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STATE OF WASHINGTON  
GAMBLING COMMISSION

AUG 12 2010

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In the Matter of the Suspension )  
of the Licenses to Conduct )  
Gambling Activities of: )  
) )  
Red Dog Saloon )  
Maple Valley, Washington, )  
) )  
Licensee. )  
\_\_\_\_\_ )

NO. CR 2010-00563

SETTLEMENT ORDER

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HEADQUARTERS OFFICE OF  
ADMINISTRATIVE HEARINGS

This Settlement Order is entered into between the Washington State Gambling Commission and Red Dog Saloon. The Gambling Commission is represented by H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Staff Attorney. Linda Perri, Treasurer, is representing the licensee.

I.

The Washington State Gambling Commission issued Red Dog Saloon, organization number 00-21256, the following license:

Number 05-20554 Authorizing Class "A" Punchboard/Pull-Tab Activity.

The license expires on March 31, 2011, and was issued subject to the licensee's compliance with state gambling laws and regulations.

II.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on June 24, 2010. On July 14, 2010, Commission staff received the licensee's Request for Hearing.

III.

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

- 1) Red Dog Saloon was licensed for Class "A" Punchboard/Pull-Tab Activity, which is authorized to have annual gross gambling receipts up to \$50,000. However, the licensee had gross gambling receipts of \$65,214 for its license year ending March 31, 2009.
- 2) As a result, the licensee was operating at Class "B" Punchboard/Pull-Tab Activity, which is authorized to have annual gross gambling receipts up to \$100,000.

3) Red Dog Saloon failed to pay the required fees of \$729 in connection with exceeding their Punch Board/Pull-Tab license class for their license year ending in March 31, 2009.

4) Therefore, under RCW 9.46.075(1), WAC 230-06-130(1), and (2)(a), and (b), WAC 230-03-085(1), (3), and (7), grounds exist to suspend Red Dog Saloon's license.

**RCW 9.46.075(1)** 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 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 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;

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level;

(7) Fails to provide us with any information required under Commission rules within the time required, or, if the rule establishes no time limit, within thirty days after receiving a written request from us.

**WAC 230-06-130 Exceeding license class**

(1) Licensees must not exceed the gross gambling receipts limits for their license class during any annual license period.

(2) 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.

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IV.

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On July 14, 2010, the licensee paid the required fees of \$729 in connection with exceeding their Punch Board/Pull-Tab license class for their license year ending in March 31, 2009.

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

1) The licensee agrees that Red Dog Saloon's license is hereby suspended for a period of five (5) days, provided that:

a) **Two (2) 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 any of Washington's gambling statutes or regulations during the one (1) year term. If the licensee violates these 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 two-day suspension of the current gambling license(s) 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 section has occurred, he may suspend the license(s) issued to the licensee, and any subsequently acquired licenses, for up to two days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. This suspension shall be in addition to any consequences of the new violation. The licensee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.

2) **The licensee has chosen to serve the remaining three (3) days of the suspension.**

i. **The suspension period begins at 8:00 a.m. on Monday, August 16, 2010, and runs through Wednesday, August 18, 2010.**

ii. During this period of suspension, no gambling activities shall take place at the licensed premises.

iii. The licensee may resume its gambling activities at 8:00 a.m. on Thursday, August 19, 2010.

3) **The signed Settlement Order must be received by Commission staff on or before August 10, 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 7<sup>th</sup> Avenue SE; Fourth Floor  
Attention: Communications and Legal Division Lacey, WA 98503

DATED this 19 day of August, 2010.



Administrative Law Judge

**APPROVED FOR ENTRY:**

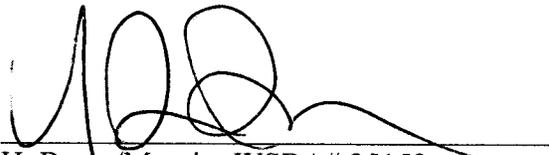
By the signature below, the licensee understands the terms and conditions contained in the settlement order.

 8-10-10

Linda Perri, Treasurer  
Red Dog Saloon

(Date)

**APPROVED AS TO FORM:**



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

 #28760

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