

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-20-014
St. Louis Gaming Ventures, 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 (2016),¹ with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Penn National Gaming, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Penn National Gaming, Inc., is the parent organization or controlling entity of St. Louis Gaming Ventures, 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 Hollywood Casino St. Louis (the "Casino").
5. As the holder of a Class B license, the Casino 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 August 1, 2019, the Casino notified the MGC of an error involving its "July Legends" promotional giveaway after a patron complained that he was not awarded the correct amount of entries associated with that promotion.
7. A flaw occurred during a standard drawing recalculation that caused the entries earned by players to be reduced, in that some patrons did not receive one entry for every 50 tier points earned through the month, as outlined in the rules of the promotion.
8. The problems associated with the "July Legends" promotion negatively affected 70 patrons on July 22, 2019, and 78 patrons on July 29, 2019.

¹ All statutory references are to RSMo (2016), unless otherwise specified.

² GIR 20190811005

9. Casino personnel contacted the affected patrons via email and added \$50 in Free SlotPlay to their MyChoice accounts available for 30 days.
10. The email communication was intended for the 148 affected patrons but was inadvertently sent to the entire Hollywood database, consisting of approximately 50,000 recipients.
11. Hollywood Database Marketing staff identified the error and sent a second email to these recipients informing them to disregard the prior message, in that it did not intend to honor the \$50 Free Slot Play sent to patrons in error.
12. On August 12, 2019, a patron contacted the MGC office and stated that she received an email offering her \$50 in free slot play. When she tried to redeem that \$50, it was not on her MyChoice account because, according to Casino personnel, she did not qualify for the free play initially and had received the email granting her the free play in error.

LAW

13. 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.
14. 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[.]

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

(1) For the purposes of this rule, the following words are defined as:

* * *

(B) Patron—any person present on the premises of a Class B licensee that is not employed by such Class B licensee or the commission and is not on the premises as a vendor of the Class B licensee;

* * *

(E) Player reward program—a promotional activity that provides redeemable player reward points to patrons as a result of wagering regardless of game outcome and based on predetermined formulas.

(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:

* * *

(B) The promotional activity shall comply with all applicable laws and regulations...;

* * *

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

VIOLATIONS

16. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of the Company to conduct its July Legends promotion in accordance with the rules of the game and caused them to conduct a promotion in a manner that reflected negatively on the licensee, thereby violating 11 CSR 45-5.181.

17. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 313.812.14 (1) and (2), RSMo.

PENALTY PROPOSED

18. 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.

19. THEREFORE, it is proposed that the Commission fine St. Louis Gaming Ventures, LLC, the amount of \$2,500 for the violations set forth herein.

Mike Leara
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 27th day of February, 2020, to:

Michael Jerlecki
Hollywood Casino St. Louis
777 Casino Center Drive
Maryland Heights, MO 63043

Mike Leara
Chairman
Missouri Gaming Commission