

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-14-459
PNK (River City), LLC)

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 PNK (River City), LLC, ("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 *River City Casino* ("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. On April 4, 2014, the Casino informed the MGC that a new promotional point program for the Casino's Poker Room was incorrectly calculating patrons' points.
7. The calculator setting had been inputted incorrectly, in that between the time that the promotion started on April 2, 2014, and the time it was discovered on April 4, 2014, there were 225 patron accounts that were impacted by the incorrect point calculation.
8. The incorrect setting in the calculator was giving patrons only one point for every hour of rated play instead of the intended 20 points for every hour of rated play.

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

² 20140411004

LAW

9. 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.

10. 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[.]

11. Title 11 CSR 45-5.181 states, in pertinent part, as follows:

- (2) 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:

* * *

- (D) All prizes offered in the promotional activity shall be awarded according to the Class B licensee's rules governing the event.

VIOLATIONS

12. The actions or omissions of employees or agents of the Company as described above constitute failure to award promotional activity according to the rules governing the promotion, causing it to be conducted in a manner that reflected negatively on the licensee,

the commission, or the integrity of gaming in Missouri, thereby violating 11 CSR 45-5.181(2) and (2)(D).

13. 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

14. 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.
15. THEREFORE, it is proposed that the Commission fine PNK (River City), LLC, the amount of \$10,000 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 December, 2014, to:

Chris Plant, General Manager
River City Casino
777 River City Casino Boulevard
St. Louis, MO 63125

Darryl T. Jones
Vice-Chairman
Missouri Gaming Commission