

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC-14-318  
Casino One Corporation )

## 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,<sup>1</sup> with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Pinnacle Entertainment, Inc., ("Pinnacle") a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. At the time of the events as described below, Pinnacle Entertainment, Inc., was the parent organization or controlling entity of Casino One Corporation.
4. The Commission issued a Class B riverboat gambling license to Casino One Corporation to conduct games on and operate the excursion gambling boat known as the *Lumiere Place Casino*.
5. The Commission issued a Class B riverboat gambling license to the PNK (River City), LLC to conduct games on and operate the excursion gambling boat known as the *River City Casino*.
6. As the holder of a Class B license, Casino One Corporation is subject to the provisions of §§ 313.800 to 313.850, RSMo, and the regulations promulgated thereunder by the Commission.

## STATEMENT OF FACTS<sup>2</sup>

7. Pinnacle ran a promotion called Mychoice Mymillion for patrons at *Lumiere Place Casino* and *River City Casino* from April to December of 2012.
8. The promotion's rules stated that patrons were to receive one promotional entry for every 25 points of play.

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<sup>1</sup> All statutory references are to RSMo 2000, unless otherwise specified

<sup>2</sup> 20121207008

9. Pinnacle offered the same promotion at its Belterra Resort Casino in Indianapolis, Indiana. During the course of the promotion at the Belterra Resort Casino a problem arose where patrons were receiving more than one entry for every 25 points accumulated.
10. Without checking to determine that the problem also existed at Pinnacle's Missouri casinos, Shannon M. Hoffman ("Hoffman"), an occupational Level II licensee employed by Pinnacle as a Regional Gaming Analyst Manager for *Lumiere Place Casino* and *River City Casino*, made a system change to the Mychoice Mymillion points accumulation formula.
11. The altered formula maintained a threshold of 25 points for slot play, but increased the entry threshold to 50 points for table game play. In other words, and contrary to the promotions rules, table games players needed to accumulate twice the number of points as slot players for one entry.
12. Hoffman's alteration of the promotional formula resulted in misleading communications with patrons, in that it caused the table play to earn at half the rate it should have and caused the Marketing department at both *Lumiere Place Casino* and *River City Casino* to notify 5,000 patrons, by postcard, that they were eligible for additional entries.

#### 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(2) states, in pertinent part, as follows:

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;

\* \* \*

(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 Casino One Corporation, as described above, constitute the failure to assure that the promotional giveaway offered by Pinnacle was correctly configured and that the prizes were being awarded in accordance with the rules governing the promotion, thereby violating 11 CSR 45-5.181(2)(A) and (D).
17. Casino One Corporation is, therefore, subject to discipline for such violations pursuant to §§ 313.805(6) and 314.812.14 (1) and (2), RSMo.

### **PENALTY PROPOSED**

18. Under § 313.805(6), RSMo, the Commission has the power to assess any appropriate administrative penalty against Casino One Corporation, as the holder of a Class B license.
19. THEREFORE, it is proposed that the Commission fine Casino One Corporation the amount of \$10,000 for the violations set forth herein.

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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:

Jeffrey A. Babinski  
Vice President & General Manager  
Lumière Place Casino  
999 North Second  
St. Louis, MO 63102

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Darryl T. Jones  
Vice-Chairman  
Missouri Gaming Commission