with the most expensive accommodation, food, and star treatment. In addition, Okada's associates asked that each guest be

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

provided a $5,000 cash advance during their stay. Following the stay, Okada's associates requested Wynn Macau reduce the excessive charges because they feared an investigation and did not want Universal to get in trouble. Wynn Macau refused.

c. There is substantial evidence that Okada, his associates and companies may have arranged and manipulated ownership and management of legal entities in the Philippines under his control, in a manner that may have enabled the evasion of Philippine constitutional and statutory requirements.

d. Moreover, close associates and consultants of the former PAGCOR administration attained positions as corporate officers, directors and/or nominal shareholders of entities controlled by Okada and, in some cases, served as links between Okada and the former PAGCOR chair.

e. There is substantial evidence that the ownership structure of Okada-affiliated, ARUZE USA-owned entities may subject Okada to civil and criminal penalties under Philippine law.

f. Despite being repeatedly advised of the strict anti-bribery laws and Wynn Resorts' policies, Okada insists and strongly believes that, when doing business in Asia, he is permitted to provide gifts and things of value to government officials, whether directly or indirectly.

g. His conduct is not accidental or based upon a misunderstanding of the law or the policies. Rather, Okada stated his personal rejection of anti-bribery laws and Wynn Resorts' related policies to fellow Wynn Resorts Board members.

45. Following Freeh's presentation, the Board deliberated at length and unanimously adopted resolutions finding the Defendants to be Unsuitable Persons under Wynn Resorts' Second Amended and Restated Articles of Incorporation ("Articles of Incorporation" and/or "Articles"), and redeemed ARUZE USA's shares in Wynn Resorts in accordance with the provisions of the Articles

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

46. Okada's deplorable actions demonstrate that he had abandoned and forsaken all duties owed to Wynn Resorts. Worse, Okada undertook a pattern of conduct that jeopardizes Wynn Resorts' good reputation, its long-standing business relationships, and its gaming and business licenses. Accordingly, the Board of Directors has unanimously (except for Okada) authorized the pursuit of this action.

FIRST CAUSE OF ACTION

(Breach of Fiduciary Duty)

(Wynn Resorts against Okada)

47. Wynn Resorts repeats and realleges the allegations set forth in Paragraphs 1 through 46 above as though fully set forth herein.

48. Wynn Resorts' Code of Conduct, which applies to all employees, officers, and directors, provides guidelines for ethical behavior consistent with the reputation and integrity of Wynn Resorts. The Code of Conduct supplements the duties, fiduciary and otherwise, imposed upon Okada under Wynn Resorts' governing documents and the law.

49. The Code of Conduct addresses conflicts of interest. Specifically, the Code of Conduct provides that "directors are expected to dedicate their best efforts to advancing [Wynn Resorts'] interests and to make decisions that affect [Wynn Resorts] based on [Wynn Resorts'] best interest, independent of outside influences."

50. The Code of Conduct defines a "conflict of interest" as "when your own interests (including the interests of a family member or an organization with which you have a significant relationship) interfere, or even appear to interfere with the interests of [Wynn Resorts]. A conflict situation can arise when you take actions, have interests or are offered benefits that make it difficult for you to perform your [Wynn Resorts] work objectively and effectively."

51. The Code of Conduct provides a non-exclusive list of potential conflict scenarios. Included in this list is an express prohibition on financial interests in other businesses: "You may not own a significant interest in any company that competes with [Wynn Resorts]." The Code of Conduct provides that "it is not typically" a conflict if the competing entity "is a publicly traded company ***and*** you and your family members' only relationship with any such entity is to have an

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

interest of *less than 2%* of the outstanding shares of the [competing] company." (Emphasis added).

52. Further, the Code of Conduct precludes outside employment or activities with a competitor. Specifically, "[s]imultaneous employment with or serving as a director of a competitor of [Wynn Resorts] is prohibited, as is any activity that is intended to or that you should reasonably expect to advance a competitor's interests. You may not market products or services in competition with [Wynn Resorts'] current or potential business activities. . . . ."

53. In addition, the Code of Conduct expressly states that "***[y]ou may not use corporate property or information or your position at [Wynn Resorts] for improper personal gain, and you may not compete with [Wynn Resorts].***" (Emphasis added.)

54. The Code of Conduct also provides as follows:

a. With respect to offering gifts and entertainment,

i. "Special rules apply in the context of dealing with government officials and employees. See 'Interacting with Government – Prohibition on Gifts to Government Officials and Employees' below."

ii. "Giving or receiving any payment or gift in the nature of a bribe or a kickback is absolutely prohibited."

iii. "You are prohibited from providing gifts, meals or anything of value to government officials or employees or members of their families in connection with Company business without prior written approval from the Compliance Officer."

iv. "The Company's Policy Regarding Payments to Foreign Officials, the U.S. Foreign Corrupt Practices Act (the "FCPA"), and the laws of many other countries prohibit the Company and its officers, employees and agents or other third parties from giving or offering to give money or anything of value, directly or through an intermediary, to a foreign officials, employees of a state-owned

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

company, a foreign political party, a party official or a candidate for political office in order to attempt to influence officials acts or decisions of that person or entity, to obtain or retain business, or to secure any improper advantage."

b. With respect to company information and intellectual property:

i. "Company assets, including Company time, equipment, materials, resources and proprietary information, must be used for business purposes only."

ii. "The Intellectual Property must not be used or reproduced without the consent of the Company and for authorized use in connection with the Company's business. Every effort must be undertaken to protect the Intellectual Property from illegal copying or misuse."

55. As a Wynn Resorts director, Okada was bound by the Code of Conduct.

56. Further, as a Director, Okada stands as a fiduciary to Wynn Resorts and, therefore, owes a high duty to the Company, including the duty of care, the duty of loyalty, and that he at all times discharged those duties in good faith and with a view to the interests of Wynn Resorts.

57. The fiduciary duty of loyalty that Okada owed as a Director required him to maintain, in good faith, the corporation's and its shareholders' best interests over the interests of anyone else, including his own.

58. Okada breached his fiduciary duties by engaging in unlawful activities, many of which occurred on Wynn Resorts' properties, and all of which undermine Wynn Resorts' reputation as well as its business and gaming licenses.

59. Okada further breached his fiduciary duty of loyalty by, among other things, self-dealing, placing his own interests above those of Wynn Resorts, and using Wynn Resorts' confidential information, trade secrets, and related trademarks for his own benefit and to Wynn Resorts' detriment. Specifically, and among other things, the website of Universal (of which Okada holds a significant interest and serves as Chairman of the Board) states that Universal obtained its purported experience and "know how" in operating top quality facilities

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

and providing services to the high end market through Okada's experience with Wynn Resorts. Universal's website also states that it intends to use its know-how acquired by Okada from his relationship with Wynn Resorts in Universal's Manila Bay casino-resort operation. Universal and Okada expressly admit (and those in the industry indisputably recognize) that a Manila Bay casino-resort will compete with Wynn Macau (in which Wynn Resorts has a significant ownership interest) for gaming customers and resort clientele.

60. Okada's acts and/or failures to act constituted breaches of his fiduciary duties. Okada's breaches of duty involved intentional misconduct and knowing violations of the law.

61. As a direct and proximate result of Okada's acts and omissions, Wynn Resorts has suffered and will continue to suffer direct, incidental and consequential damages in an amount to be proven at trial, but in any event, in excess of $10,000, plus prejudgment interest.

62. In committing the acts herein above alleged, Okada is guilty of oppression, fraud, and malice toward Wynn Resorts. As such, Wynn Resorts is entitled to recover punitive damages from Okada for the purpose of deterring him and others similarly situated from engaging in like conduct.

63. As a result of the acts and omissions of Okada, Wynn Resorts has been compelled to hire the services of an attorney for the protection of its interests.

SECOND CAUSE OF ACTION

(Aiding & Abetting Breach of Fiduciary Duty)

(Wynn Resorts against ARUZE USA & Universal)

64. Wynn Resorts repeats and realleges the allegations set forth in Paragraphs 1 through 63 above as though fully set forth herein.

65. As a director, Okada owed Wynn Resorts a fiduciary duty of loyalty which, as alleged herein, he breached.

66. ARUZE USA and Universal knowingly participated in Okada's breach by facilitating the self-dealing and misappropriation of Wynn Resorts' confidential information, trade secrets, and trademarks, and committing unlawful acts that undermine Wynn Resorts' good reputation as well as its business and gaming licenses.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

67. As a direct and proximate result of ARUZE USA's and Universal's acts and omissions in aiding and abetting Okada's breach of duty, Wynn Resorts has suffered and will continue to suffer direct, incidental and consequential damages in an amount to be proven at trial, but in any event, in excess of $10,000, plus prejudgment interest.

68. In committing the acts herein above alleged, ARUZE USA and Universal are guilty of oppression, fraud, and malice toward Wynn Resorts. As such, Wynn Resorts is entitled to recover punitive damages from ARUZE USA and Universal for the purpose of deterring them and others similarly situated from engaging in like conduct.

69. As a result of the acts and omissions of ARUZE USA and Universal, Wynn Resorts has been compelled to hire the services of an attorney for the protection of its interests.

THIRD CAUSE OF ACTION

(Declaratory Relief – NRS Chapter 30)

(Wynn Resorts against Okada, ARUZE USA & Universal)

70. Wynn Resorts repeats and realleges the allegations set forth in Paragraphs 1 through 69 above as though fully set forth herein.

71. To be deemed "suitable" under Nevada gaming law, the applicant must be: (a) a person of good character, honesty and integrity; (b) a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of the State of Nevada or to the effective regulation and control of gaming, and (c) must have adequate business probity, competence and experience, in gaming or generally.

72. Section 3.090 of the Nevada Gaming Regulations provides that a license, registration, and suitability finding requires, among other things, a person of "good character, honesty, and integrity" and one "whose background, reputation and associations will not result in adverse publicity for the State of Nevada and its gaming industry . . . ."

73. Even after a suitability finding, Regulation 3.080 provides that "[t]he commission may deny, revoke, suspend, limit condition or restrict any registration or finding of suitability or application therefor upon the same grounds as it may take such action with respect to licenses, licensees and licensing; without exclusion of any other grounds."

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

74. In recognition of the central importance of its gaming license, Wynn Resorts' Articles of Incorporation afford the Board of Directors the "sole discretion" to take certain action to protect the gaming licenses and approvals of Wynn Resorts and its affiliates. Under the Articles of Incorporation, an "'Unsuitable Person' shall mean a Person who . . . in the sole discretion of the board of directors of the Corporation, is deemed likely to jeopardize the Corporation's or any Affiliated Company's application for, receipt of approval for, right to the use of, or entitlement to, any Gaming License." In addition, the Amended and Restated Gaming and Compliance Program defines an "Unsuitable Person" as, among other things, one "that the Company determines is unqualified as a business associate of the Company or its Affiliates based on, without limitation, that person's antecedents, financial practices, financial condition or business probity."

75. Following a determination of unsuitability, the Articles of Incorporation provide that "[t]he Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person shall be subject to redemption by the Corporation, out of funds legally available therefor, by action of the board of directors, to the extent . . . deemed necessary or advisable by the board of directors. If . . . the board of directors deems it necessary or advisable, to redeem any such Securities, the Corporation shall give a redemption Notice to the Unsuitable Person or its Affiliate and shall purchase on the Redemption Date the number of shares of the Securities specified in the Redemption Notice for the price set forth in the Redemption Notice . . . ."

76. On February 18, 2012, following Freeh's presentation, the Board of Directors deliberated at length and thereafter adopted resolutions that: (1) determined that ARUZE USA, and Universal were likely to jeopardize Wynn Resorts' and its affiliated companies' gaming licenses; (2) deemed Okada, ARUZE USA, and Universal to be unsuitable persons under Wynn Resorts' Articles of Incorporation; and (3) redeemed ARUZE USA's shares in Wynn Resorts for approximately US $1.936 billion via a promissory note, in accordance with Article VII of the Articles of Incorporation.

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

77. Aware of the magnitude of his improprieties and what any reasonable Board of Directors of a Nevada gaming company would have to do, Okada attempted, in advance of the February 18, 2012 Board meeting, to set up a defense by disputing the Board's authority to act upon Freeh's report.

78. Accordingly, a justiciable controversy has arisen between the parties whose interests are adverse, and the dispute is ripe for adjudication. Wynn Resorts acted lawfully and in full compliance with its Articles of Incorporation, Bylaws, and other governing documents and is entitled to a declaration from this Court to that effect.

79. As a result of the acts and omissions of Defendants, Wynn Resorts has been compelled to hire the services of an attorney for the protection of its interests.

WHEREFORE, Wynn Resorts prays for judgment as follows:

1. For compensatory and special damages, including attorneys' fees, against Defendants in an amount to be determined at trial;

2. For a declaration that Wynn Resorts acted lawfully and in full compliance with its Articles of Incorporation, Bylaws, and other governing documents as set forth herein;

3. Disgorgement of profits;

4. Punitive damages;

5. For an award of reasonable costs and attorneys' fees;

6. For prejudgment and post-judgment interest on the foregoing sums at the highest rate permitted by law; and

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

7. Any additional relief this Court deems just and proper on the evidence presented at trial.

DATED this 18th day of February, 2012.

PISANELLI BICE PLLC

By: _____

James J. Pisanelli, Esq., Bar No. 4027
Todd L. Bice, Esq., Bar No. 4534
Debra L. Spinelli, Esq., Bar No. 9695
Jarrod L. Rickard, Esq., Bar No. 10203
3883 Howard Hughes Parkway, Suite 800
Las Vegas, Nevada 89169

and

Paul K. Rowe, Esq. *(pro hac vice forthcoming)*
Stephen R. DiPrima, Esq. *(pro hac vice forthcoming)*
WACHTELL, LIPTON, ROSEN & KATZ, LLP
51 West 52nd Street
New York, NY 10019

and

Robert L. Shapiro, Esq. *(pro hac vice forthcoming)*
GLASER WEIL FINK JACOBS HOWARD AVCHEN & SHAPIRO, LLP
10259 Constellation Boulevard, 19th Floor
Los Angeles, CA 90067

Attorneys for Wynn Resorts, Limited

PISANELLI BICE PLLC
3883 HOWARD HUGHES PARKWAY, SUITE 800
LAS VEGAS, NEVADA 89169

EXHIBIT 1

REPORT
Attorney – Client / Work Product / Privileged and Confidential

I. Introduction

Wynn Resorts, Limited ("Wynn Resorts"), a publicly traded company incorporated in the State of Nevada, on behalf of its Compliance Committee, retained Freeh Sporkin & Sullivan, LLP ("FSS") on November 2, 2011 to conduct an independent investigation. That independent investigation has been conducted under the sole direction of the Compliance Committee. The purpose of the investigation was to determine whether there is evidence that Mr. Kazuo Okada, a member of the Wynn Resorts Board of Directors, may have: (i) breached his fiduciary duties to Wynn Resorts; (ii) engaged in conduct that potentially could jeopardize the gaming licenses of Wynn Resorts; and/or, (iii) violated the Wynn Resorts compliance policy. Specifically, FSS has been asked to examine Mr. Okada's efforts in connection with the creation of a gaming establishment in the Republic of the Philippines.

This is the Report to the Compliance Committee Chairman on the results of FSS' investigation. As set forth with greater detail in the attached appendix, FSS has performed its investigation by interviewing dozens of individuals and by reviewing thousands of documents, electronic emails, corporate and public records.

II. Summary

The investigation has produced substantial evidence that:

1. Despite being advised by the Wynn Resorts Board of Directors and Wynn Resorts attorneys on the strict US anti-bribery laws which govern Wynn Resorts and its board, Mr. Okada strongly believes and asserts that when doing business in Asia, he should be able to provide gifts and things of value to foreign government officials, whether directly or by the use of third party intermediaries or consultants.

2. Mr. Okada, his associates and companies have arranged and designed his corporate gaming business and operations in the Philippines in a manner which appears to contravene Philippine Constitutional provisions and statutes that require 60% ownership by Philippine nationals, as well as a Philippine criminal statute.

3. Mr. Okada, his associates and companies appear to have engaged in a longstanding practice of making payments and gifts to his two (2) chief gaming regulators at the Philippines Amusement and Gaming Corporation ("PAGCOR"), who directly oversee and regulate Mr. Okada's Provisional Licensing Agreement to operate in that country. Since 2008, Mr. Okada and his associates have made multiple payments to and on behalf of these chief regulators, former PAGCOR Chairman Efraim Genuino and Chairman Cristino Naguiat (his current chief regulator), their families and PAGCOR associates, in an amount exceeding US 110,000. At times, Mr. Okada, his

associates and companies have consciously taken active measures to conceal both the nature and amount of these payments, which appear to be prima facie violations of the United States Foreign Corrupt Practices Act ("FCPA"). In one such instance in September 2010, Mr. Okada, his associates and companies, paid the expenses for a luxury stay at Wynn Macau by Chairman Naguiat, Chairman Naguiat's wife, their three children and nanny, along with other senior PAGCOR officials, one of whom also brought his family. Mr. Okada and his staff intentionally attempted to disguise this particular visit by Chairman Naguiat by keeping his identity "Incognito" and attempting to get Wynn Resorts to pay for the excessive costs of the chief regulator's stay, fearing an investigation. Wynn Resorts rejected the request by Mr. Okada and his associates to disguise and to conceal the actual expenditures made on behalf of Chairman Naguiat.

4. Additionally, Mr. Okada, his associates and companies appear to have engaged in a pattern of such prima facie violations of the FCPA. For example, in 2010 it also is possible that Mr. Okada, his associates and companies made similar payments to a Korean government official who oversees Mr. Okada's initial gaming investment in that country. Additional investigation is needed to develop and confirm these possible FCPA violations.

5. The prima facie FCPA violations by Mr. Okada, his associates and companies constitute a substantial, ongoing risk to Wynn Resorts and to its Board of Directors, creating regulatory risk, conflicts of interest and potential violations of his fiduciary duty to Wynn Resorts. Finally, Mr. Okada's documented refusal to receive Wynn Resorts requisite FCPA training provided to other Directors, as well as his failure to sign an acknowledgment of understanding of Wynn Resorts Code of Conduct, increase this risk going forward.

6. Mr. Okada insisted in his interview that all of his gaming efforts in the Philippines prior to the change of the presidential administration in the summer of 2010 were undertaken on behalf of and for the benefit of Steve Wynn and Wynn Resorts. This assertion is contradicted by press releases dating back to 2007 on his website, which announce an independent effort by Universal; his real estate investments; and the ownership of his corporations in the Philippines.

7. (7) Mr. Okada has stated that Universal paid expenses related to then-PAGCOR Chairman Genuino's trip to Beijing during the 2008 Olympics.

III. Kazuo Okada's Relevant Corporate Affiliations

A. Wynn Resorts

After an initial public offering which closed in October 2002, Aruze USA, Inc., controlled by Mr. Okada, became a 24.5% shareholder of Wynn Resorts. Mr. Okada's current ownership of Wynn Resorts through his control of Aruze USA, Inc. is 19.66%.

Mr. Okada became a member of the Wynn Resorts Board of Directors on October 21, 2002, and remains on the Board of Directors as of the date of this Report. In the past, Mr. Okada has used the title of Vice Chairman of Wynn Resorts. In October 2011, the Wynn Resorts Board of Directors eliminated the position of Vice Chairman.

As a Director of Wynn Resorts, Mr. Okada is entitled to receive the courtesy of what is called a "City Ledger Account." Such accounts were originally instituted as a result of Sarbanes Oxley's prohibition of extensions of credit, in the form of a personal loan from an issuer to an officer or director. The accounts were funded by deposits from the director or his company. Such an account exists for billing conveniences related to charges incurred at various Wynn Resorts locales. Mr. Okada has availed himself of this courtesy and established such a City Ledger Account.[1] Within Wynn Resorts, this Okada City Ledger Account is referred to either as the "Universal City Ledger Account" or as the "Aruze City Ledger Account." Accordingly, the phrases Universal City Ledger Account and Aruze City Ledger Account will be referred to interchangeably within this report despite the fact that Aruze Corp.'s name was changed to Universal Entertainment Corporation in November of 2009.

Mr. Okada has been found to be suitable by the Nevada Gaming Commission.[2]

B. Universal Entertainment Corporation of Japan

Mr. Okada currently serves as Director and Chairman of the Board of Universal Entertainment Corporation ("Universal Entertainment"), registered in Tokyo, Japan. Universal Entertainment Corporation is the current trade name of a company which was incorporated in 1969 as Universal Lease Co. Ltd. and which became Aruze Corp. in 1998. Aruze changed its

[1] The initial wire to establish the Aruze Corp. City Ledger Account was dated February 15, 2008.

[2] Mr. Okada was originally found to be suitable as a shareholder of Aruze Corp. as part of *An Order of Registration* issued jointly by the State Gaming Control Board and the Nevada Gaming Commission on June 4, 2004. On June 5, 2005, in a similar order, the Nevada Commission and the State Gaming Control Board found Aruze Corp. to be (1) suitable as a controlling shareholder of Wynn Resorts, Limited, (2) suitable as the sole shareholder of Aruze USA, Inc., (3) that Aruze USA, Inc. is registered as an intermediary company and is found suitable as a shareholder of Wynn Resorts, Limited, and (4) that Mr. Okada is suitable as a shareholder and controlling shareholder of Aruze Corp. [See Appendix]

name to Universal Entertainment Corporation in November 2009. Universal is listed on the JASDAQ stock exchange and is engaged in the manufacture and sale of pachinko and gaming machines and related business activities. As of September 2011, Okada Holdings Godokaisha was Universal Entertainment's major shareholder, with 67.90% of the issued shares.

The Nevada Gaming Commission has approved Universal Entertainment's suitability as the 100% shareholder for a subsidiary, Aruze USA, Inc.

C. **Aruze USA, Inc.**

Aruze USA, Inc. ("Aruze USA") is a wholly owned subsidiary of Universal Entertainment. Aruze USA is a US company and was incorporated in the State of Nevada on June 9, 1999. Mr. Okada is a Director of Aruze USA and serves as its President, Secretary, and Treasurer.

Aruze USA has been found suitable by the Nevada Gaming Commission as a major shareholder of Wynn Resorts.

D. **Aruze Gaming America, Inc.**

Aruze Gaming America, Inc. is a private company that is 100% personally owned by Mr. Okada. He currently serves as a Director, Secretary, and Treasurer of the company. Aruze Gaming America, Inc. is a US company and was incorporated on February 7, 1983. The company changed its name from Universal Distributing of Nevada, Inc. to Aruze Gaming America, Inc. on January 6, 2006. Aruze Gaming America, Inc. shares a common business address with Aruze USA, Inc. in Las Vegas, Nevada.

E. **Business Interests in the Republic of the Philippines**

Since 2008, Mr. Okada has been involved with a variety of corporate entities and with various business associates in the creation of a gaming establishment in an area of the Philippines known as Entertainment City Manila.[3] In furtherance of this endeavor, Mr. Okada and his associates have procured land and a provisional gaming license in the Philippines. A more detailed review of Mr. Okada's corporate entities and business associates in the Philippines is set forth in Section V(2)(A) below.

F. **Business Interests in the Republic of Korea**

Mr. Okada has recently pursued development of a casino resort complex in the Incheon Free Economic Zone in the Republic of Korea. A more detailed review of Mr. Okada's activities in Korea is set forth in Section V(4) below.

[3] On the Universal Entertainment website (viewed January 30, 2012) this project is referenced as "Manila Bay Resorts." [See Appendix]

IV. Relevant Legal and Policy Standards

A. FCPA

The United States Foreign Corrupt Practices Act ("FCPA") contains two primary categories of violations: (i) a books and records provision, and (ii) a bribery provision. Based upon available information, it seems clear that Aruze USA fits the definition of domestic concern[4] and United States person[5] provided in the FCPA, and that the FCPA applies both to Aruze USA and to Mr. Okada personally, in his capacity as an officer and director of Aruze USA.

Under the definitions of domestic concern and United States person, the statute applies to a corporation, partnership, unincorporated organization and other enumerated entities that have their principal place of business in the United States or which are organized under the laws of a State of the United States. It also applies to officers and directors of such concerns.[6]

In 1998, the FCPA was amended and added an alternative basis to interstate commerce for jurisdiction. As the United States District Court for the Southern District of New York wrote: ". . . . The amendments expanded FCPA coverage to 'any person' -- not just 'issuers' or 'domestic concerns' . . . . [A]ny United States person or entity violating the Act outside of the United States is subject to prosecution, regardless of whether any means of interstate commerce were used. Citing 15 USC 78dd-1, 78dd-2. . . . (Emphasis added.)[7]

Under this definition, Aruze USA is a covered party under the FCPA.

The FCPA provides that "[i]t shall be unlawful for any domestic concern, other than an issuer which is subject to section 78dd–1 of this title, or for any officer, director, employee, or agent of such domestic concern or any stockholder thereof acting on behalf of such domestic concern, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to—

(1) any foreign official for purposes of—

(A)

[4] 15 U.S.C. 78 dd – 2(a),(h).
[5] 15 U.S.C. 78 dd – 2(i).
[6] 15 U.S.C. 78 dd – 2(g).
[7] *In re Grand Jury Subpoena*, 218 F. Supp. 2d 544, 550 (S.D.N.Y 2002).

(i) influencing any act or decision of such foreign official in his official capacity,

(ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or

(iii) securing any improper advantage; or

(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person; . . ."[8]

The head of PAGCOR fits within the definition of foreign official as used in the FCPA.

According to PAGCOR's website, it "is a 100 percent government-owned and controlled corporation that runs under the direct supervision of the Office of the President of the Republic of the Philippines."[9] In addition to prescribing mandates to generate revenue for certain government programs and promote tourism in the Philippines, PAGCOR's charter states that the entity will "...[r]egulate, authorize and license games of chance, games of cards and games of numbers, *particularly casino gaming*, in the Philippines...."[10] (Emphasis added.)

As set forth above, there is still the interstate commerce basis for jurisdiction, but there is also an alternative. The alternative would require the same elements for an offense, but a showing of interstate commerce would not be required. If the interstate commerce basis for jurisdiction were used, the analysis set forth below would be of significance.

With regard to means or instrumentality of interstate commerce, some of the facts referred to in this report pertain to Mr. Okada utilizing the Universal City Ledger Account to confer financial benefits upon Philippine gambling regulators who could affect the business interests of Aruze USA, Inc. in the Philippines. Some of those benefits were conferred at Wynn Macau. The following facts concerning the Universal City Ledger Account, which bear upon use of means or instrumentalities of interstate commerce, were established during the investigation:

- The account is maintained at the corporate offices of Wynn Resorts, Limited in Las Vegas, Nevada where periodic deposits are made from Universal into the Wynn Resorts, Limited operating account at Bank of America in Las Vegas, Nevada to ensure that the amount on deposit remains at or about US 100,000. Bank documents reflect that the deposits are received from a Universal Entertainment account located in Japan.[11]

[8] 15 U.S.C. Section 78dd – 2(a).
[9] http://www.pagcor.ph/pagcor-faqs-profile.php, viewed January 18, 2012. [See Appendix]
[10] Ibid., viewed January 18, 2012. [See Appendix]
[11] See, e.g. wire transfer documents from Sumitomo Mitsumi Bank to Bank of America. [See Appendix]

- When charges are incurred at Wynn Macau, Wynn Macau tracks all charges for the Universal City Ledger Account on its books, and then the accounting department transfers the charges to accounting at Wynn Resorts, Limited in Las Vegas via a journal entry. Wynn Macau sends a pdf file to a staff accountant at Wynn Resorts, Limited in Las Vegas with all the backup documentation. Invoices issued by Wynn Resorts, Limited are periodically sent to a Universal Entertainment email address.[12]

B. **Nevada Gaming Regulations and Wynn Resorts Policies**

The question of whether or not a gaming licensee or licensee applicant is deemed "suitable" in Nevada is answered by reviewing the Nevada Revised Statutes ("NRS") in conjunction with the regulations promulgated by the Nevada Gaming Commission ("NGC"), which is empowered by the NRS.[13]

1. Legislative Authority

The standard for determining suitability is found in Section 463.170 of the NRS. Paragraph (2) of the NRS 463.170, entitled *Qualifications for license, finding of suitability or approval; regulations*, provides that the person seeking a license or a suitability determination is subject to the following considerations: "[a]n application to receive a license or be found suitable must not be granted unless the Commission is satisfied that the applicant is: (a) A person of good character, honesty and integrity; (b) A person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of this State or to the effective regulation and control of gaming. . . ." In addition, paragraph (3) provides in pertinent part "[a] license to operate a gaming establishment or an inter-casino linked system must not be granted unless the applicant has satisfied the Commission that: (a) [t]he applicant has adequate business probity, competence and experience, in gaming or generally. . . ."

The Nevada Gaming Commission Regulations ("Nevada Gaming Regulations") are also relevant to the conditions placed upon suitability. According to Section 3.080 of the Nevada Gaming Regulations, entitled *Unsuitable affiliates*, "[t]he commission may deny, revoke, suspend, limit, condition or restrict any registration or finding of suitability or application therefor upon the same grounds as it may take such action with respect to licenses, licensees and licensing; without exclusion of any other grounds." Paragraph (1) of Section 3.090, entitled

[12] In a Wynn Resorts Memorandum to File from the Corporate Accounting department, dated January 10, 2012, the "invoice[s] and all support documentation are emailed to kimiko.okamura@hq.universal-777.com, takashi.usami@hq.universal-777.com and jwayama.hidetsugu@hq.universal-777.com on the 5th of each month for the prior month [sic] activity." [See Appendix]

[13] For further advice regarding suitability, please consult directly with David Arrajj, Esq. and/or see Memo dated December 9, 2011 from Kate Lowenhar-Fisher, Esq. and Jamie L. Thalgott, Esq. to David Arrajj, Esq. re Associations and the Suitability Analysis. [See Appendix]

Standards for commission action, provides in pertinent part that "[n]o license, registration, finding of suitability, or approval shall be granted unless and until the applicant has satisfied the commission that the applicant: (a) Is a person of good character, honesty, and integrity; (b) Is a person whose background, reputation and associations will not result in adverse publicity for the State of Nevada and its gaming industry; and (c) Has adequate business competence and experience for the role or position for which application is made."

2. Underlying Corporate Documents of Wynn Resorts

The Second Amended and Restated Articles of Incorporation of Wynn Resorts, Limited (filed September 16, 2002) also provide for standards that seek to define an "Unsuitable Person." As set forth on page 8 of the Articles of Incorporation, the phrase Unsuitable Person "shall mean a Person who . . . in the sole discretion of the board of directors of the Corporation, is deemed likely to jeopardize the Corporation's or any Affiliated Company's application for, receipt of approval for, right to the use of, or entitlement to, any Gaming License." (Emphasis added.)

Finally, the Amended and Restated Gaming and Compliance Program of Wynn Resorts, Limited (adopted as of July 29, 2010) defines an *Unsuitable person* as a "[p]erson (i) who has been denied licensing or other related approvals by a Gaming Authority on the grounds of unsuitability or who has been determined to be unsuitable to be associated with a gaming enterprise by a Gaming Authority; or (ii) that the Company determines is unqualified as a business associate of the Company or its Affiliates based on, without limitation, that Person's antecedents, associations, financial practices, financial condition or business probity."

In the event of a finding of unsuitability, there are provisions within the aforementioned corporate documents that provide for a resolution post determination. Specifically, on page 6 of the Second Amended and Restated Articles of Incorporation of Wynn Resorts, Limited, the Articles state in pertinent part, "[t]he Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person shall be subject to redemption by the Corporation, out of funds legally available therefor, by action of the board of directors, to the extent required by the Gaming Authority making the determination of unsuitability or to the extent deemed necessary or advisable by the board of directors. If a Gaming Authority requires the Corporation, or the board of directors deems it necessary or advisable, to redeem any such Securities, the Corporation shall give a Redemption Notice to the Unsuitable Person or its Affiliate and shall purchase on the Redemption Date the number of shares of the Securities specified in the Redemption Notice for the Price set forth in the Redemption Notice. . . ." The Articles provide further guidance as to the terms of the redemption.

In addition, according to Section 3.6 of the Fourth Amended and Restated Bylaws, effective as of November 13, 2006, the removal of a director is premised upon ". . . the

affirmative vote of the holders of not less than two-thirds (2/3) of the voting power of the issued and outstanding stock of the Corporation entitled to vote generally in the election of directors (voting as a single class). . . ." Resignation is also listed as an option "upon giving written notice, unless the notice specifies a later time for effectiveness of such resignation, to the chairman of the board, if any, the president or secretary, or in the absence of all of them, any other officer."

C. Wynn Resorts Code of Business Ethics

Wynn Resorts first adopted a Code of Business Conduct and Ethics on May 4, 2004. The document defines itself as "a statement of policies for the individual and business conduct of the Company's employees and Directors . . . ."[14] There are two sections of the Code that are relevant to this investigation: (i) conflict of interest and (ii) interaction with government officials. The sections are included below for reference purposes.

1. Conflict of Interest:

"A Conflict of interest occurs when your private interests interfere, or even appear to interfere, with the interests of the Company. A conflict situation can arise when you take actions or have interests that make it difficult for you to perform your Company work objectively and effectively. Your obligation to conduct the Company's business in an honest and ethical manner includes the ethical handling of actual, apparent and potential conflicts of interest between personal and business relationships. This includes full disclosure of any actual, apparent or potential conflicts of interest as set forth below.

Special rules apply to executive officers and Directors who engage in conduct that creates an actual, apparent or potential conflict of interest. Before engaging in any such conduct, executive officers and Directors must make full disclosure of all facts and circumstances to the Corporate Secretary, who shall inform and seek the prior approval of the Audit Committee of the Board of Directors."

2. Interacting with Government:

Prohibition on Gifts to Government Officials and Employees

"Different governments have different laws restricting gifts, including meals, entertainment, transportation and lodging, that may be provided to government officials and government employees. You are prohibited from providing gifts, meals or anything of value to government officials or employees or members of their families in connection with Company business without prior written approval from the Compliance Officer."

[14] Wynn Resorts Code of Business Conduct and Ethics dated May 4, 2004, page 7. [See Appendix]

Bribery of Government Officials

"The Company's Policy Regarding Payments to Foreign Officials, the U.S. Foreign Corrupt Practices Act (the "FCPA"), and the laws of many other countries prohibit the Company and its officers, employees and agents from giving or offering to give money or anything of value to a foreign official, a foreign political party, a party official or a candidate for political office in order to influence official acts or decisions of that person or entity, to obtain or retain business, or to secure any improper advantage. Please refer to the Company's Policy Regarding Payments to Foreign Officials for more details regarding prohibited payments to foreign government officials."

Discipline for Violations:

"The Company intends to use every reasonable effort to prevent the occurrence of conduct not in compliance with its Code and to halt any such conduct that may occur as soon as reasonably possible after its discovery. Subject to applicable laws and agreements, Company personnel who violate this Code and other Company policies and procedures may be subject to disciplinary action, up to and including discharge." (Emphasis added.)

The Code has since been revised twice, once in 2009 and then again on November 1, 2011. Although the above sections have been expanded in these later editions, for the purpose of this investigation and the dates in question the substance has remained basically the same and the FCPA has continued to be a point of emphasis.

V. Report of Investigation

1. Mr. Okada's Attitude Toward Wynn Resorts Compliance Requirements

Mr. Okada's prima facie violations of FCPA, involving both his government regulators in the Philippines and possibly in Korea, do not appear to be accidental or based upon a misunderstanding of anti-bribery laws. Conversely, despite being advised by fellow Wynn Resorts Board members and Wynn Resorts counsel that payments and gifts to foreign government officials are strictly prohibited, Mr. Okada has insisted that there is nothing wrong with this practice in Asian countries. Mr. Okada has stated his personal rejection of Wynn Resorts anti-bribery rules and regulations, as well as legal prohibitions against making such payments to government officials, to fellow Wynn Resorts Board members.

In a February 24, 2011 Wynn Resorts Board of Directors ("Board") meeting at which Mr. Okada was present, after a lengthy discussion by the Board of the FCPA,[15] including specifically the Universal project in the Philippines and potential Wynn Resorts' involvement, "[t]he

[15] In an email from Kim Sinatra to Michiaki Tanaka, dated February 26, 2011, Ms. Sinatra referenced a meeting with Mr. Okada in which she furnished FCPA policy and training materials and reiterated the importance of strict compliance with the FCPA. [See Appendix]

independent members of the board unanimously advised management that any involvement [by Wynn Resorts] in the Philippines under the current circumstances was inadvisable."[16] During this discussion, Mr. Okada challenged the other board members over statements regarding the impermissibility under the FCPA of giving gifts abroad in return for favorable treatment, and made statements about hiring "third party consultants" to give gifts to officials.[17]

One board member recalled Mr. Okada stating that, in Asia, one must follow the local culture, and that is why one should hire "consultants" to give the gifts.[18] This board member understood Mr. Okada to mean that such use of consultants would help avoid prosecution under the FCPA. Another board member who was present recalled Mr. Okada stating that conducting business in the Philippines was all a matter of "hiring the right people" to pay other people.[19] Yet another board member recalled Mr. Okada being "adamant" during the FCPA discussion that it is not corrupt to give "gifts."[20] A board member who participated in the meeting by phone recalled Mr. Okada claiming that, in the Philippines, "business is done in a different manner, and sometimes you have an 'intermediary' that will do whatever he has to do," or words to that effect.[21] A different board member recalled being "shocked" by the contradiction between two of Mr. Okada's statements during this discussion.[22] Early in the discussion, Mr. Okada explained that there were no longer corruption issues in the Philippines with the new administration. However, Mr. Okada subsequently stated, in effect, that while he himself would not pay bribes, he would "hire someone else" to bribe the necessary person.

Pursuant to a chain of emails reviewed by FSS, commencing with an email on August 4, 2011 from Roxane Peper, Director of Intellectual Property and Corporate Records, to each of the board members (or their representatives), and ending with an email from Ms. Peper to Kevin Tourek, Senior Vice President and Corporate Counsel, on October 26, 2011, the following is clear:[23]

- All board members were notified of upcoming FCPA training/board meeting set for October 31 – November 1, 2011 and asked to confirm attendance by August 31, 2011.

- Mr. Okada, through two of his representatives, was emailed at least three (3) separate times before Shinobu Noda, his assistant, sent an email on September 15, 2011 confirming that Mr. Okada would attend.

[16] Minutes of Wynn Resorts Board of Directors meeting, February 24, 2011, p.3. [See Appendix]
[17] Interview of Steve Wynn, November 7, 2011.
[18] Interview of Robert J. Miller, December 16, 2011.
[19] Interview of Alvin V. Shoemaker, December 20, 2011.
[20] Interview of Marc D. Schorr, December 20, 2011.
[21] Interview of Allan Zeman, December 21, 2011.
[22] Interview of D. Boone Wayson, December 20, 2011.
[23] See emails from Roxane Peper to Kevin Tourek on October 26, 2011. [See Appendix]

Subsequent to the confirmation, Ms. Peper received an email from Ms. Noda on October 25, 2011. Ms. Noda stated that the email contained a message to Kim Sinatra, Senior Vice President and General Counsel of Wynn Resorts, from Mr. Okada.[24] This part of the message was entirely in Japanese and had to be translated. Mr. Okada asked for the FCPA training materials to be provided in Japanese. He also stated that he would be arriving on "Monday [October 31]", which was the day the FCPA training was to commence. He asked if the training could be held after the board meeting or rescheduled. Kim Sinatra sent a response to Ms. Noda via email on October 25, 2011 thanking Mr. Okada for the note and stating further that the FCPA training materials had been translated and would be provided to him via email and that Wynn Resorts had made further arrangements to have the FCPA live training translated to Japanese via simultaneous translation.[25] She also stated that the date of the training could not be rescheduled because it had been planned around his previous confirmation and that outside counsel was coming to Las Vegas to provide the training.

Mr. Okada failed to attend the training on October 31, 2011. He was the only member of the board not in attendance (all others attended in person or via telephone dial-in as evidenced via a sign-in sheet).[26]

2. Gaming Establishment in the Philippines

Evidence obtained in the course of the investigation establishes that Mr. Okada, his associates and companies, may have arranged and manipulated the ownership and management of legal entities in the Philippines under his control, in a manner that may have enabled the evasion of Philippine constitutional and statutory requirements. It is also noted that Mr. Okada's two principal Philippine corporations, Eagle I Landholdings, Inc. and Eagle II Holdco, Inc., which may have been purposefully created to circumvent Philippine constitutional restrictions on foreign ownership of land, appear to be closely intertwined with Rodolfo Soriano, Paolo Bombase and Manuel M. Camacho, who have numerous common ties to former PAGCOR Chairman Efraim Genuino. For example, with regard to Eagle II Holdco, Inc., as late as 2010, Platinum Gaming and Entertainment ("Platinum") had acquired 60% of its shares. According to a dated filing by Platinum on file with the Philippine SEC, Rodolfo Soriano controlled 20% of Platinum at the time of its incorporation. Mr. Soriano, referred to by attorney Camacho as a "bag man" for then-Chairman Genuino, is a former PAGCOR consultant and respondent in PAGCOR corruption referrals (see page 15 infra). Similarly, Paolo Bombase, an officer, director and nominal shareholder of Eagle I Landholding, Inc. and Eagle II Holdco., Inc. has a 1.25% share of Ophiuchus Real Properties Corp. This Ophiuchus entity is 15% owned by a Philippine company named SEAA Corp. In turn, SEAA is the family-controlled company of former PAGCOR Chairman Efraim Genuino. At this time, the significance of this interlocking shareholder link

[24] See email from Shinobu Noda to Roxane Peper dated October 25, 2011. [See Appendix]
[25] See email from Kim Sinatra to Shinobu Noda dated October 25, 2011. [See Appendix]
[26] See FCPA Training Sign-In sheet dated October 31, 2011. [See Appendix]

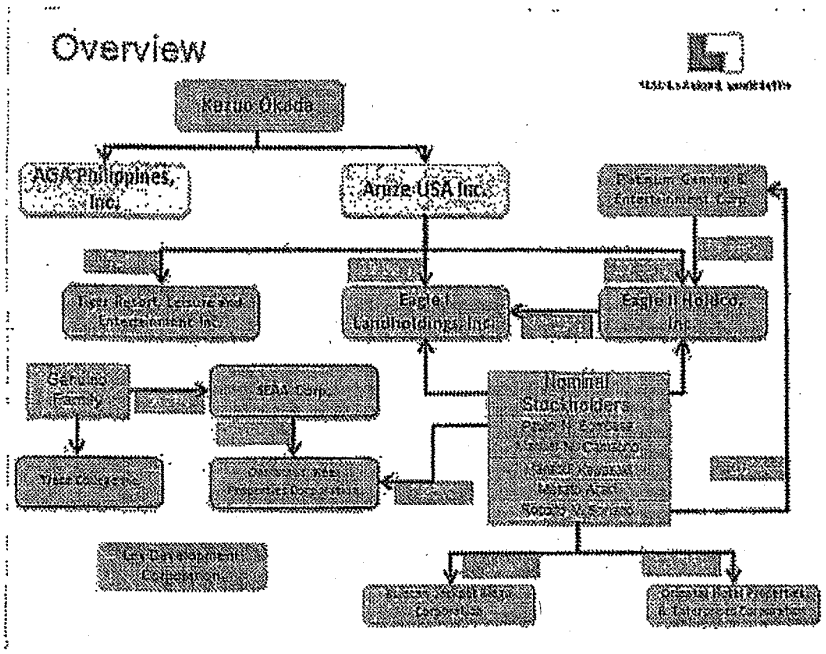
between Mr. Okada, his former Philippine gaming regulator, and the regulator's associates is not known.

A. Corporate Links between Mr. Okada's Business Interests and Those of Philippine Government Officials

Close associates and consultants of the former Genuino PAGCOR administration eventually attained positions as corporate officers, directors and/or nominal shareholders in legal entities controlled by Mr. Okada, and, in some cases, served as links between the business interests of Mr. Okada and those of former PAGCOR chairman Efraim Genuino and members of Genuino's immediate family.

In order to better understand the interrelationships among corporate entities in the Philippines controlled by Mr. Okada and those controlled by PAGCOR officials and their associates, FSS requested the Philippines law firm of M. M. Lazaro & Associates ("Lazaro") to produce a study of this issue.[27] Drawing upon official records obtained from the Philippines Securities and Exchange Commission, Lazaro produced an analysis of the relationships created by the ownership and control structures of these entities.[28] The chart below, extracted from that analysis, illustrates these relationships in schematic form.

[27] Manuel Lazaro was formerly a government corporate counsel with the rank and privileges of a Philippine presiding justice, court of appeals, who FSS retained to assist in the investigation and to advise on certain aspects of Philippine law. [See Appendix]
[28] The complete Lazaro PPT is attached to this report. [See Appendix]



Tiger Resorts, Leisure and Entertainment, Inc. ("Tiger") was incorporated in the Philippines on June 13, 2008.[29] Its primary purpose was stated as:

> To acquire, own, maintain, operate and/or manage hotels (city and resort), inns, apartments, private clubs, pension houses, convention halls, lodging houses, restaurants, cocktail bars, and any and all services and facilities related or incident thereto.[30]

Tiger is predominantly owned by Aruze USA, Inc.[31] In August 2008, PAGCOR granted Tiger a Provisional Licensing Agreement to operate a gaming establishment in the Entertainment City Manila Zone. An official of the current PAGCOR administration told FSS in December 2011 that PAGCOR was currently reexamining this license.[32]

---

[29] Articles of Incorporation of Tiger. [See Appendix]
[30] Ibid. [See Appendix]
[31] GIS of Tiger, 2010. [See Appendix].
[32] Combined interview of Jay Daniel R. Santiago and Thadeo Francis P. Hernando, on December 12, 2011. It should be noted that after the interview with Santiago and Hernando, FSS along with its Philippine counsel, for purposes of this investigation, formally requested a copy of the Provisional Licensing Agreement from PAGCOR, as well as other related documents. On the same date that the formal request was made, PAGCOR refused to supply a

Eagle I Landholdings, Inc. ("Eagle I") was incorporated in the Philippines on May 16, 2008 with 5 partners of the Philippines law firm Sycip Salazar Gatmaitan ("Sycip") as the shareholders, directors and officers.[33] By certification on September 5, 2008, the original shareholders were all replaced by, among others, Eagle II Holdco, Inc. ("Eagle II"), with approximately 60% ownership. Eagle II maintained this percentage of ownership of Eagle I through the filing of the latest available General Information Statement ("GIS") for the year 2010.[34] Eagle I's 2009 GIS, filed September 17, 2009, indicates that Paolo Bombase, Manuel N. Camacho and Rodolfo V. Soriano (whose associations with PAGCOR and Mr. Genuino are explained below) all had become officers/directors and nominal stockholders of Eagle I; they retained this status through the filing of the latest GIS for Eagle I.[35] Aruze USA, Inc. first appears as the owner of approximately 40% of Eagle I as of the 2010 GIS, owning the share previously owned by Molly Investments Cooperative UA ("Molly").[36]

Eagle II's filings with the Philippines Securities and Exchange Commission indicate a history similar to that of Eagle I. Incorporated on May 19, 2008 by the same 5 Sycip partners,[37] Eagle II reflected the acquisition of approximately 60% of its shares by Platinum Gaming & Entertainment Corp. ("Platinum") on its GIS filed September 17, 2009, with Platinum owning the same percentage as of the 2010 GIS.[38] The same filings reflect the appearance--in 2009 and continuing through the 2010 filing--of Messrs. Camacho, Soriano and Bombase as officers/directors and nominal shareholders. In 2010 Aruze USA, Inc. appears with the 40% shareholding that was attributed to Molly in 2009.[39]

Platinum was incorporated in the Philippines on November 21, 2001, with a Certificate of Filing of Amended Articles of Incorporation ("AOI") issued by the Philippines Securities and Exchange Commission on June 10, 2002.[40] Platinum has no GIS on file with the Philippines Securities and Exchange Commission, and the only corporate document filed besides the Articles of Incorporation is the 2004 Financial Statement. The latest information on file lists Mr.

---

copy of Tiger's Provisional Licensing Agreement, saying that they were bound by a non-disclosure clause. That refusal was signed by Francis P. Hernando, who is identified below as a PAGCOR employee, who stayed in Wynn Macau in June 2011 and had US 709.72 of expenses paid for by the Aruze City Ledger account. See Letter of Request and Letter of Refusal. [See Appendix]

[33] Articles of Incorporation of Eagle I. [See Appendix]

[34] GIS of Eagle I for years 2009 and 2010. [See Appendix] A GIS is required to be filed on an annual basis according to Section 141 of the Corporation Code of the Philippines. [See Appendix]

[35] Ibid. [See Appendix]

[36] Ibid. [See Appendix]; FSS has determined Molly to be a wholly owned subsidiary of Aruze Corp. See http://www.universal-777.com/en/ir/ir_lib/material/annual_20081119.pdf, page 32.

[37] Articles of Incorporation of Eagle II. [See Appendix]

[38] GIS of Eagle II, years 2009-2010. [See Appendix]

[39] GIS of Eagle II, 2010. [See Appendix]

[40] Articles of Incorporation of Platinum, as amended June 10, 2002. [See Appendix]

Soriano, a former PAGCOR consultant, as a director/officer and a 20% shareholder in Platinum.[41]

Messrs. Camacho, Bombase and Soriano are all directly associated with former PAGCOR Chairman Genuino in significant ways. Mr. Camacho is an attorney and a principal of the Manila law firm Camacho & Associates. He was for a time in a law partnership with Mr. Genuino's son, Erwin Genuino.[42] Mr. Camacho traveled to Japan with Mr. Soriano at then PAGCOR Chairman Genuino's behest, to meet with Mr. Okada and other representatives of Aruze. This meeting resulted in Mr. Camacho's firm replacing Sycip in representing Aruze with respect to the development of the project in Entertainment City Manila.[43]

Sometime subsequent to this meeting, Aruze wired retainer funds to the bank account of Mr. Camacho's firm, an account controlled jointly by Mr. Camacho and Erwin Genuino. Later, Mr. Camacho discovered that all or most of these funds had been withdrawn by Erwin Genuino. When he questioned this withdrawal, he was eventually told by Mr. Soriano and/or then PAGCOR Chairman Genuino that the funds had been withdrawn to be used as a "cash payoff" to the mayor of the municipality in which the Entertainment City Manila project is located, in order to facilitate approval of the use of some plots of land to build roads needed for Mr. Okada's casino project. Mr. Camacho claims to have had a falling out with Erwin Genuino and Mr. Soriano, and to be involved currently in a lawsuit against Erwin Genuino over the dissolution of their law partnership.[44] Erwin Genuino is named as a respondent, along with former PAGCOR Chairman Genuino, in two sworn corruption referrals ("PAGCOR Referrals") filed with the Republic of the Philippines Department of Justice ("DOJ") in the summer of 2011 by the current PAGCOR Administration.[45]

Mr. Bombase, also an attorney, is an officer/director and shareholder of Ophiuchus Real Properties Corporation ("Ophiuchus"), incorporated in April 2011.[46] According to its 2011 GIS, Ophiuchus was 15% owned by SEAA Corporation ("SEAA").[47] SEAA, which was registered with the Philippine SEC on December 3, 1997, is, according to its 2011 GIS, 100% owned by members of former PAGCOR Chairman Genuino's immediate family.[48] The Articles of

[41] M. M. Lazaro & Associates, "Aruze Corporations in the Philippines and 'Related' Corporations", p. 18. [See Appendix]
[42] Interview of M. Camacho, December 13, 2011.
[43] In his discussion with FSS, Mr. Camacho referred to the firm only as "Aruze," not further defined.

[44] Although Mr. Camacho, who is in his seventies, failed to recall some details of his dealings with Mr. Genuino and Mr. Soriano, FSS credits the general account given by him during the December 13, 2011 interview.
[45] See PAGCOR Referrals. [See Appendix]
[46] Articles of Incorporation of Ophiuchus. [See Appendix]
[47] GIS of Ophiuchus, 2011. [See Appendix]
[48] GIS of SEAA, 2011. [See Appendix]

Incorporation of Ophiuchus also list Emilio Marcelo as an officer/director and shareholder.[49] Mr. Marcelo is named as a respondent in the PAGCOR Referrals.[50]

Mr. Soriano is a former PAGCOR consultant, named by Mr. Camacho as a close business associate and "bag man" for Mr. Genuino.[51] Mr. Soriano is also named as a respondent in the PAGCOR Referrals.[52] As of the latest information filed with the Philippines Securities and Exchange Commission in 2002, Mr. Soriano was a 20% shareholder and an officer/director of Platinum,[53] identified above as a 60% shareholder in Eagle II. If Mr. Soriano still held the same stake in Platinum when it acquired its share of Eagle II in 2009, then he became an effective owner of 12% of Eagle II and approximately 7% in Eagle I.

B. Apparent Evasion of Republic of Philippines Legal Requirements

As described in the preceding section, Mr. Okada caused various legal entities to be incorporated in the Philippines, in order to develop his casino resort project there, over time replacing the original incorporating Filipino shareholders with combinations of foreign shareholders affiliated with or controlled by him and associates of then-PAGCOR Chairman Genuino. As discussed below, there are constitutional and statutory requirements in the Republic of the Philippines requiring that purchasers of land be Philippines citizens or Filipino-owned legal entities, and that legal entities conducting business in the Philippines, with certain exceptions, be at least 60% Filipino owned.

In 2008, Eagle I purchased various tracts of land near Manila Bay totaling approximately 30 hectares at a total price of PHP 13,527,637,941.00 (approximately US 314,953,000.00) for the development of the project in Entertainment City Manila.[54]

At FSS' request, Lazaro prepared an analysis and opinion on the validity of Eagle I's ownership of these properties, in light of the aforementioned provisions of the Philippines Constitution and applicable statutes.[55] The analysis included a detailed review of the ownership and capitalization of Eagle I and associated entities described in the preceding section. The following is a summary of pertinent findings of the Lazaro analysis.

[49] Articles of Incorporation of Ophiuchus. [See Appendix]
[50] See PAGCOR Referrals. [See Appendix]
[51] Interview of M. Camacho, Dec 13, 2011.
[52] See PAGCOR Referrals. [See Appendix]
[53] Articles of Incorporation of Platinum, as amended June 10, 2002. The 2001 Articles of Incorporation list four (4) additional 20% shareholders, identified as Filipino nationals. Because Platinum has not filed a GIS since 2002, the current ownership and control of Platinum is unknown. [See Appendix]
[54] Numbered Transfer Certificates of Title ("TCT") for Eagle I purchase of land tracts in Parañaque City, Philippines, dated August 19, 2008. [See Appendix]
[55] M. M. Lazaro & Associates. Memo re "Validity of Eagle I's Ownership of Real Estate Properties" ("Ownership Memo"), Jan 2012. [See Appendix]

A review of the 2009 Financial Statement of Eagle I disclosed that the funds used to purchase the land tracts appear to have been advanced by Molly.[56]

Platinum, the 59.99% owner of Eagle II, has filed no records with the Philippines Securities and Exchange Commission indicating that its paid-in capital ever increased beyond the original PHP 62,500, despite its amended Articles of Incorporation indicating that its authorized capital stock was increased from the initial PHP 1,000,000.00 to PHP 24,000,000.00.[57] Nor is it known today what person(s) or entities have controlled Platinum since incorporation in 2001.

The 1987 Constitution of the Philippines requires that only Philippines citizens or corporations with at least 60% of their capital stock owned by Filipinos are qualified to acquire land in the Philippines.[58] The Philippines Foreign Investment Act further requires that for a corporation to be considered a Philippines national, at least 60% of its capital stock outstanding and entitled to vote must be owned and held by citizens of the Philippines.[59]

Whenever facts or circumstances create doubt as to whether the ownership of 60% of a corporation is truly Filipino, Philippines Securities and Exchange Commission case law has held that a stringent examination of the true ownership of the voting stock of the subject corporation and of the true ownership of the voting stock of all successive layers of corporate ownership should be conducted. The application of this stringent standard is known as the "Grandfather Rule."[60]

Serious doubts are therefore raised about the actual Filipino equity of Eagle I, because of the appearance that Eagle I and Eagle II were created purposely to "...circumvent the constitutional restriction on foreign ownership of land."[61] Lazaro bases this assertion on its conclusion that "...Platinum appears to be merely a shell corporation used to satisfy the Filipino equity requirement."[62] Application of the Grandfather Rule would therefore be appropriate.

Applying the Grandfather Rule, Lazaro calculates the true percentage of Filipino versus foreign equity in Eagle I as illustrated in the following table:[63]

[56] Ibid, p. 2. [See Appendix]
[57] Ibid, pp. 5-6. [See Appendix]
[58] Ibid, p. 8. [See Appendix]
[59] Ibid, pp. 9-10. [See Appendix]
[60] Ibid, pp. 11-14. [See Appendix]
[61] Ibid, p. 14. [See Appendix]
[62] Ibid, pp. 14-15. [See Appendix]
[63] Ibid, p. 15. [See Appendix]

Shareholder	Direct	Indirect	Total Filipino investment in Eagle I	Total Foreign investment in Eagle I
Aruze USA	40% of Eagle I	24% (40% of 60% total holdings of Eagle II in Eagle I)		64%
Platinum*		36% (60% of 60% total holdings of Eagle II in Eagle I)	36%	

*As noted above, Platinum has failed to file its annually required GIS with the Philippine SEC since its inception in 2001. The calculations in the above table prepared by Lazaro assume the "best case" scenario (for Platinum), i.e., that it is a truly 100% Filipino-owned corporation. If Platinum's actual Filipino ownership is less than 100%, then the percentage of Filipino investment in Eagle I would be correspondingly even less than calculated in the table.

Lazaro concludes that "...the foregoing shareholder structure appears to have been formulated by the parties as a legal scheme to justify the qualification of Eagle I to own real estate properties. The scheme employed...gives Aruze USA, Inc....a convenient vehicle to justify its ownership...in circumvention of the constitutional restriction on the foreign ownership of land."[64] Lazaro goes on to conclude that the apparent shareholder structuring scheme outlined above may also constitute a violation of Commonwealth Act No. 108, commonly known in the Philippines as the "Anti-Dummy Law."[65] If convicted of a violation of this law, stockholders of Platinum and of Aruze USA, Inc. who profited from the scheme would face a sentence of imprisonment of not less than five years nor more than fifteen years.[66]

From the foregoing discussion, there is substantial evidence and credible legal opinion indicating that the ownership structure of Eagle I and Eagle II may subject Mr. Okada, along with his associates and companies, to civil as well as criminal sanctions under Philippine law.

[64] Ibid, p. 16. [See Appendix]
[65] Ibid, pp. 16-17. [See Appendix]
[66] Ibid, p. 17. [See Appendix]

3. Apparent FCPA Violations Regarding Philippine PAGCOR Officials at Wynn Resort Properties

FSS has reviewed records of the Aruze City Ledger Account, through which Mr. Okada and Universal charge expenses for lodging, entertainment and other incidentals incurred at Wynn Resorts facilities against funds deposited into the account by Universal, and available underlying documentation furnished by Wynn Resorts management. The table below highlights thirty-six (36) separate instances, from May, 2008, through June 2011 (more than a three (3) year period), when Mr. Okada, his associates and companies made payments exceeding US 110,000, which directly benefitted senior PAGCOR officials, including two chairmen and their family members.

Name	Relationship to PAGCOR/Phil. Gov't.	Location(s) and Date(s) of Stay(s)	Total Charged to Aruze City Ledger Account (in US)
Efraim C. Genuino	Former PAGCOR Chairman (February 2001 to June 30, 2010)	WM June 6-9 2010	1,870.64
Cristino L. Naguiat Jr.	PAGCOR Chairman (July 2, 2010 to Present)	WM Sep 22-26 2010	See Suzzanne Bangsil[67]
		WLV Nov 15-20 2010	5,380.86
		WM June 6-10 2011	3,909.80
Dinner (Naguiat Party)	Chairman (PAGCOR)	WM Sep 24 2010 (Hosted by and charged to Kazuo Okada)	1,673.07
Maria Teresa Socorro Naguiat	Wife of PAGCOR Chairman Cristino L. Naguiat Jr.	WM June 6-10 2011	1,039.31
Suzzanne Bangsil[68]	Wife of Rogelio Bangsil, PAGCOR	WM Sep 22-26 2010	50,523.22
Jose Miguel	Husband of former	WLV Nov 12-17	4,642.40

[67] Chairman Naguiat did not identify himself and Mr. Okada's representatives insisted that his stay there be "Incognito." Accordingly, the bulk of the charges for the trip are reflected on the City Ledger Account as attributable to "Suzzanne Bangsil," the wife of Rogelio Bangsil, a senior PAGCOR official and Chairman Naguiat's employee. However, interviews, photo identifications and documentary evidence clearly establish that Chairman Naguiat was the "Incognito" guest and the direct beneficiary of these payments.

[68] Investigation has in fact determined that Chairman Naguiat was registered as an "Incognito" VIP guest under Suzzanne Bangsil's reservation. Therefore, this US 50,523.22 was paid for Chairman Naguiat's benefit.

"Mike" Arroyo	Philippines President Gloria M. Arroyo (Jan 20 2001 – June 20 2010)	2009	
Imelda Dimaporo	PAGCOR Board Member	WM June 8-10 2010	891.44
Philip Lo	PAGCOR Board Member	WLV April 29 2009 – May 3 2009	1,755.25
Manuel Roxas	PAGCOR Board Member	WLV April 2009[69]	253.75
		WLV April 29 2009 – May 3 2009	1,686.95
Susan Vargas	PAGCOR Board Member	WM June 8-10 2010	480.17
Jose Tanjuatco	PAGCOR Board Member (July 19 2010 to Present)	WLV Nov 15-18 2010	2,148.57
Rogelio J. B. Bangsil	Officer in Charge of PAGCOR Gaming Department	WM Sep 24-26 2010	1,149.04
		WM June 6-12 2011	2,955.23
Rodolfo Soriano	PAGCOR Consultant	WM June 3-7 2008	1,186.08
		WLV Nov 12-17 2009	4,228.00
		WM June 7-10 2010	1,104.06
		WM Aug 18 2010	368.06
Olivia Soriano	Relative of Rodolfo Soriano	WLV May 2008	975.55
Anthony F. "Ton" Genuino[70]	Son of Efraim C. Genuino; Mayor of Los Baños (2010 to Present)	WLV Sep. 2008	2,386.26
		WLV Oct 2008	2,326.49
Rafael Francisco	PAGCOR COO and President	WLV Nov 12-17 2009	4,360.16
		WM June 7-11 2010	935.21

[69] When the "Dates of Stay" in this table were not readily available, the month and year that the charges were entered in the City Ledger Account are used.
[70] See PAGCOR Referrals (Anthony Genuino is named as a respondent). [See Appendix]

Emelio Marcello	PAGCOR Consultant	WLV Nov 12-17 2009	1,181.60
		WM June 7-9 2010	471.51
Carlos Bautista	PAGCOR VP Legal	WM June 6-10 2010	1,049.69
Mario Cornista	PAGCOR Consultant	WM June 7-9 2010	600.02
Rene Figueroa	PAGCOR Executive VP	WM June 7-10 2010	646.76
Ernesto Francisco	PAGCOR Executive Committee and Casino General Manager	WM June 7-10 2010	797.17
Edward King	PAGCOR VP Corporate Communications	WM June 7-10 2010	767.71
Transportation	PAGCOR Delegation	WM Aug 2010	462.42
Jeffrey Opinion	Member of Naguiat Party	WM Sep 24-26 2010	906.61
Ed de Guzman	PAGCOR Executive Committee, AVP Slots	WM Jun 6-12 2011	3,421.79
Gabriel Guzman	Probable relative of Ed de Guzman (had adjoining room)	WM Jun 6-12 2011	1,391.71
(Thadeo) Francis P. Hernando[71]	PAGCOR VP, Licensed Casino Development Dept.	WM Jun 8-10 2011	709.72
TOTAL			110,636.36

The total in the above table represents charges from the Aruze City Ledger Account that are readily identifiable as incurred directly by officials and consultants of PAGCOR,[72] their family members and close associates, including Jose Miguel Arroyo, the then-First Gentleman of the Republic of the Philippines, husband of Philippine President Gloria Arroyo. Through a review of the Aruze City Ledger Account for statement periods March 2008 through November 2011, FSS has calculated that total charges to the account for that period, attributable to

[71] This is the same PAGCOR official who denied the FSS request for documents in December 2011, including a copy of the Provisional License Agreement. See footnote 31.
[72] In order to establish the PAGCOR affiliation of some of the individuals listed in this chart, various sources were consulted, including the PAGCOR website, internet news articles and the PAGCOR Referrals.

PAGCOR officials, employees, consultants, their associates and family members, exceed USD 110,000.[73]

FSS investigators interviewed members of the Wynn Macau management team, who furnished the following relevant information regarding a visit to that property in September 2010 by then and current PAGCOR Chairman and CEO Cristino L. Naguiat, Jr., his wife, three children, nanny and other PAGCOR officials, whose four-day stay at Wynn Macau was paid for via the Aruze City Ledger Account:

- September 20, 2010: Yoshiyuki Shoji of Universal, in an e-mail to Angela Lai of Wynn Macau, requests reservations for "Rogelio Bangsil (Guest Representative) & Others." Mr. Shoji requests Encore Suite or "more gorgeous room, such as Villa," and "the best butler" for unnamed person in group, who is "VIP for Universal." Mr. Shoji states that guests other than Bangsil should not be registered, that all charges should be posted to Universal's City Ledger,[74] and that "Mr. Okada would like them to experience the best accommodations and services at Wynn Macau."[75] The communication makes no reference to PAGCOR or the government affiliation of the guests.

- September 20, 2010: In an e-mail to Wynn Macau President Ian Coughlan and others, Ms. Lai informs Mr. Coughlan of the reservation and that checks of websites indicate that Mr. Bangsil is in charge of PAGCOR's gaming department.[76]

- September 20, 2010: In an e-mail to Mr. Shoji, Ms. Lai advises that Wynn Macau is checking on availability of the requested upgrade and that Macau law requires that all room occupants be registered, and requests that all guest names be furnished in advance of or at the time of registration.[77]

- September 22, 2010: In an e-mail to Wynn Macau President Ian Coughlan, Wynn Macau Senior Vice-President – Legal Jay M. Schall advises Mr. Coughlan of

[73] See City Ledger Account. [See Appendix]
[74] When Mr. Shoji set up the City Ledger Account for Mr. Okada in 2008, he asked whether the customer name and amount paid would be made public. He was advised that such information would not become public. Email response from Kim Sinatra to Shoji, dated February 8, 2008. [See Appendix]
[75] E-mail from Y. Shoji to A. Lai, September 20, 2010 [See Appendix]; interview of A. Lai, January 4, 2012.
[76] E-mail from A. Lai to I. Coughlan, September 20, 2011 [See Appendix]; interview of A. Lai, January 4, 2012; interview of I. Coughlan, December 29, 2011. It should be noted that according to an article in Manilatimes.net, published February 2, 2012, Rogelio Bangsil has recently been transferred to the PAGCOR international marketing department after a probe that found the government losing PHP 160 million in government run casinos to a Mr. Liu. [See Appendix]
[77] E-mail from A. Lai to Y. Shoji, September 20, 2010 [See Appendix]; interview of A. Lai, January 4, 2012.

PAGCOR's 100% government ownership and of Mr. Bangsil's position there. He writes "Bangsil, the guest of Mr. Okada, is a top five (if not 3) officer."[78]

- September 22, 2010 (14:00): Wynn Macau sends 1 Rolls Royce and 1 Elgrand to the airport, along with Masato Araki, Special Assistant to Mr. Okada; and Kenichiro Watanabe, another Universal associate, to meet arriving party, who arrived on Philippine Airline Flight 352 from Manila. They return with Chairman Cristino L. Naguiat, Rogelio Bangsil and Jeffrey Opinion at 14:45.[79] Only Mr. Bangsil furnishes his name upon registration. Ms. Lai and Wynn Macau VIP Services Manager Beatrice Yeung thereafter checks PAGCOR website and identifies Chairman Naguiat's name from his picture there.[80] Ms. Yeung's log and ongoing entries refer to "[I]ncognito (Mr. Naguiat, Cristino L.)."[81]

- Chairman Naguiat occupies Villa 81, the most expensive accommodation at Wynn Resorts Macau (about 7,000 square feet in size, which then cost about US 6,000 per day and is mostly reserved for "high rollers").

- September 22, 2010: the Wynn Encore log book reflects "Incognito (Mr. Naguiat) stayed in Villa 81 Master Bedroom 1."[82]

- September 23, 2010 (10:00): Mr. Araki advises Ms. Yeung that Chairman Naguiat plans to have lunch with Miss Pansy Ho at MGM.[83]

- September 23, 2010 (14:04): Jay Schall sends an email to Wynn Macau corporate security to check Worldcheck, as a rush job, for Cristino L. Naguiat Jr., Chairman and Chief Executive Officer of PAGCOR.[84]

---

[78] E-mail from J. Schall to I. Coughlan, September 22, 2010 [See Appendix]; interview of J. Schall, January 3, 2012; interview of I. Coughlan, December 29, 2011.
[79] Wynn Macau Manager – Encore Logbook, September 22, 2010. [See Appendix]
[80] Interviews of Beatrice Yeung, January 4, 2012 and February 1, 2012; interviews of Angela Lai January 4, 2012 and February 2, 2012.
[81] Wynn Macau Manager – Encore Logbook, September 22, 2010. [See Appendix]
[82] Ibid. [See Appendix] During subsequent visits, Chairman Naguiat was identified as "Naguiat," though he was identified during his initial visit as "incognito." The negative inference to be drawn is an attempt to hide the payment of extremely costly expenses by a corporation connected with a regulated entity. The fact that he had only recently become chairman may have been a factor in his desire to keep his identity secret.
[83] Miss Ho is the daughter of Hong-Kong and Macau-based businessman Stanley Ho. Though Nevada gaming regulators found Miss Ho to be a suitable business partner for MGM Mirage, see http://www.lvrj.com/business/45462797.html, New Jersey regulators recommended that she be found unsuitable as MGM Mirage's joint venture partner in Macau. See http://www.newjerseynewsroom.com/state/mgm-mirage-chooses-pansy-ho-over-atlantic-city. [See Appendix]
[84] Email from Jay Schall to Peter Barnes of Wynn Macau Corporate Security, dated September 23, 2010. [See Appendix]