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GAMBLING COMMISSION
COMM & LEGAL DEPT

STATE OF WASHINGTON
GAMBLING COMMISSION

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DEC 28 2010

GAMBLING COMMISSION
COMM & LEGAL DIVISION

In the Matter of the Suspension of the Licenses) NO. CR 2010-00865
to Conduct Gambling Activities of:)

The Royal Club, LLC,
d/b/a Roman Casino,
Seattle, Washington

) NOTICE OF ADMINISTRATIVE
) CHARGES AND OPPORTUNITY
) FOR AN ADJUDICATIVE
) PROCEEDING

Licensee.
_____)

This Settlement Order is entered into between the Washington State Gambling Commission and The Royal Club, d/b/a Roman Casino. The Gambling Commission is represented by H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Lead Staff Attorney. The licensee is represented by Dave Malone of Miller Malone & Tellefson.

I.

The Washington State Gambling Commission issued The Royal Club, d/b/a Roman Casino, organization number 00-17613, the following licenses:

Number 67-00057, authorizing Class "15" House-Banked Card Room activity; and
Number 05-09639, authorizing Class "F" Punchboard/Pull-Tab activity.

The licenses expire on March 31, 2011, and were 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 September 23, 2010. On October 8, 2010, Commission staff received the licensee's request for a hearing

III.

The following is a summary of the facts alleged, and the violations charged in the Notice of Administrative Charges:

When the licensee submitted a renewal application in March 2010, the licensee answered "No" to a question that asked if the licensee received any new loans. As a result, the licensee failed to disclose the November 2009 \$100,000 loan from Mr. Routos on its renewal application, in violation of WAC 230-06-080. In June of 2010, the licensee reported the November 2009 \$100,000 loan from Mr. Routos to a Commission Special Agent.

Previously, in December of 2005, Mr. Routos received a warning letter for failure to submit updated loan documents and for failure to provide documents pertaining civil actions filed against Roman Casino. Grounds exist to suspend Roman Casino's licenses under RCW 9.46.075(1) and (7), and WAC 230-03-085(1), (3), and (7).

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.

(7) Makes a misrepresentation of, or fails to disclose, a material fact to the Commission.

WAC 230-06-080 Report changes to application information and submit updated documents and information.

(1) Licensees must notify us in writing if any information filed with the application changes in any way within thirty days of the change.

(2) Licensees must submit to us any new or updated documents and information, including the following:

(a) Articles of incorporation or bylaws, or any other documents which set out the organizational structure and purposes; and

(b) All oral or written contracts and agreements which relate to gambling activities or alter the organizational structure of the licensee's organization or business activities in Washington; and

(c) All cash or asset contributions, draws from lines of credit, and loans (except those from recognized financial institutions) during any calendar year which by themselves or totaled together are more than ten thousand dollars. Cash or asset contributions do not include donations to licensed charitable or nonprofit organizations; and

(d) Internal Revenue Service tax deductible status of contributions for charitable and nonprofit organizations.

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.

IV.

The licensee acknowledges that it has read the Notice of Administrative Charges, and understands the facts contained in it. While not admitting to the facts and violations specified above in section III, the licensee 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.

1) The licensee agrees that Roman Casino's license is hereby suspended for a period of **three (3) days**, provided that:

a) **One (1) day 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 one-day suspension of the current gambling license 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 one day, 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.

c) Pursuant to RCW 9.46.077, the licensee has chosen to vacate the remaining two (2) days of this suspension by paying a monetary penalty of **fifteen thousand, two hundred and eighty-five dollars (\$15,285)** which represents fifty percent of the licensee's net gambling receipts for two days, based on information reported by the licensee on its activity reports. The licensee also agrees to reimburse the Commission for its investigative and administrative costs in the amount of **seven hundred forty-three dollars (\$743)**. The total amount that the licensee agrees to pay to the Commission is **sixteen thousand and twenty-eight dollars (\$16,028)**.

3) **The signed order and payment must be received by Commission staff on or before Tuesday, December 28, 2010.** The order must be 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

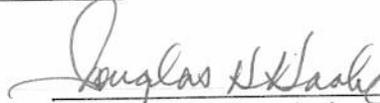
or delivered (in person or via private courier) to the following address:

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

4) If the licensee makes its payment as agreed, this matter will be deemed closed. However, if the licensee fails to timely make its payment, the Director may impose an additional two (2) day suspension for the late payment. Serving the suspension would not, however, relieve the licensee of its obligation to pay its fine.

DATED this 27 day of December, 2010.

January 4, 2011


Administrative Law Judge

APPROVED FOR ENTRY:

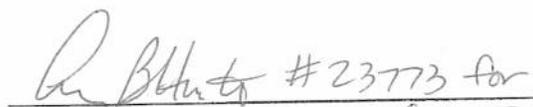
By the signature below, the licensee understands and accepts the terms and conditions of this Order.


James Rontos, Chief Executive Officer (Date)
Roman Casino

APPROVED AS TO FORM:


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


David Malone, WSBA #23435 (Date)
Attorney Representing Roman Casino


Melinda Froud, WSBA #26792 (Amy B. Hunter)
Lead Staff Attorney,
Washington State Gambling Commission