# Rules of
## Department of Public Safety
### Division 45—Missouri Gaming Commission
#### Chapter 10—Licensee’s Responsibilities

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Title 11—DEPARTMENT OF PUBLIC SAFETY
Division 45—Missouri Gaming Commission
Chapter 10—Licensee’s Responsibilities

11 CSR 45-10.010 Commission Access to Information

PURPOSE: This rule establishes the commission’s access to information.

(1) All licensees shall provide all information requested by the commission. Access to this information shall be immediate and copies of the information shall be delivered within seven (7) days or less if the commission so orders.


11 CSR 45-10.020 Licensee’s and Applicant’s Duty to Disclose Changes in Information

PURPOSE: This rule establishes the applicant’s duty to disclose changes in information.

(1) All licensees and applicants for Class A, Class B, supplier, key person/key business entity, or Level I occupational licensees issued by the commission shall have a continuing duty to disclose in writing, within ten (10) calendar days for an applicant and thirty (30) calendar days for a licensee, any material change in the information provided in the application forms and requested materials submitted to the commission. Any change in information that is not material must be disclosed to the commission during the licensee’s next subsequent application for license renewal.

(2) All Level II occupational licensees and applicants shall have a continuing duty to disclose in writing, within ten (10) calendar days, any material change in the information provided in the application forms and requested materials submitted to the commission.

(3) The duty to disclose changes in information shall continue throughout any application period or period of licensure granted by the commission. This duty shall be in addition to any other reporting requirements.

(4) For the purposes of this rule, “material change” shall mean any change in personal identification or residence information, such as name, address, and phone number; information required in section 313.847, RSMo; or other information that might affect an applicant or licensee’s suitability to hold a gaming license, including, but not limited to, arrests, convictions, and guilty pleas, disciplinary actions or license denials in other jurisdiction(s), significant changes in financial condition, or relationships or associations with persons having criminal records or notorious reputations.


11 CSR 45-10.030 Licensee’s Duty to Report and Prevent Misconduct

PURPOSE: This rule establishes a licensee’s duty to report and prevent misconduct.

(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.

(2) At no time, under any circumstances, shall any licensee or employees of the licensee fail to immediately prevent or suppress any violent quarrel, disorder, brawl, fight, or other improper or unlawful conduct of any person upon the licensed premises, nor shall any licensee or employees of the licensees allow any indecent, profane or obscene activity upon the licensed premises.

(3) In the event that a licensee or employees of the licensee knows or should have known that an illegal or violent act has been committed on or about the licensed premises, they shall immediately report the occurrence to law enforcement authorities and shall cooperate with law enforcement authorities and agents of the commission during the course of any investigation into an occurrence.

(4) Licensees shall take reasonable actions to safeguard from loss all tokens, tickets, chips, checks, funds, and other gaming assets.

(5) Licensees shall take reasonable actions to safeguard from loss, tampering, alteration, destruction, and unauthorized access to all gaming-related reports, records, files, automated data, and data systems.

(6) Class A, Class B, and supplier licensees shall ensure that all agents and occupational licensees employed by said licensees shall have a working knowledge of Missouri Gaming Statutes, Chapter 313.800, RSMo et seq., Code of State Regulations, Title 11 Division 45, the commission’s published minimum internal control standards and the licensee’s system of internal controls as they pertain to the responsibilities and limitations of their job.

(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.


11 CSR 45-10.035 Licensee’s Duty to Contact Commission Agent

PURPOSE: This rule ensures that patrons of excursion gambling boats have necessary access to commission agents in order to resolve disputes or report misconduct.

(1) When a patron informs a licensee that they desire to speak to a commission agent, the licensee shall contact the commission agent(s) on duty without delay. The licensee or his/her designee shall remain with the patron until a commission agent arrives. If the licensee is unable to contact a commission agent, the licensee shall prepare a detailed report describing the facts of the incident and the method(s) used to contact the commission agent. The licensee shall file the report with the commission prior to the end of the gaming day upon which the incident occurred.


11 CSR 45-10.040 Prohibition and Reporting of Certain Transactions

PURPOSE: This rule prohibits certain transactions and establishes the procedures for reporting of certain transactions.

(1) No gaming licensee or occupational licensee may pledge, hypothecate or transfer in any way any license issued by the commission or any interest in a license issued by the commission. Upon any purported pledge, hypothecation or transfer of such a license or interest in such a license, the license shall automatically become null and void and of no legal effect.

(2) Ownership interest in a gaming licensee that is not a publicly held entity or a holding company that is not a publicly held entity—

(A) May not be pledged or hypothecated in any way, or otherwise be subject to any type of security interest held by, any entity or person other than a financial institution without prior approval of the commission; and

(B) May not be pledged or hypothecated in any way, or otherwise be subject to any type of security interest except in compliance with 11 CSR 45-10.040(5)(B).

(3) Any reporting party must notify the commission of its intention to consummate any of the following transactions at least sixty (60) days prior to such consummation; and, during such period, the commission may disapprove the transaction or require the transaction to be delayed pending further investigation:

(A) Any transfer or issuance of an ownership interest in a gaming licensee that is not a publicly held entity or a holding company that is not a publicly held entity; or

(B) Subject to 11 CSR 45-10.040(2)(A), any pledge or hypothecation of, or grant of any type of security interest in, an ownership interest in a gaming licensee that is not a publicly held entity or a holding company that is not a publicly held entity; provided that no such ownership interest may be transferred in any way pursuant to any pledge, hypothecation or security interest without separate notice to the commission at least thirty (30) days prior to such transfer, which restriction must be specifically included in the grant of the pledge, hypothecation or security interest.

(4) Any reporting party must notify the commission of its intention to consummate any of the following transactions at least fifteen (15) days prior to such consummation, and the commission may reopen the licensing hearing of the applicable gaming licensee prior to or following the consummation date to consider the effect of the transaction on the gaming licensee’s suitability:

(A) Any issuance of ownership interest in a publicly held gaming licensee or a publicly held holding company, if such issuance would involve, directly or indirectly, an amount of ownership interest equaling five percent (5%) or greater of the ownership interest in the gaming licensee or holding company. Any private incurrence of debt equal to or exceeding one (1) million dollars by a gaming licensee that is the holder of a Class A or Class B license or any holding company that is affiliated with the holder of a Class A or Class B licensee;

(B) Any private incurrence of debt equal to or exceeding one (1) million dollars by a gaming licensee that is the holder of a Class A or Class B license or any holding company that is affiliated with the holder of a Class A or Class B licensee;

(C) Any public issuance of debt by a gaming licensee that is the holder of a Class A or Class B license or any holding company that is affiliated with the holder of a Class A or Class B licensee; and

(D) Any significant related party transaction.

(5) Any entity required to report a transaction prior to consummation or obtain approval of a transaction under 11 CSR 45-10.040(2), (3) or (4) must submit the following as part of the required notice and before any approval shall be considered:

(A) An executed copy of the Corporate Securities and Finance Transaction Information Sheet included in Appendix A to this rule; and

(B) An executed copy of the Corporate Securities and Finance Compliance Affidavit included in Appendix A to this rule from each other party to the transaction or a representative authorized to act on behalf of such parties.

(6) Not later than seven (7) days after the consummation of any of the following transactions, any reporting party must report such consummation and the effect of the transaction on the commission:

(A) Any transfer or issuance of ownership interest in a publicly held gaming licensee or publicly held holding company, if such转让 or issuance has in an entity or group of entities acting in concert owning, directly or indirectly, holding a total amount of ownership interest exceeding five percent (5%) or greater of the ownership interest in the gaming licensee or holding company.

(B) Any pledge or hypothecation of, or grant of a security interest in, a publicly held gaming licensee or publicly held holding company, if such pledge or issuance has been in an entity or group of entities acting in concert owning, directly or indirectly, holding a total amount of ownership interest exceeding five percent (5%) or greater of the ownership interest in the gaming licensee or holding company.

(7) Any gaming licensee that is the holder of a Class A or Class B license must notify the commission of its intention to consummate any transaction that involves or relates to the gaming licensee and has a dollar value equal to or greater than one (1) million dollars; provided that such notice must be given no later than seven (7) days after such consummation.

(8) The following definitions apply to the terms used in 11 CSR 45-10.040:

(A) Material change in ownership or control:

1. Any transfer or issuance of ownership interest in a gaming licensee or holding company or other contract or arrangement resulting in a person or group of persons acting in concert, directly or indirectly: A. Owning, controlling, or having power to vote twenty-five percent (25%) or more of the voting ownership interest in the
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11 CSR 45-10

CORPORATE SECURITIES AND FINANCE

The authority to waive or reduce a notice period, s/he shall report action to the commission. Any notice or report required under 11 CSR 45-10.040 shall be in addition to any required application update or submission.

(11) Violations of this 11 CSR 45-10.040, including, but not limited to, consummation of transactions prohibited by the commission hereunder, may be grounds for discipline against any licensee or grounds for denial of any application. This 11 CSR 45-10.040 shall not be construed as making any asset inalienable in nature, but shall provide a regulatory penalty enforcement mechanism for certain types of asset transfers as set forth herein.

(12) Upon any voluntary material change in ownership or control, the license held by the gaming licensee that is the subject of the material change in ownership or control shall be subject to the same requirements as described in this section.

(a) The transfer is in the best interest of the state of Missouri;
(b) The transfer is not injurious to the public health, safety, morals, good order, or general welfare of the people of the state of Missouri, and that it would not discredit or tend to discredit the gaming industry or the state of Missouri;
(c) It would have no material negative competitive impact;
(d) It would have no potential to affect the licensee’s suitability to hold a gaming license; and
(e) It would not potentially result in any significant negative changes in the financial condition of the licensee.

(13) Upon an involuntary material change in ownership or control (including, but not limited to, death, appointment of a guardian by a court of competent jurisdiction, or involuntary bankruptcy) the executive director with the concurrence of the chairman may, within ten (10) days, extend the license held by the gaming licensee that is the subject of the material change in ownership or control, or that is a direct or indirect subsidiary of the holding company that is the subject of the material change in ownership or control, shall automatically become null and void and of no legal effect, unless the commission has approved such material change in ownership or control by vote of the commissioners prior to its consummation. The commission may grant a petition to approve a material change in ownership or control if the petitioner proves by clear and convincing evidence that—

(A) The transfer is in the best interest of the state of Missouri;
(B) The transfer is not injurious to the public health, safety, morals, good order, or general welfare of the people of the state of Missouri, and that it would not discredit or tend to discredit the gaming industry or the state of Missouri;
(C) It would have no material negative competitive impact;
(D) It would have no potential to affect the licensee’s suitability to hold a gaming license; and
(E) It would not potentially result in any significant negative changes in the financial condition of the licensee.
the commission may extend the license until such time as a material change in ownership or control is approved. In the event the executive director does not extend the license within ten (10) days of the involuntary material change in ownership or control, or the commission does not extend it at their next meeting, the license shall become null and void.
CORPORATE SECURITIES AND FINANCE TRANSACTION INFORMATION SHEET

A Corporate Securities and Finance Notice is hereby filed by ___________________________ (the "Company") with the Missouri Gaming Commission (the "Commission") pursuant to 11 CSR 45-10.040 for the following transaction (the "Transaction")

The Company hereby states the following regarding the Transaction:

1. The Transaction does not involve the pledge, hypothecation or transfer in any way of any license issued by the Commission or any interest in a license issued by the Commission.

2. No ownership interest, as defined in 11 CSR 45-10.040, in the Company or any of its affiliates is proposed to be issued or transferred in any manner, except as provided on Exhibit 1 attached hereto, which includes copies of all documents evidencing these arrangements, and includes a summary explanation of the arrangements, citing specific pages of the documents for the pertinent provisions.

3. No ownership interest, as defined in 11 CSR 45-10.040, in the Company or any of its affiliates is proposed to be pledged, hypothecated or otherwise used as collateral in any manner, except as provided on Exhibit 2 attached hereto, which includes copies of all documents evidencing these arrangements, and includes a summary explanation of the arrangements, citing specific pages of the documents for the pertinent provisions.

4. No slot machines, video poker machines, video blackjack machines or other electronic gaming devices of the Company or any of its affiliates are proposed to be pledged, hypothecated or otherwise used as collateral in any manner, except as provided on Exhibit 3 attached hereto, which includes copies of all documents evidencing these arrangements, and includes a summary explanation of the arrangements, citing specific pages of the documents for the pertinent provisions.

5. The Company and its affiliates understand fully that the Commission's review of the Transaction will involve issues of suitability to hold a gaming license, and no action or decision to take no action by the Commission based on this review will indicate or suggest that the Commission has considered or passed in any way on the marketability of any securities or any other matter, including, but not limited to the application of any law to the Transaction other than the Missouri Riverboat Gaming Act.

6. The Company and its affiliates also understand fully that the review of the transaction under 11 CSR 45-10.040 does not in any way preempt or preclude other investigations related to the Transaction, and that no action or decision to take no action by the Commission shall preempt or preclude any other action of the Commission related to the Transaction.

7. The Company will update this Information Sheet immediately with any change of information and, if documents that are attached are revised, the Company will provide the revised versions marked clearly to show all of the revisions.

(Signature)

(Name Printed or Typed)

(Title)

("Company")
CORPORATE SECURITIES AND FINANCE COMPLIANCE AFFIDAVIT

This Corporate Securities and Finance Compliance Affidavit is hereby filed by ____________________________ the "Company") with the Missouri Gaming Commission (the "Commission") pursuant to 11 CSR 45-10.040. The Company is a party to a transaction involving a gaming license. The representations in this affidavit relate to the following transaction (the "Transaction"):  

______________________________________________________________________________________________

The Company hereby states the following regarding the Transaction:

1. The Company does not have and cannot have under the proposed Transaction any security interest or rights of any kind related to possession or ownership of any license issued by the Commission or any interest in a license issued by the Commission, including but not limited to rights as a pledgee, hypothecatee or transferee.

2. The Company does not have and cannot have under the proposed Transaction any security interest or rights of any kind related to possession or ownership of any ownership interest, as defined in 11 CSR 45-10.040, including but not limited to rights as a pledgee, hypothecatee or transferee, except as follows: ________________________________________________________________________

______________________________________________________________________________________________

3. The Company does not have and cannot have under the proposed Transaction any security interest or rights of any kind related to possession or ownership of any slot machine, as defined in 11 CSR 45-10.055, including but not limited to rights as a pledgee, hypothecatee or transferee except as follows: ________________________________________________________________________

______________________________________________________________________________________________

4. Under the proposed Transaction, no security interest or rights of any kind related to possession or ownership of any ownership interest, as defined in 11 CSR 45-10.040, including but not limited to rights as a pledgee, hypothecatee or transferee of such interest, may be utilized or acted upon to allow the Company to gain title, ownership, possession or control of such ownership interest or the ability to require such ownership interest to be transferred in any way, unless the Director of the Commission has received written notice from the Company at least 30 days prior to the Company so utilizing or acting upon such security interest or rights.

5. The statements herein will remain true for the full duration of the Transaction, and the Company will notify the Director of the Commission in writing prior to any change to these statements becoming effective.
6. The Company understands and agrees that if it makes a false statement in this affidavit, it is subject to criminal prosecution under Section 575.050 RSMo.

7. The Company understands fully that the Commission's review of the Transaction will involve issues of suitability to hold a gaming license, and no action or decision to take no action by the Commission based on this review will indicate or suggest that the Commission has considered or passed in any way on the marketability of any securities or any other matter, including but not limited to the application of any law to the Transaction other than the Missouri Riverboat Gaming Act.

(Representative of the Company) (Legal Representative)

(Name Printed or Typed) (Name Printed or Typed)

(Title) (Title)

("Company") (Firm)

(Notarial Seal) (Notarial Seal)

Sworn and Subscribed before me this day of , 1998

Sworn and subscribed before me this day of , 1998

Notary Public

My Commission Expires on:

Notary Public in and for the County of:

Notary Public

My Commission Expires on:

Notary Public in and for the County of:
11 CSR 45-10.055 Certain Transactions Involving Slot Machines

PURPOSE: This rule regulates certain transactions involving slot machines.

(1) Licensed activities of supplier licensees and Class A licensees shall include the selling, transporting, placing or possessing of slot machines and other gaming equipment and supplies and the conducting or negotiating of transactions affecting or designed to affect ownership, custody or use of slot machines or other gaming equipment. These activities are subject to the restrictions in sections 313.800 to 313.850, RSMo, and the regulations promulgated thereunder, including but not limited to 313.807.4, RSMo, 11 CSR 45-4.020(4) and 11 CSR 45-10.055.

(2) No Class A or Class B licensee may—

(A) Sell, transport or otherwise transfer or turn over possession of any slot machine located in the state of Missouri to any person or entity other than a supplier licensee without the commission’s prior written approval;

(B) Conduct or negotiate a transaction affecting or designed to affect ownership, custody or use of any slot machine located or to be located in the state of Missouri so that such ownership, custody or use could be held or exercised in the state of Missouri by any person or entity other than a supplier licensee.

(3) No supplier licensee may—

(A) Sell, transport or otherwise transfer or turn over possession of any slot machine located in the state of Missouri to any person or entity other than another supplier licensee, a Class A or Class B licensee or a Class A or Class B applicant that has been selected by the commission for investigation pursuant to 11 CSR 45-4.060 without the commission's prior written approval; or

(B) Conduct or negotiate a transaction affecting or designed to affect ownership, custody or use of any slot machine located or to be located in the state of Missouri so that such ownership, custody or use could be held or exercised in the state of Missouri by any person or entity other than a supplier licensee, a Class A or Class B licensee or a Class A or Class B applicant that has been selected by the commission for investigation pursuant to 11 CSR 45-4.060.

(4) “Slot machine,” for purposes of this 11 CSR 45-10.055, shall be defined as a device that, as a result of the insertion of a token or other object, operates, either completely automatically or with the aid of some physical act by the player, in such a manner that, depending upon elements of chance or skill, it may eject something of value. A device so constructed or readily adaptable or convertible to such use is no less a slot machine because it is not in working order or because some mechanical act of manipulation or repair is required to accomplish its adaptation, conversion or workability.


11 CSR 45-10.060 Distributions

PURPOSE: This rule establishes the procedures for licensees' distribution of anything of value.

(1) No withdrawals of capital, loans, advances or distribution of any type of assets in excess of five percent (5%) of accumulated earnings of a Class A or Class B licensee, which is a C corporation under the Internal Revenue Code and no withdrawals of capital, loans, advances or distribution of any type of assets in excess of five percent (5%) of after-tax profits of a Class A or Class B licensee which is a sole proprietorship, partnership, limited partnership, limited liability company or S corporation under the Internal Revenue Code to anyone with an ownership interest in the licensee shall occur without prior commission approval.


11 CSR 45-10.070 Effect of Another Jurisdiction's Orders

(Rescinded July 30, 2018)


PURPOSE: This rule establishes licensees' duty to investigate background of job applicants.

(1) The holder of a Class A or Class B license or supplier's license shall investigate the background and qualifications of all applicants for jobs. No licensee may solely rely on the commission's granting an occupational license as the sole criterion for hiring a job applicant.


11 CSR 45-10.110 Licensee’s Duty to Report Occupational Personnel

PURPOSE: This rule establishes a procedure for the commission to receive notice of an occupational license applicant or licensee's intent to go forward with the licensing or renewal process.

(1) Each holder of a Class A or Class B license or supplier's license shall file a report with the commission on or prior to the fifteenth day of each calendar month identifying all of the personnel associated with that licensee who, as of the first day of the reporting month, hold positions requiring an occupational license or temporary occupational license issued by the commission and whose expiration date(s) for such license occurs within the following calendar month.

(A) The report must be submitted in a format prescribed by the commission.

(B) Occupational licensees are required to obtain their renewed license by the tenth day of the renewal month.

(2) Occupational licensees who transfer from one Class A or Class B licensee to another Class A or Class B licensee between the fifteenth day of the month and the last day of the month prior to expiration, and those who transfer during the expiration month, whose occupational licenses have not been renewed, will be billed to the Class A or Class B licensee receiving the occupational licensee.

(3) In accordance with 11 CSR 45-4.390, all occupational licensees and temporary occupational licensees must notify the commission within fifteen (15) days prior to the expiration month of their license if they are applying for renewal of their license. In the absence of specific notice to the commission from the occupational licensee or temporary occupational licensee, inclusion of the name of a licensee on the report due under 11 CSR 45-10.110(1) shall be deemed notice that the licensee is applying for renewal in the following month, and such notice shall be deemed sufficient.

(4) The reporting duties in 11 CSR 45-10.110 shall be in addition to any other reporting requirements.


11 CSR 45-10.115 List of Barred Persons

(Rescinded July 30, 2018)


11 CSR 45-10.150 Child Care Facilities—License Required

PURPOSE: The rule assures that child care facilities offered on property owned by Class A or Class B licensees are properly licensed and regulated for health and safety.

(1) Any Class A or Class B licensee that provides, either directly or indirectly, a child care facility that is determined by the commission to be within or adjacent to the structure housing its excursion gambling boat or within or adjacent to the structure serving as the boarding area for its excursion gambling
(A) “Child care facility,” a place operated or maintained by any person who provides care for children.

(2) A Class A or Class B licensee is deemed to be a direct or indirect provider of a child care facility if—

(A) The licensee provides care for children through its agents or employees;
(B) The licensee contracts with another person to provide care for children;
(C) The licensee leases space to a person who provides care to children; or
(D) The licensee is notified by the commission that it is directly or indirectly providing a child care facility.

(3) Class A or Class B licensees that enter into contracts with a person(s) who provides a child care facility or who lease space to a person(s) who provides a child care facility, shall include provisions in the contract or lease which allow the licensee to terminate the contract or lease if the child care facility provider’s license from the Missouri Department of Health and Senior Services is suspended, revoked or fails to be maintained in good standing.

(4) Failure to comply with the provisions of this rule is grounds for discipline pursuant to 11 CSR 45-13.050.
