

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-16-094
PNK (River City), LLC)

PRELIMINARY ORDER FOR DISCIPLINARY ACTION

Comes now the Missouri Gaming Commission acting in its official capacity pursuant to 11 CSR 45-13.050, and states as follows:

1. The Missouri Gaming Commission (the "Commission") or ("MGC") is a state commission created under Chapter 313, RSMo 2000,¹ with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Pinnacle Entertainment, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Pinnacle Entertainment Inc. is the parent organization or controlling entity of PNK (River City), LLC, ("Company").
4. The Commission issued a Class B riverboat gambling license to the Company to conduct games on and operate the excursion gambling boat known as *River City Casino* ("Casino").
5. As the holder of a Class B license, the Company is subject to the provisions of §§ 313.800 to 313.850, RSMo, and the regulations promulgated thereunder by the Commission.

STATEMENT OF FACTS²

6. An investigation, prompted by a notification of a promotional issue that occurred at the Casino in September 2015, found that multiple promotions at the Casino failed to operate correctly due to a system misconfiguration during the promotion's setup.
7. River City Casino marketing employees set up the Casino's "Live Life Luxe 2015" Promotion in the House Advantage product HALo Universal Promotions (HALo).
8. The promotions were set up in Pacific Standard Time (PST) because the HALo servers are located in Las Vegas, NV.
9. Due to the times being set in PST, but actually running in Central Standard Time (CST) at the Casino, the promotions' earning windows always started and ended two hours earlier than stated in the rules.

¹ All statutory references are to RSMo 2000, unless otherwise specified

² 20151005010

10. As a result, 2,230 patrons failed to get entries in the Live Life Luxe 2015 promotion.
11. All promotions set up in HALo since its implementation in July 2014 had similarly configured time settings.
12. A summary for all five of the Casino's promotions set up using HALo between July 2014 and September 2015 revealed the following:
 - a. 12,006 players that missed entries because of the time configuration error; and
 - b. 22,783 total entries earned that were missed because of the time configuration error.

LAW

13. Under § 313.805(6), RSMo, the Commission may assess any appropriate administrative penalty against a licensee, including but not limited to, suspension, revocation or penalties of an amount determined by the Commission.
14. Section 313.812.14, RSMo, states, in pertinent part, as follows:

A holder of any license shall be subject to imposition of penalties, suspension or revocation of such license, or if the person is an applicant for licensure, the denial of the application, for any act or failure to act by himself or his agents or employees, that is injurious to the public health, safety, morals, good order and general welfare of the people of the state of Missouri, or that would discredit or tend to discredit the Missouri gaming industry or the state of Missouri unless the licensee proves by clear and convincing evidence that it is not guilty of such action. The commission shall take appropriate action against any licensee who violates the law or the rules and regulations of the commission. Without limiting other provisions of this subsection, the following acts or omissions may be grounds for such discipline.

- (1) Failing to comply with or make provision for compliance with sections 313.800 to 313.850, the rules and regulations of the commission or any federal, state or local law or regulations;
- (2) Failing to comply with any rule, order or ruling of the commission or its agents pertaining to gaming[.]

15. Title 11 CSR 45-5.181 states, in pertinent part, as follows:

- (1) For the purposes of this rule, the following words are defined as:

* * *

(B) Patron—any person present on the premises of a Class B licensee that is not employed by such Class B licensee or the commission and is not on the premises as a vendor of the Class B licensee;

* * *

(D) Promotional game—a drawing, event, contest or game in which patrons of a Class B licensee may, without giving consideration, participate or compete for the chance to win a prize or prizes of different values; and

(E) Player reward program—a promotional activity that provides redeemable player reward points to patrons as a result of wagering regardless of game outcome and based on predetermined formulas.

(2) Class B licensees may provide promotional activities such as promotional giveaways, promotional coupons, promotional games, player reward programs or similar activities for patrons without the prior approval of the commission, provided the promotional activity is not structured or conducted in a manner that reflects negatively on the licensee, the commission, or the integrity of gaming in Missouri and complies with the following:

* * *

(B) The promotional activity shall comply with all applicable laws and regulations...;

* * *

(D) All prizes offered in the promotional activity shall be awarded according to the Class B licensee’s rules governing the event[.]

VIOLATIONS

16. The actions or omissions of employees or agents of the Company as described above caused the promotion to be conducted in a manner that reflects negatively on the licensee and constituted the failure of the Casino to conduct its promotions according to the licensee’s rules governing the event, thereby violating 11 CSR 45-5.181(2).

17. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 313.812.14(1) and (2), RSMo.

PENALTY PROPOSED

18. Under § 313.805(6), RSMo, the Commission has the power to assess any appropriate administrative penalty against the Company, as the holder of a Class B license.

19. THEREFORE, it is proposed that the Commission fine PNK (River City), LLC, the amount of \$20,000 for the violations set forth herein.

Herbert M. Kohn
Chairman
Missouri Gaming Commission

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he caused a true and correct copy of the foregoing to be mailed, postage prepaid, this ____ day of May, 2016, to:

Chris Plant, General Manager
River City Casino
777 River City Casino Boulevard
St. Louis, MO 63125

Herbert M. Kohn
Chairman
Missouri Gaming Commission