

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC-18-007  
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,<sup>1</sup> 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, Tropicana St. Louis, LLC, is subject to the provisions of §§ 313.800 to 313.850, RSMo, and the regulations promulgated thereunder by the Commission.

## STATEMENT OF FACTS<sup>2</sup>

6. On June 20, 2017, the MGC received a table game layout shipping approval for a Craps No More with Hop Bets layout that did not match the approved layout the MGC had on file for that game.
7. The Casino did not have any record of an approval for that Craps No More with Hop Bets layout described in the shipping approval MGC received on June 20, 2017.
8. A review of all table game layouts currently being used on the gaming floor by the Casino was initiated. The review found the following:

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<sup>1</sup> All statutory references are to RSMo 2000, unless otherwise specified

<sup>2</sup> 20170814005

- a. Of all the table game layouts being used at the Casino, 11 layouts had not been approved by the MGC, impacting 42 of the 62 table games on the Casino floor, the majority of which involved design changes to the layout.
- b. The unapproved layout for Mississippi Stud included a 3 Card Bonus side bet that was not included in the approved Rules of the Game for Mississippi Stud Poker; and
- c. The unapproved layout used for Let It Ride Three Card Bonus Progressive listed an incorrect payout for the Royal Flush payout. It listed a payout of 500 to 1, instead of the approved payable amount of 1000 to 1.

### 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 45-5.050(1), states as follows:

No holder of a Class A license shall permit any game to be played other than those approved by the commission. For each game, the holder of a Class A license shall provide a set of game rules to the commission one hundred twenty (120) days in advance of the game's operation or within a time period as the commission may designate and these games must be approved by the commission. Changes in permissible rules must be submitted in writing and approved by the commission prior to implementation.

12. 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 or Class B licensee or an agent or employee of a Class A or Class B licensee are deemed to be unsuitable conduct for which the Class A or Class B 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., as amended from time-to-time. Any agent or employee of a Class A or Class B licensee that is involved in a violation of the minimum internal control standards may be subject to fine, discipline, or license revocation.
- (4) Violations of the Class A licensee’s internal control system [(“ICS”)] by the Class A or Class B licensee or an agent or employee of the Class A or Class B licensee shall be *prima facie* evidence of unsuitable conduct for which the Class A or Class B 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., as amended from time-to-time.

13. Title 11 CSR 45.10.030 states, in pertinent part, as follows:

- (1) Licensees shall promptly report to the commission any facts which the licensee has reasonable grounds to believe indicate a violation of law (other than minor traffic violations), minimum internal control standard requirements or commission rule committed by licensees, their employees or others, including, without limitation, the performance of licensed activities different from those permitted under their license.

\* \* \*

- (7) All occupational licensees shall have a working knowledge of Chapter 313.800, RSMo et seq., *Code of State Regulations*, Title 11 Division 45, and the internal controls of the Class A or B licensees for whom they are currently employed by as they pertain to the responsibilities and limitations of their job.

14. The Commission’s MICS, Chapter C § 1.01, requires the following (in part):

Detailed procedures for each game that the Class A licensee implements shall be included in the ICS as approved by the MGC. The following controls shall be addressed:

- (A) object of the game and method of play, including what constitutes win, loss or tie bets;

\* \* \*

- (D) wagers and payout odds for each type of available wager:
  - (1) describe the permissible wagers and payout odds[.]

15. The Casino's ICS, Chapter C § 1.01, requires the following (in part):

Detailed procedures for each game that Lumière Place implements shall be included in this section of the internal controls as approved by the MGC.... For all games, the following controls shall be addressed:

(A) Object of the game and method of play, including what constitutes win, loss, or tie bets (*detailed in the Appendix by game type*);

\* \* \*

(D) Wagers and payout odds for each type of available wager:

(1) describe the permissible wagers and payout odds (*Additional specifications for individual games are detailed in the Appendix.*)[.]

16. The Casino's ICS, Chapter C § PG5-LET IT RIDE THREE CARD BONUS PROGRESSIVE

3. Wager and Payout Odds

Paytable A:

<b>Hand</b>	<b>Basic Game Payout Odds</b>
Royal Flush	1000 to 1
Straight Flush	200 to 1
Four of a Kind	50 to 1
Full House	11 to 1
Flush	8 to 1
Straight	5 to 1
Three of a Kind	3 to 1
Two Pair	2 to 1
Pair of 10's or better	Even Money

17. Both the Commission's MICS and the Casino's ICS, Chapter D, § 12.01, regarding table layouts states as follows:

Table game layouts shall be consistent with the Internal Control System and shall comply with the following:

\* \* \*

(F) a colored depiction of the layout shall be submitted to MGC for approval prior to layouts being placed into play.

**VIOLATIONS**

- 18. The actions or omissions of employees or agents of Tropicana St. Louis, LLC, as described above constitute a failure to have its table game layouts on the gaming floor approved by the MGC before use, a failure to display the approved payout for a Royal Flush on a game, and a failure have approved Rules of the Game for a side bet, thereby violating 11 CSR 45-5.050, 11 CSR 45.10.030(1) and (7), MICS, Chapter C § 1.01 and Chapter D, § 12.01, and the Casino's ICS, Chapter C § 1.01, Chapter C § PG5(3), and Chapter D, § 12.01.
- 19. Tropicana St. Louis, LLC, is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 314.812.14(1) and (2), RSMo and 11 CSR 45-9.060(3) and (4).

**PENALTY PROPOSED**

- 20. Under § 313.805(6), RSMo, the Commission has the power to assess any appropriate administrative penalty against Tropicana St. Louis, LLC, as the holder of a Class B license.
- 21. THEREFORE, it is proposed that the Commission fine Tropicana St. Louis, LLC, the amount of \$5,000 for the violations set forth herein.

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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 1<sup>st</sup> day of March, 2018, to:

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

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Herbert M. Kohn  
Chairman  
Missouri Gaming Commission