

IN THE MISSOURI GAMING COMMISSION

In Re:)
IOC – Cape Girardeau, LLC) DC-14-446

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 Isle of Capri Casinos, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Isle of Capri Casinos, Inc., is the parent organization or controlling entity of the IOC – Cape Girardeau LLC (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 *IOC – Cape Girardeau LLC* (the "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. The Casino failed to download an updated List of Disassociated Persons ("DAP List") every seven days during the following time periods:
 - a. The updated DAP List was downloaded on March 14, 2013, and not again until May 7, 2013;
 - b. The updated DAP List was downloaded on May 27, 2013, and not again until June 10, 2013;
 - c. The updated DAP List was downloaded on September 25, 2013, and not again until October 3, 2013;

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

² 20131209003

- d. The updated DAP List was downloaded on October 23, 2013, and not again until October 31, 2013; and
- e. The updated DAP List was downloaded on November 26, 2013, and not again until December 4, 2013.

LAW

- 7. 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 in an amount determined by the Commission.
- 8. 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[.]
- 9. Title 11 CSR 45-9.060 states, in pertinent part, as follows:
 - (3) Violations of the minimum internal control standards [“(MICS)”] 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.
 - (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.

10. Both the MICS, Chapter, Q § 2.01, and the Casino’s ICS, Chapter Q § 2.01, require the Casino to “Download the updated DAP List from the designated MGC server at least once every seven calendar days and update DAP information in all associated applications within five calendar days of the download of new or updated information.”

VIOLATIONS

11. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of the Company to timely download the DAP List, thereby violating MICS, Chapter Q § 2.01, and the Casino’s ICS, Chapter Q § 2.01.
12. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 313.812.14 (1) and (2), RSMo, and 11 CSR 45-9.060(3) and (4).

PENALTY PROPOSED

13. 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.
14. THEREFORE, it is proposed that the Commission fine IOC – Cape Girardeau LLC, 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 December, 2014, to:

Lyle Randolph
IOC-Cape Girardeau LLC
777 N. Main
Cape Girardeau, MO 63701

Darryl T. Jones
Vice-Chairman
Missouri Gaming Commission