

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC -14-405
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 2000,¹ 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 Casino One Corporation (the "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 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, 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

7. At all relevant times as alleged herein, Pinnacle Entertainment Inc., conducted business with vendor McGuire Moving and Storage Incorporated and Daniel R. McGuire.
8. At all relevant times as alleged herein, Mr. McGuire maintained a federal government lease on a storage facility located at 7027 Pennsylvania Avenue, St. Louis, Missouri 63111.
9. The Missouri Secretary of State currently lists Mr. McGuire as the president and registered agent for McGuire Moving and Storage Incorporated and McGuire Holding Company.

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

² 20130715002

10. Katherine J. McGuire, Mr. McGuire's wife, is listed as the registered agent for McGuire Sixth Street Warehouse Incorporated. Mr. McGuire was the registered agent for McGuire Sixth Street Warehouse Incorporated until August 2, 2013, when Mrs. McGuire was named as its president and registered agent.
11. The Missouri Secretary of State currently lists the principle place of business or corporate headquarters for all three corporations as 8645 South Broadway, St. Louis, Missouri 63111.
12. On January 22, 1993, Mr. McGuire pled guilty to four counts of Receiving Stolen Property, a Class C Felony in violation of § 573.080, RSMo. *State v. Daniel R. McGuire*, St. Louis County Circuit Court, Case No. 2192R-00299D.
13. According to a lease agreement entered into between McGuire Moving and Storage Incorporated and Casino One Corporation, Casino One Corporation was provided approximately 35,000 square feet of storage space at 8645 Broadway, Saint Louis, Missouri between November 15, 2009 and May 15, 2010. Said lease agreement was signed by Mr. McGuire and Alain J. Uboldi, Chief Operating Officer for Pinnacle Entertainment, Inc.
14. Although the contract between McGuire Moving and Storage Incorporated and Casino One Corporation expired in May 2010, McGuire Moving and Storage continued to bill *Lumiere Place* and *River City Casinos* for services rendered to the casinos until approximately December 2013.
15. On or about May 22, 2013, Walter B. Stowe ("Stowe"), Vice President of Compliance for Pinnacle Entertainment, Inc., was notified via email by William Seibert ("Seibert"), MGC Deputy Director of Enforcement, that Mr. McGuire was a convicted felon and that Pinnacle and its affiliated companies must discontinue doing business with Mr. McGuire and McGuire Moving and Storage. Stowe then notified Lumiere Place Casino Compliance Officer Ryan Miller of the issue.
16. On or about July 15, 2013, it was discovered that Lumiere Place and River City Casinos were using approximately 40,000 square feet of storage space at the McGuire Moving and Storage facilities located at 8645 Broadway, Saint Louis, Missouri. Items stored at the facility included promotional material, food and beverage supplies, maintenance items, and Revenue Audit boxes.
17. On October 9, 2013, a McGuire Moving and Storage truck delivered and unloaded furniture items onto Hotel Lumiere property. The furniture was brought to the Lumiere Place facility from the McGuire Moving and Storage facilities.
18. On or about December 3, 2013, Lumiere Place Casino cleared all remaining items from the McGuire Moving and Storage facilities to its facilities and received a final invoice.

LAW

19. 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.

20. Section 313.812, RSMo, states, in pertinent part, as follows:

8. No licensee shall employ or contract with any person who has pled guilty to, or has been convicted of, a felony to perform any duties directly connected with the licensee's privileges under a license granted pursuant to this section, except that employees performing nongaming related occupations as determined by the commission shall be exempt from the requirements of this subsection.

* * *

14. 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[.]

21. Title 11 CSR 45-5.053 states, in pertinent part, as follows:

- (3) The holder of a Class A license is expressly prohibited from the following activities:

* * *

- (E) Catering to, assisting, employing or associating 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 contract or other means, of any firm or individual in any capacity where the repute

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

22. The actions or omissions of employees or agents of the Company, as described above, constitute conducting business with a vendor whose owner has a felony criminal record, thereby violating § 313.812.8 and 11 CSR 45.053(3)(E).
23. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 314.812.14(1) and (2), RSMo.

PENALTY PROPOSED

24. 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.
25. THEREFORE, it is proposed that the Commission fine Casino One Corporation the amount of \$5,000 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 _____, 2014, to:

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

Darryl T. Jones
Vice-Chairman
Missouri Gaming Commission