

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Denial of the Application for )  
a License to Conduct Gambling Activities of: ) NO. CR 2011-00451  
)  
Charlie's Town & Country, ) **SETTLEMENT IN LIEU OF**  
) **ADMINISTRATIVE CHARGES**  
Applicant. )  
\_\_\_\_\_)

This Settlement in Lieu of Charges is entered into between the Washington State Gambling Commission and Charlie's Town & Country. The Gambling Commission is represented by Bruce Marvin, Assistant Attorney General, and Brenda Bono, Staff Attorney. The applicant is represented by Gary Towe, Manager.

I.

Charlie's Town & Country, 1735 Central Ave. S., Kent, Organization Number 00-21835, has applied for a license authorizing Class "F" Punchboard/Pull-Tab activity.

The application was subject to compliance with state gambling laws and regulations when it submitted its application.

II.

There are sufficient grounds for the Gambling Commission to deny Charlie's Town & Country's application based on the following:

**SUMMARY:**

The applicant, Charlie's Town & Country, conducted pull-tab activity after its license expired on June 30, 2010.

III.

**FACTS:**

- 1) During an on-site visit in March 2011, a Commission Special Agent (agent) discovered that Charlie's Town and Country was conducting Punchboard/Pull-Tab activity without a valid license.
- 2) Charlie's Town and Country failed to timely submit a completed application and all applicable fees prior to the expiration date, and its license expired on June 30, 2010. Despite not having a valid

license, Charlie's Town & Country continued to conduct gambling activities from July 1, 2010 through March 2011, in violation of RCW 9.46.160.

3) On or about March 25, 2011, Charlie's Town & Country applied for a new Class "F" Punch board/Pull-Tab license.

4) Charley's Town & Country failed to submit its Punch board/Pull-Tab Activity report for the first and second quarter of 2010 until April 8, 2011, in violation of WAC 230-14-284. The report was due by July 30, 2010.

## **GROUNDINGS FOR DENIAL/VIOLATIONS:**

### **RCW 9.46.075**

#### **Gambling commission — Denial, suspension, or revocation of license, permit — Other provisions not applicable.**

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 subsection applies.)

(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 applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(The following subsection applies.)

(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 230-14-284**

### **Activity reports for punch board and pull-tab licensees.**

Punch boards and pull-tab licensees must submit an activity report to the commission. Licensees must complete the report in the format we require and must:

- (1) Cover the periods:
  - (a) January 1 through June 30; and
  - (b) July 1 through December 31; and
- (2) Be received at our administrative office or postmarked no later than thirty days following the end of the reporting period; and
- (3) Be signed by the licensee's highest ranking executive officer or a designee. If someone other than the punch board and pull-tab licensee or its employee prepares the report, then it must provide the preparer's name and business telephone number; and
- (4) Be filed even if they do not renew their license. They must file a report for the period between the previous report filed and the expiration date of the license.

In March 2011, Commission Special Agent went to Charlie's Town & Country and observed that the applicant was operating Punchboard/Pull-Tab games without a valid license, in violation of RCW 9.46.160. Charlie's Town & Country failed to renew its license in violation of WAC 230-06-125 and operated without a license from July 1, 2010 through March 2011. Charlie's Town & Country also failed to timely submit its Punchboard/Pull-Tab Quarterly Activity Reports for the first and second quarters of 2010, in violation of WAC 230-14-284. Grounds, therefore, exist for the denial of the gambling application submitted by Charlie's Town & Country pursuant to RCW 9.46.075(1), and WAC 230-03-085(1).

## IV.

The applicant, Charlie's Town & Country, acknowledges that it violated Commission rules, and has indicated its willingness to comply with gambling rules and regulations. In lieu of formal proceedings the parties agree to settle this matter under the following terms:

- 1) The applicant acknowledges that its Punchboard/Pull-Tab application is pending final approval by the Commission.
- 2) The parties agree that after obtaining licensure, Charlie's Town & Country license is suspended for a period of **fifteen (15) days**, provided that:

- a) **Five (5) days** of the suspension shall not be currently served, but shall be deferred for a period of one (1) year from the date of entry of this Settlement, subject to the following: Charlie's Town & Country must not violate Washington's gambling statutes or rules during the one (1) year term. If the applicant violates such statutes or rules, and if the violation is the type that warrants the filing of administrative charges, then the Director may impose up to **five (5) days** of the deferred suspension on any subsequently acquired gambling licenses.
- b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this Settlement, has sole discretion to determine whether the licensee has violated any term of this Settlement. In the event the Director determines a violation has occurred, he may suspend the licenses issued to Charlie's Town & Country by mailing or delivering a Notice of Order of Administrative Charges to the licensee. In addition to the consequences of the new violation, the licensee shall serve all, or part of the deferred sentence. The licensee shall have the opportunity to request an adjudicative proceeding, which includes a hearing on the alleged violations.
- c) Pursuant to RCW 9.46.077, the applicant has chosen to vacate the remaining **ten (10) days** of the suspension by paying a penalty of **\$1,975 (one thousand, nine hundred and seventy-five dollars), which represents 50% of ten (10) days of net gambling receipts**. The applicant also agrees to reimburse the Commission for its investigative and administrative costs of **\$2,342 (two thousand, three hundred and forty-two dollars)**. The applicant further agrees to pay back license fees in the amount of **\$3,605 (three thousand, six hundred and five dollars)**, for a total penalty of **\$7,922 (seven thousand, nine hundred and twenty-two dollars)**.
- d) The payment shall be made in three installments:
1. The first installment of **\$2,640.66 (two thousand, six hundred and forty dollars, and sixty-six cents)** shall be received by Commission staff on the date the representative for Charlie's Town and Country signs the Settlement in Lieu of Charges.
  2. The second installment of **\$2,640.67 (two thousand, six hundred and forty dollars, and sixty-seven cents)** shall be received by Commission staff on or before **June 1, 2011**.
  3. The third installment of **\$2,640.67 (two thousand, six hundred and forty dollars, and sixty-seven cents)** shall be received by Commission staff on or before **July 1, 2011**.
- e) The applicant shall **mail** payments to Commission Headquarters at the following address:

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

or **deliver** (in person or via private courier) payments to Commission Headquarters at the following address:

Washington State Gambling Commission  
Attn: Communications and Legal Division  
4656 7<sup>th</sup> Avenue SE  
Lacey, WA 98503

2) Charlie's Town & Country's application will be forwarded to the Commission for approval upon signature of this Settlement in Lieu of Charges by the Director.

3) If the applicant makes its payments by the dates agreed to in this settlement, this matter will be deemed closed. If the applicant fails to timely make its payments, staff will recommend imposition of five the deferred days and Administrative Charges may follow.

DATED this 21st day of April, 2011.

AGREED TO BY:

Gary Towe 4/21/11  
\_\_\_\_\_  
Gary Towe (Date)  
Manager, Charlie's Town & Country

Rick Day  
\_\_\_\_\_  
Rick Day, Director  
Washington State Gambling  
Commission

Brenda Bono  
\_\_\_\_\_  
Brenda Bono, Staff Attorney  
Washington State Gambling Commission

STATE OF WASHINGTON )  
                                  )SS  
COUNTY OF THURSTON )

I hereby certify that I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy thereof, properly addressed with postage prepaid, to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 22 day of April, 2011

Communications and Legal Department  
Washington State Gambling Commission