

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC 17-056
Tropicana St. Louis, 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 Tropicana Entertainment, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Tropicana Entertainment, Inc., is the parent organization or controlling entity of Tropicana St. Louis, 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 *Lumiere Place Casino & Hotels* (“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 October 11, 2016, the MGC completed an inspection of the Casino’s gift shop, It’s All Good, to determine if used playing cards were sold in the gift shop.
7. The review found that three of the 133 decks of cards for sale in the gift shop had not been properly cancelled. One deck was made up of yellow cards, and the other two decks were magenta cards.
8. As a result, the Casino was instructed to pull the yellow and magenta cards from play. The Casino had black and gold cards in its possession;
9. However, further investigation found the following:
 - a. The Casino failed to inventory gold cards in its possession for five months; and

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

² 20161024002

- b. The Casino failed to perform an independent quarterly inventory of the gold cards in its possession.

LAW

10. Section 313.805, RSMo, states, in pertinent part, as follows:

The commission shall have full jurisdiction over and shall supervise all gambling operations governed by sections 313.800 to 313.850. The commission shall have the following powers and shall promulgate rules and regulations to implement sections 313.800 to 313.850:

* * *

- (5) To investigate alleged violations of sections 313.800 to 313.850 or the commission rules, orders, or final decisions;
- (6) To assess any appropriate administrative penalty against a licensee, including, but not limited to, suspension, revocation, and penalties of an amount as determined by the commission up to three times the highest daily amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted during the previous twelve months as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games. Forfeitures pursuant to this section shall be enforced as provided in sections 513.600 to 513.645;

* * *

- (19) To take any other action as may be reasonable or appropriate to enforce sections 313.800 to 313.850 and the commission rules

11. 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[.]

12. Title 11 CSR 45-5.184 states, in pertinent part, as follows:

(17) The Class B licensee shall—

* * *

- (B) Verify on a daily basis the number of decks stored, distributed, destroyed, or cancelled, and returned to the storage area; and
 - (C) Perform an independent inventory of the cards at least once each calendar quarter.
 1. This inventory shall be performed by an employee from the compliance or accounting department and shall be verified to the balance of decks on hand as recorded on the inventory ledger.
 2. The employee conducting this inventory shall make an entry and sign the Cards/Dice Inventory Ledger in a manner that clearly distinguishes this count as the independent inventory.
 3. Any discrepancies shall immediately be reported to the commission agent on duty.
- (18) Where cards in an envelope or container are inspected and found to be without any indication of tampering marks, alterations, missing or additional cards, or anything that might indicate unfair play, those cards shall be destroyed or cancelled. Once released by the commission, the cards submitted as evidence shall be destroyed or cancelled. Cards shall be destroyed or cancelled prior to removal from inventory. The destruction/cancellation shall be recorded on the Card and Dice Cancellation/Destruction Log.
- (A) Destruction shall occur by shredding or other method approved by the commission.
 - (B) Cancellation shall occur by drilling a circular hole of at least one-fourth of one inch (1/4") in diameter through the center of each card in the deck, or by removing at least one-fourth of an inch (1/4") from at least one (1) corner of each card, or other method approved by the commission.

(C) The destruction and cancellation of cards shall take place in a secure place, the location and physical characteristics of which shall be approved by the commission, and shall be performed by a member of the security department specifically trained in proper procedures.

VIOLATIONS

13. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of the Company to properly cancel cards prior to offering them for sale in its gift shop and to properly inventory cards all cards in storage, thereby violating 11 CSR 45-5.184(17) and (18).
14. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(5), (6) and (19) and 313.812.14(1) and (2), RSMo.

PENALTY PROPOSED

15. 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.
16. THEREFORE, it is proposed that the Commission fine Tropicana St. Louis, LLC, the amount of \$5,000 for the violations set forth herein.

Herbert M. Kohn
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 April, 2017, to:

Brian Marsh
General Manager
Lumière Place Casino & Hotels
999 North Second
St. Louis, MO 63102

Herbert M. Kohn
Chairman
Missouri Gaming Commission