

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-14-315
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. Beginning on or about July 1, 2013, an Electronic Gaming Device ("EGD") at the Casino began to erroneously display a "Lucky Entry Winner" message on its iView display whenever a player card was inserted. The Casino was not running any promotions at that time.
7. The Casino notified the MGC of the EGD display issue via email on July 11, 2013.

LAW

8. 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.

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

² 20130730005

9. 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; and

10. Title 11 CSR 45-5.181(2) states, in pertinent part, as follows:

(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:

- (A) No false or misleading statements, written or oral, shall be made by a licensee or its employees or agents regarding any aspect of any promotional activity;

* * *

- (F) The Class B licensee shall designate in its internal control system an employee position acceptable to the commission that shall be responsible for ensuring adherence to the rules set forth in this section.

11. Title 11 CSR 45-9.060 states, in pertinent part, as follows:

- (3) Violations of the minimum internal control [“(MICS”)] standards by a Class A licensee or an agent or employee of a Class A licensee are deemed to be unsuitable conduct for which the Class A licensee and/or its agents or

employees may be subject to discipline pursuant to Section 313.805(6), RSMo, and 11 CSR 45-1 et seq.

- (4) Violations of the Class A licensee's internal control system [{"ICS"}] by the Class A licensee or an agent or employee of the Class A licensee shall be *prima facie* evidence of unsuitable conduct for which the Class A licensee and/or its agents or employees may be subject to discipline pursuant to Section 313.805(6), RSMo, and 11 CSR 45-1 et seq.

12. MICS, Chapter E, § 3.03, states as follows:

Class B Licensees shall complete an MGC Electronic Gaming Device Incident Report (EGDIR) within 48 hours of experiencing any unexplainable technical anomalies. All applicable fields and supporting documentation shall be completed prior to submitting the report. Additionally, the EGD shall remain out of service and game history preserved until contacted by an MGC agent. Examples of unexplainable technical anomalies include, but are not limited to: wrong jackpot amounts sent to the system, false jackpot signals sent to the system, etc.

13. The Casino's ICS, Chapter E, § 3.03, states as follows:

River City shall complete an MGC Electronic Gaming Device Incident Report (EGDIR) within 48 hours of experiencing any unexplainable technical anomalies. All applicable fields and supporting documentation shall be completed prior to submitting the report. Additionally, the EGD shall remain out of service and game history preserved until contacted by an MGC agent. Examples of unexplainable technical anomalies include, but are not limited to: wrong jackpot amounts sent to the system, false jackpot signals sent to the system, etc.

VIOLATIONS

14. The actions or omissions of employees or agents of the Company, as described above, constitute having a false or misleading statement displayed on an EGD when no promotion was being offered and a failure to notify the MGC of an unexplainable technical anomaly within 48 hours of its occurrence, thereby violating 11 CSR 45-5.181(2), MICS, Chapter E, § 3.03, and the Casino's ICS, Chapter E, § 3.03.
15. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 314.812.14(1) and (2), RSMo, and 11 CSR 45-9.060(3) and (4).

PENALTY PROPOSED

16. 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.

17. THEREFORE, it is proposed that the Commission fine PNK (River City), LLC, the amount of \$2,500 for the violations set forth herein.

Darryl T. Jones
Vice-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 August, 2014, to:

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

Darryl T. Jones
Vice-Chairman
Missouri Gaming Commission