

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the)
License to Operate Gambling Activities of:) NO. CR 2009-01655
)
)
Dawg Tagz II, LLC, d/b/a Lake City Tavern,) **SETTLEMENT ORDER**
Lakewood, Washington,)
)
Licensee.)

This Settlement Order is entered into between the Washington State Gambling Commission and David Garrison. H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Commission. S. Christopher Easley, Attorney, represents David Garrison, owner and operator of the licensee.

I.

The Washington State Gambling Commission issued Dawg Tagz II, LLC, d/b/a Lake City Tavern, 9106 Veterans Dr. SW, Lakewood, the following license:

Number: 05-20609 Authorizing Class "C" Punch Board/Pull-Tab activity.

This license, which expired on September 30, 2010, was issued subject to the licensee's compliance with state gambling laws, and Commission rules.

II.

The Director issued a Findings of Fact, Conclusions of Law, and Order of Summary Suspension to the licensee on November 30, 2009. The licensee received the Order, and on December 11, 2009, Commission staff received the licensee's request for a hearing. A Stay hearing was held on December 18, 2009, and the Administrative Law Judge denied the licensee's request to stay the summary suspension.

An Amended Notice of Administrative Charges was subsequently issued on February 4, 2010. A hearing was scheduled for July 20, 2010.

III.

The following summary of facts and violations were alleged in the Order of Summary Suspension and Amended Notice of Administrative Charges:

On September 10, 2009, David Garrison, sole owner of Dawg Tags II, LLC, d/b/a Lake City Tavern (Lake City Tavern), was charged with Felony Assault 2nd Degree and Felony Harassment. Lake City Tavern has failed to prove through clear and convincing evidence that it continues to qualify for licensure. These felony charges involve physical harm to an individual and moral turpitude. Lake City Tavern poses an immediate danger to public safety and welfare, and its license should be revoked.

On October 31, 2009, Mr. Garrison was charged with Violation of a No Contact Order in Lakewood Municipal Court. This violation of court order reflects Mr. Garrison's willful disregard for compliance with court orders, and therefore, Lake City Tavern poses an immediate danger to public safety and welfare, and its license should be revoked. In addition, Lake City Tavern failed to pay exceeding class fees for its Punch Board/Pull-Tab license for the license year ending September 30, 2009.

VIOLATIONS

- 1) RCW 9.46.075(1) provides the Commission may revoke any license for any reason or reasons, it deems to be in the public interest.
- 2) RCW 9.46.075(9) provides that the Commission may revoke a license of any licensee who is subject to current prosecution or pending charges . . . or any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude.
- 3) WAC 230-03-085(1) and (8) provide that the Commission may revoke a license of any licensee, when the licensee poses a threat to the effective regulation of gaming or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gaming activities as demonstrated by prior activities.
- 4) WAC 230-03-085(3) provides that the Commission may suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.
- 5) RCW 9.46.075(8) provides that the Commission may revoke any license when a licensee fails to prove, by clear and convincing evidence, that it is qualified in accordance with the provisions of this chapter. RCW 9.46.153(1) provides that it shall be the affirmative responsibility of each licensee to establish by clear and convincing evidence the necessary qualifications for licensure.
- 6) WAC 230-06-085(1) states that licensees must report to the Commission in writing within 30 days of all criminal actions filed against the licensee, manager of the licensed gambling activity, the business organization, or any person holding a substantial interest.

Mr. Garrison is charged with having committed 2nd Degree Felony Assault and Felony Harassment occurring on September 9, 2009. Mr. Garrison is also charged with violating a No Contact Order. Mr. Garrison failed to report his pending charges, as required, in violation of WAC 230-06-085(1). The licensee poses a threat to the effective regulation of gaming, or increases the likelihood of unfair or illegal practices as demonstrated by his prior activity.

7) WAC 230-06-130 provides that licensees must not exceed the gross gambling receipts limits for their license class during any annual license period. Licensees must apply a projection of year-to-date receipts to the remaining period of their license and, if it indicates that it is reasonably likely that they may exceed their license they must immediately: (a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and (b) Submit the fee required for the new license, minus the amount originally submitted for the previous license, plus a change of classification fee,

8) WAC 230-06-135 provides that if licensees fail to apply for a license class upgrade and exceed the license class limit within a present or previous license year, we assess an additional fee. The Commission charges an additional fee of up to fifty percent of the difference between the fee for the present license class and the new license class, or one thousand dollars, whichever is less. Licensees must pay any required license class upgrade fee, plus any additional fee within thirty days of notification by the Commission. Failure to pay the fees may result in an immediate summary suspension of all licenses.

On November 13, 2009, a Commission Customer Service Specialist sent Lake City Tavern a notice that they had exceeded their class, and needed to pay \$1,518 no later than December 14, 2009. This sum included the difference in the license fees (\$994), a change of class fee (\$27), and an exceeding class fee (\$497). As of February 12, 2009, Lake City Tavern had not paid the exceeding class fee, upgraded their license, or paid the change of class fee.

The licensee failed to upgrade its license and pay the required fee, in violation of WAC 230-06-130 and WAC 230-06-135.

The licensee has also failed to establish clearly and convincingly, as required by RCW 9.46.153(1), that it is qualified to be licensed. Grounds, therefore, exist to revoke Lake City Tavern's license based on RCW 9.46.075(1), (8), and (9), and WAC 230-03-085(1), (3), and (8).

IV.

The licensee, Lake City Tavern, through its owner, David Garrison, acknowledges that it received and understands the Findings of Fact, Conclusions of Law and Order of Summary Suspension, and Amended Notice of Charges, issued in this case. The licensee has waived its right to a hearing, based on the terms and conditions of this Settlement Order. The licensee agrees to the following terms and sanctions:

1) Lake City Tavern, through its owner, David Garrison, agrees to the surrender the gambling license for Dawg Tagz II, LLC, d/b/a The Fan Club, 8315 83rd Ave. SW, Lakewood to Commission staff.

2) David Garrison shall have no involvement directly or indirectly, whether paid or unpaid, in the operation, ownership, or financing of any business in Washington State which is applying for, or holds, a gambling license or permit or is involved with any gambling activity, including punchboard/pull-tab, or amusement game activity.

3) **The signed Settlement Order must be received by Commission staff by July 19, 2010,** and mailed to Commission Headquarters at the following address:

Washington State Gambling Commission
Attention: Communications and Legal Division
P.O. Box 42400
Olympia, WA 98504-2400

or delivered (in person or via private courier) to the following address:

Washington State Gambling Commission
4565 7th Avenue SE; Fourth Floor
Attention: Communications and Legal Division Lacey, WA 98503

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4) In the event that David Garrison reapplies for a gambling license, he will be subject to all the Commission's investigative procedures for processing an application for a gambling license. Furthermore, no promises or assurances have been made that Mr. Garrison will receive a license from the Commission should he reapply.

DATED this _____ day of _____, 2010.

Administrative Law Judge

APPROVED FOR ENTRY:

APPROVED AS TO FORM:

By the signature below, Mr. Garrison acknowledges reading the Settlement Order, and understands the terms and conditions in it.

David Garrison (Date)
Owner and operator of: Dawg Tagz II,
d/b/a The Fan Club

H. Bruce Marvin, WSBA #25152 (Date)
Assistant Attorney General,
Representing the Washington
State Gambling Commission

S. Christopher Easley, WSBA #28029 (Date)
The Easley Law Group, P.S.
Representing David Garrison

Melinda Froud, WSBA # 26792 (Date)
Lead Staff Attorney,
Washington State Gambling Commission

