

JUN 11 2010

GAMBLING COMMISSION  
COMM & LEGAL DIVISION

STATE OF WASHINGTON  
GAMBLING COMMISSION

JUN 01 2010

GAMBLING COMMISSION  
COMM & LEGAL DIVISION

In the Matter of the Suspension or Revocation of )  
the Licenses to Conduct Gambling Activities of: )  
)  
Walstad Enterprises Inc. )  
d/b/a Lake Pateros Sports Bar and Grill )  
Pateros, Washington, )  
)  
Licensee. )  
\_\_\_\_\_ )

NO. CR 2010-00277

**SETTLEMENT ORDER**

JUN 03 2010

HEADQUARTERS OFFICE OF  
ADMINISTRATIVE HEARINGS

This Settlement Order is entered into between the Washington State Gambling Commission and Lake Pateros Sports Bar and Grill. H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Commission. Keith Walstad, owner, represents the licensee.

I.

The Washington State Gambling Commission issued:

1) Walstad Enterprises Inc., d/b/a Lake Pateros Sports Bar and Grill in Pateros, organization number 00-21478, the following licenses:

- Number 05-20655, Authorizing Class "A" Punchboard/Pull-Tab Activity, and
- Number 65-07211, Authorizing Class "D" Public Card Room Activity.

The licenses expire on December 31, 2010, and were issued subject to the licensee's compliance with state gambling laws and regulations.

2) Walstad Enterprises Inc., d/b/a Wagon Wheel Bar and Grill in Malott, organization number 00-20203, the following licenses:

- Number 05-20031, Authorizing Class "A" Punchboard/Pull-Tab Activity; and
- Number 65-07027, Authorizing Class "D" Public Card Room Activity.

These licenses, which expired on June 30, 2009, 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 March 23, 2010, seeking the suspension or revocation of Lake Pateros Sports Bar and Grill licenses to conduct gambling activities. On April 12, 2010, Commission staff received the licensee's request for a hearing.

### III.

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

- 1) Walstead Enterprises Inc. owns and operates Lake Pateros Sports Bar and Grill and Wagon Wheel Bar and Grill.
- 2) On June 30, 2009, Walstad Enterprises Inc., d/b/a Wagon Wheel Bar and Grill's gambling licenses expired. However, Wagon Wheel Bar and Grill continued to operate gambling activity from July 1, 2009, through February 8, 2010, in violation of WAC 230-06-125 and RCW 9.46.160.
- 3) Walstad Enterprises Inc. failed to pay the \$628 Class "A" Punchboard/Pull-Tab Activity license fee and the \$59 Class "D" Public Card Room Activity license fee for gambling activity that took place at the Wagon Wheel Bar and Grill from July 1, 2009, through February 8, 2010, in violation of WAC 230-05-025.
- 4) Therefore, under RCW 9.46.075(1) and WAC 230-03-085(1), grounds exist to suspend or revoke the licenses owned and operated by Walstad Enterprises Inc., d/b/a Lake Pateros Sports Bar and Grill.

#### **RCW 9.46.075 Denying, suspending, or revoking an application, license or permit**

The Commission may deny an application, or 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 applicant or licensee, or any person with any interest therein: The following subsections 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 a license or permit**

We may deny, 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: The following subsections apply.

- (1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

#### **RCW 9.46.160 Conducting activity without license.**

Any person who conducts any activity for which a license is required by this chapter, or by rule of the Commission, without the required license issued by the Commission shall be guilty of a class B felony. If any corporation conducts any activity for which a license is required by this chapter, or by rule of the Commission, without the required license issued by the Commission, it may be punished by forfeiture of its corporate charter, in addition to the other penalties set forth in this section.

**WAC 230-06-125 Renew your license in a timely manner.**

(1) Licensees must ensure a properly completed renewal application and all applicable fees are received at our administrative office in Lacey at least fifteen days before the expiration date on their license.

(2) If licensees do not submit a properly completed application and all fees and their license expires, they must immediately stop the gambling activity covered by their license.

(3) If your license expires, you must submit an application and you must not operate any gambling activity until a new license is issued.

**WAC 230-05-025 Commercial stimulant fees.**

All commercial stimulant license applicants must pay the following fees to us when applying for gambling licenses:

(The following subsections apply.)

(1) Card games - Nonhouse-banked: Class D, Up to five tables – no fee to play, \$59.

(3) Punch boards and pull-tabs: Class A, Up to \$50,000, \$628.

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. 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:

The licensee's gambling licenses are hereby suspended for a period of **thirty-five (35) days**, provided that:

a) **Five (5) 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 five-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 five 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) The licensee has chosen to **serve the remaining thirty (30) days of this suspension. The suspension period will begin at 8:00 a.m. on Tuesday, June 1, 2010, and shall run through Wednesday, June 30, 2010.**

d) During this period of suspension, no gambling activities shall take place at the licensed premises. The licensee may resume its gambling activities at 8:00 a.m. on Thursday, July 1, 2010.

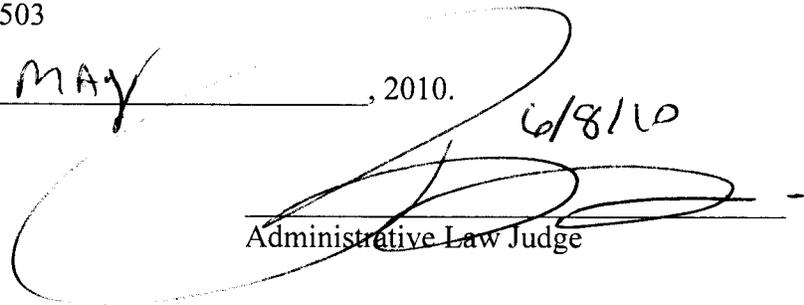
e) **The signed order must be received by Commission staff on or before Thursday, May 27, 2010.** This can be mailed to Commission Headquarters at:

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:

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

DATED this 26 day of MAY, 2010.

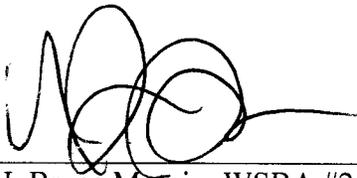
  
Administrative Law Judge

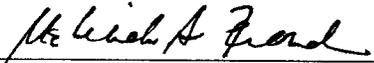
APPROVED FOR ENTRY:

APPROVED AS TO FORM:

By the signature below, the licensee understands the terms and conditions contained in the settlement order.

  
Keith Walstad, Owner (Date)  
Lake Pateros Sports Bar & Grill

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

  
Melinda Froud, WSBA #26792  
Staff Attorney,  
Washington State Gambling Commission