

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-14-056
Pinnacle Entertainment, 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 Pinnacle Entertainment, Inc. (the "Company"), 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, and Casino One Corporation.
4. The Commission issued a Class B riverboat gambling license to PNK (River City), LLC, to conduct games on and operate the excursion gambling boat known as River City Casino ("River City").
5. 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 Lumiere Place Casino ("Lumiere Place").
6. 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

7. On April 10, 2013, Corporal K. S. Young, assigned to the Missouri State Highway Patrol, Gaming Division, at Lumière Place Casino was contacted, via telephone, by MGC Deputy Director of Enforcement Cheryl Alonzo regarding a letter dated April 4, 2013, which she received from Ryan Miller, Compliance Officer for Lumière Place and River City. The April 4, 2013 letter stated that both Lumière Place and River City failed to follow the written rules of their MyCash Multiplier promotion by not adding

¹ 20130523007

the correct 5x multiplier to the patron's accounts within seven days of the end date for their March 2013 promotion.

8. The March 2013 5x multiplier promotion for both Lumière Place and River City was based on patron play for March 25, 2013, and the data was uploaded to Advanced Casino Systems Corporation (ACSC) System on March 26, 2013.
9. On April 4, 2013, Lumière Place and River City discovered the incorrect file had been uploaded, and they had mistakenly used the same data previously used for the February 2013 5x multiplier promotion.

LAW

10. Under Section 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.
11. Under Section 313.812.14, RSMo, 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.
12. Under Section 313.812.14(1), RSMo, 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.
13. Under Section 313.812.14(2), RSMo, a licensee may be disciplined for failing to comply with any rule, order or ruling of the Commission or its agents pertaining to gaming.
14. Under 11 CSR 45-5.181(2)(C) "The Class B licensee shall create dated, written rules governing the promotional activity, 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."
15. Title 11CSR 45-5.181(2)(D) requires all prizes offered in the promotional activity to be "awarded according to the Class B licensee's rules governing the event."

VIOLATIONS

16. The actions or omissions of employees or agents of the Company as described above caused the Licensee to conduct promotional activities in a manner that reflected negatively on the Licensee and the integrity of gaming in Missouri, and further constituted a failure associated with the promotions awarding of prizes according to the rules of the promotion. This conduct as alleged is a violation of section 11 CSR 45-5.181(2). The Company is subject therefore to discipline for such violations under Sections 313.805(6) and 313.812.14 (1) and (2), RSMo.

PENALTY PROPOSED

17. Under Section 313.805(6), RSMo, the Commission has the power to assess any appropriate administrative penalty against the Company, as the holder of a Class A license.
18. THEREFORE, it is proposed that the Commission fine Pinnacle Entertainment 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:

Tara Perry
Pinnacle Entertainment, Inc.
8918 Spanish Ridge Avenue
Las Vegas, Nevada 89148

Dr. Barrett Hatches
Chairman
Missouri Gaming Commission