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STATE OF WASHINGTON
GAMBLING COMMISSION
COMM & LEGAL DIVISION

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In the Matter of the Suspension of)
the Licenses to Conduct Gambling Activities of:)
Ringo's Little Vegas,)
11420 E. Sprague Ave.)
Spokane, Washington,)
Licensee.)
_____)

NO. CR 2009-00249

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SETTLEMENT ORDER

OTC / LICENSING

This Settlement Order is entered into between the Washington State Gambling Commission and Ringo's Little Vegas. H. Bruce Marvin, Assistant Attorney General, and Brenda Bono, Staff Attorney, represent the Commission. Dave Malone, of Miller Malone & Tellefson represents the licensee.

I.

The Washington State Gambling Commission issued Ringo's Little Vegas, organization number 00-20217, the following licenses:

- Number 67-00223, Authorizing Class "13" House-Banked Card Room Activity.
- Number 05-20041, Authorizing Class "D" Punchboard/Pull-Tab Activity.

The licenses expire on September 30, 2009, and were issued subject to the licensee's compliance with state gambling laws and regulations.

II.

In the above-entitled case, the Gambling Commission issued a Notice of Administrative Charges and Opportunity for an Adjudicative Hearing on April 21, 2009, seeking the suspension of Ringo's Little Vegas's licenses to conduct gambling activities.

On April 30, 2009, Commission staff received the licensee's request for a hearing.

The following facts and violations were alleged in the Notice of Administrative Charges:

- On at least February 12, 2009, and February 13, 2009, the licensee's closed circuit television system (CCTV) had multiple cameras in their gaming area that failed to work as required by administrative rule. Two of the pan-tilt-zoom (PTZ) cameras displayed a black picture on the monitor. Two other cameras displayed a blurry and indecipherable image on the monitor. One camera rotated as such a slow speed that it failed to verify winning hands, amounts of the wager, amounts of the payout, and the players who won the prize. These are violations of WAC 230-15-320(4).

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- On at least February 12, 2009, and February 13, 2009, the licensee's CCTV failed to provide a sufficient number of PTZ cameras to monitor players and dealers at each gaming table, and to determine card and chip values of winning hands. This is a violation of WAC 230-15-320(4).
- On at least February 12, 2009, and February 13, 2009, the licensee operated four digital video recorders (DVR) that would not copy images to another digital medium. This is a violation of WAC 230-15-295(4).
- In December 2008, the licensee received a NOVAS¹ for failing to retain seven days worth of video.
- In September 2006, the licensee had administrative charges issued against it for failure to timely report loans received from other than a recognized financial institution within sixty days following the transaction date.
- In 2008, the licensee had administrative charges issued against it for failing to timely report a March 2, 2007, \$40,000 loan from other than a recognized financial institution within sixty days following the transaction date.

RCW 9.46.075 provides that the Commission may suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the licensee, or any person with any interest therein: The following subsection(s) apply:

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

WAC 230-03-085 Denying, suspending, or revoking an application, license or permit. We may deny, suspend, or revoke any application, license or permit, when the licensee, or anyone holding a substantial interest in the licensee's business or organization: The following subsection(s) apply:

- (1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.
- (3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.

WAC 230-15-320 Surveillance room requirements for house-banked card game licensees. House-banked card game licensees must maintain one or more surveillance rooms. They must: The following subsection(s) apply:

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¹ The Notice of Violation and Settlement (NOVAS) identifies the violation and gives the recipient the opportunity to pay a fine to settle the matter.

(4) Ensure that any time a winning wager, a jackpot, or bonus pay out greater than one thousand dollars is won, they use pan-tilt-zoom (PTZ) cameras to verify: (a) Winning hands; and (b) Amounts of the wager; and (c) Amounts of the pay out; and (d) Players who won the prize.

WAC 230-15-285(1), (2), and (3) Camera and monitor requirements for closed circuit television systems.

(1) Class F and house-banked licensees' closed circuit television system must consist of light sensitive cameras capable of permitting the viewer to determine card and chip values. Each video camera must be capable of having the images displayed on a video monitor and recorded.

(2) Class F and house-banked licensees must install, at least:

(a) Cameras in a manner that will prevent them from being obstructed, tampered with, or disabled; and

(b) Pan, tilt, zoom (PTZ) cameras behind a smoked dome, one-way mirror, or similar materials that conceal the camera from view; and

(c) One or more fixed camera focused over each gambling table, covering the entire table layout.

(d) In non house-banked games, an additional fixed camera must focus over the dealer area, covering the chip rack, all drop box openings, and the community card area; and

(e) A sufficient number of fixed cameras and/or PTZ cameras to monitor players and dealers at each gambling table. The PTZ cameras must be:

(i) Permanently programmed; and (ii) Capable of viewing each patron and dealer at each gambling position at least once every five minutes; and

(f) A sufficient number of fixed cameras and/or PTZ cameras in the count area or count room; and

(g) Fixed cameras and/or PTZ cameras in any other location deemed necessary.

(3) In addition, house-banked card game licensees must:

(a) Install a sufficient number of video monitors in their CCTV system to simultaneously view multiple gambling tables, the cashier's cage, and count room activities;

(b) Install a sufficient number of fixed cameras and/or PTZ cameras in the cage(s); and

(c) Install a sufficient number of PTZ cameras having the ability to determine the card and chip values for winning hands.

WAC 230-15-295(4) Digital Video Digital Recording Requirements.

(4) Digital recording, including audio recording where required, using a digital recording and storage system, must: Be capable of copying original images maintaining the original native format.

IV.

The licensee acknowledges that it received the Notice of Administrative Charges issued in this case, and understands the facts and violations contained in it. While not admitting to the facts and violations specified above in section II, Ringo's agrees that if the Gambling Commission established the alleged facts in the case at issue, there would be sufficient evidence of the violations as stated in the administrative charges.

The licensee has waived its right to a hearing, based on the terms and conditions of this Settlement Order.

The licensee is now in compliance with surveillance requirements. The licensee has updated its equipment, and changed its procedures for PTZ verification and DVR copying.

The licensee agrees to the following terms and sanctions:

1) The licensee's gambling licenses are hereby suspended for a period of **five (5) days**, provided that:

- a) **Four (4) days** of the suspension shall not be currently served, but shall be deferred for a period of one year from the date of entry of this Settlement Order, subject to the following: The licensee agrees not to violate the terms of this Settlement Order, or any of Washington's gambling statutes or regulations during the one (1) year term. If the licensee violates this Settlement Order or gambling statutes or regulations, and if the violation is the type that warrants the filing of administrative or criminal charges, then the Director may impose the four-day deferred suspension of the current gambling licenses and any subsequently acquired gambling licenses.
- b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this agreement, has discretion to determine whether the licensee has violated any term of this agreement. In the event the Director determines that a violation of this agreement has occurred, he may suspend the license(s) issued to the licensee for up to four days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. In addition to the consequences of the new violation, the deferred sentence shall also be served. The licensee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.
- c) Pursuant to RCW 9.46.077, the licensee has chosen to vacate the remaining **one (1) day** of this suspension by paying a monetary penalty of **three thousand, seven hundred dollars (\$3,700)** which represents 50% of the licensee's net gambling receipts and administrative costs of **four thousand, five hundred (\$4,500)**. The total amount that the licensee agrees to pay to the Commission is **eight thousand, two hundred dollars (\$8,200)**.

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- d) **The signed order must be received by Commission staff on or before May 30, 2009.**
Payment must be **mailed** to Commission Headquarters at the following address:

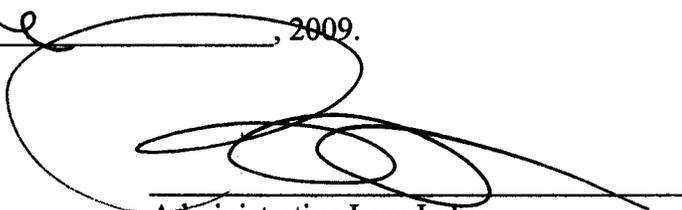
Washington State Gambling Commission
Attention: Communications and Legal Division – Fines
P.O. Box 42400
Olympia, WA 98504-2400

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 – Fines
Lacey, WA 98503

- 2) If no violations occur within the one (1) year period, and the licensee makes its payment by the date agreed to in this Settlement Order, this matter will be deemed closed.

DATED this 16th day of June, 2009.



Administrative Law Judge

APPROVED FOR ENTRY:

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

Tom Schaefer 6-3-09
Ty Ullman (Date)
Highest Ranking Member
Ringo's Little Vegas
signed on behalf of Ty Ullman

David Malone 5/19/09
David Malone, WSBA #23435 (Date)
Miller Malone,
Representing Ringo's Little Vegas.

Brenda M. Bono #26792
Brenda M. Bono, WSBA #29956 (Date)
Staff Attorney,
Washington State Gambling Commission

APPROVED AS TO FORM:

H. Bruce Marvin 6/8/09
H. Bruce Marvin, WSBA #25152 (Date)
Assistant Attorney General,
Representing the Washington
State Gambling Commission

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