

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC-13-694  
Penn National Gaming, 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") or ("MGC") 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 issued Penn National Gaming, Inc. (the "Company"), a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Penn National Gaming, Inc. is the parent organization or controlling entity of St. Louis Gaming Ventures, LLC d/b/a Hollywood Casino St. Louis.
4. The Commission issued a Class B riverboat gambling license to Missouri Gaming Company ("Company"), to conduct games on and operate the excursion gambling boat known as St. Louis Gaming Ventures, LLC d/b/a Hollywood Casino St. Louis ("Casino").
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 FACTS<sup>1</sup>

6. On November 1, 2012, Hollywood Casino St. Louis was found to have 47 Aristocrat Electronic Gaming Devices (EGDs) with unapproved software. The Aristocrat EGDs were shipped into Missouri on October 16, 2012. The three versions were not approved for use with the Aristocrat MV500 platforms.

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<sup>1</sup> 20121214006

## LAW

7. Under Section 313.805(6), RSMo 2000, 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.
8. Under Section 313.812.14, RSMo 2000, 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.
9. Under Section 313.812.14(1), RSMo 2000, 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.
10. Under Section 313.812.14(2), RSMo 2000, a licensee may be disciplined for failing to comply with any rule, order or ruling of the Commission or its agents pertaining to gaming.
11. The Under 11 CSR 45-9.060(3), violations of the minimum internal control 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 agent or employee is subject to administrative penalty pursuant to section 313.805(6), RSMo and 11 CSR 45-1 et seq., as amended from time to time. Any agent or employee of a Class A licensee that is involved in a violation of the minimum internal control standards may be subject to fine, discipline or license revocation.
12. Under 11 CSR 45-5.237(1) Licensees shipping electronic gaming devices or gaming equipment/supplies as defined in 11 CSR 45-1.090 with the exception of critical program storage media as defined in 11 CSR 45-1.090, into, out of, or within Missouri, must file on a form specified by the commission notice at least five (5) days prior to such shipment.(2) Critical program storage media shall be approved for use in the state prior to shipment and shall be shipped separately from electronic gaming devices unless otherwise approved in writing by the commission.
13. The Missouri Internal Control Standards (MICS) Chapter E, § 1.07 states, All aspects of an EGD and any associated device/system, including all hardware and software, shall be subject to:
  - (A) Testing by the Commission and/or an independent testing laboratory designated by the Commission;
  - (B) Review and approval by the Commission;
  - (C) Testing shall, as applicable, include examination for adherence to the applicable Gaming Laboratory International (GLI) technical standards (or their equivalent as approved by the MGC) and Missouri statutes, regulations, and minimum internal control

standards, et seq.; and (D) The testing, review and approval process shall be required prior to the implementation of the device/system by a Class B Licensee and following implementation, prior to any changes thereto, or at any other time the Commission deems appropriate, the costs for which shall be borne by the Class B Licensee.

### **VIOLATIONS**

14. The actions or omissions of employees or agents of the Company constituted shipping critical program storage media not approved for use in Missouri. The conduct as alleged is a violation of 11 CSR 45-5.237 and The Commission's MICS Chapter E, § 1.07. Company is subject to discipline for such violations under 11 CSR 45-9.060(3), 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 Penn National Gaming, Inc. the amount of \$2,500 for the violations set forth herein.

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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 \_\_\_\_\_, 2013, to:

Mr. Frank Donaghue  
Penn National Gaming, Inc.  
825 Berkshire Boulevard, Ste. 200  
Wyomissing, PA 19610

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Dr. Barrett Hatches  
Chairman  
Missouri Gaming Commission