

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-14-009
Isle of Capri Casinos, Inc.)
)

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") is a state commission created under Chapter 313, RSMo (2000), with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission granted Isle of Capri Casinos, Inc. (the "Company") a Class A riverboat gaming license to develop and operate Class B riverboat gaming licenses in the State of Missouri.
3. Isle of Capri Casinos, Inc. is the parent organization or controlling entity of Isle of Capri Kansas City, Inc., Isle of Capri Boonville, Inc. and Isle of Capri Cape Girardeau, LLC.
4. The Commission granted a Class B riverboat gaming license to the Company to maintain and conduct gambling games on and operate the excursion gambling boat or casino known as the *Isle of Capri Kansas City, Inc., Isle of Capri Boonville, Inc. and Isle of Capri Cape Girardeau, LLC*.
5. As the holder of a Class A license, the Company is subject to the provisions of Sections 313.800 to 313.850, RSMo (2000), and the regulations promulgated thereunder by the Commission.

STATEMENT OF FACTS¹

6. On Thursday, June 14, 2012, Sergeant Jim Bennett, a member of the Missouri Highway Patrol assigned to the Gaming Division was assigned to investigate a violation of Missouri Revised Statute 313.812 and Missouri Code of State Regulations, 11 CSR 45-5.053.
7. The investigation occurred after Isle of Capri Casino, Incorporated, self disclosed they had hired a construction company, Nip Kelley Equipment Company, Incorporated (Nip Kelley), at their Cape Girardeau casino project who's owner,

¹ 20121003006

Vincent Kelley, was convicted of a felony in federal court. Vincent Kelley was found guilty of five counts of felony mail fraud in December 1996.

LAW

8. Section 313.805(6), RSMo, states the Commission may assess any appropriate administrative penalty against a licensee, including, but not limited to, suspension, revocation, and penalties of an amount determined by the Commission up to three times the highest daily amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted during the previous twelve months.
9. Section 313.812.14, RSMo, states a holder of any license is subject to imposition of penalties, suspension or revocation of such license 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.
10. Section 313.812.14(1), RSMo, states that a licensee may be disciplined for failing to comply with or make provisions for compliance with Sections 313.800 to 313.850, the rules and regulations of the commission or any federal, state or local law or regulation.
11. Section 313.812.14(2), RSMo, states that a licensee may be disciplined for failing to comply with any rule, order or ruling of the Commission or its agents pertaining to gaming.
12. Section 313.812.14(5), RSMo, states that a licensee shall not associate with, either socially or in business affairs, or employing persons of notorious or unsavory reputation or who have extensive police records, or who have failed to cooperate with any officially constituted investigatory or administrative body and would adversely affect public confidence and trust in gaming.
13. Under 11 CSR 45-5.053(3) The holder of a Class A license is expressly prohibited from the following activities: (E) Catering to, assisting, employing or associated with, either socially or in business affairs, persons of notorious or unsavory reputation or who have felony police records, or the employing either directly through a contact or other means, of any firm or individual in any capacity where the reput of the state of Missouri or the gaming industry is liable to be damaged because of the unsuitability of the firm or the individual.

VIOLATIONS

14. The actions or omissions of employees or agents of the Company by associating with Vincent Kelley, a convicted of felon, for the purpose of constructing their casino in

Cape Girardeau, Missouri violated 313.812.14(5), RSMo and 11 CSR 45-5.053(3),(E). The Company is subject to discipline for such violations under sections 313.805(6), 313.812.14, and 313.812.14(1) & (2), RSMo.

PENALTY PROPOSED

15. Under Section 313.805(6), RSMo 2000, the Commission has the power to assess any appropriate administrative penalty against the Company, as the holder of a Class A license.
16. THEREFORE, it is proposed that the Commission fine Isle of Capri Casinos, Inc. the amount of \$5,000 for the violations set forth herein.

Dr. Barrett Hatches
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 _____, 2014 to:

Ms. Virginia McDowell
Isle of Capri Casinos
600 Emerson Road, Suite 300
St. Louis, MO 63141

Dr. Barrett Hatches
Chairman
Missouri Gaming Commission