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GAMBLING COMMISSION
COMM & LEGAL DIVISION

STATE OF WASHINGTON
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GAMBLING COMMISSION
COMM & LEGAL DEPT

In the Matter of the Suspension or)
Revocation of the License to)
Conduct Gambling Activities of:)
)
Let It Ride Casinos)
Renton, Washington,)
)
Licensee.)
_____)

No. CR 2011-00710

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SETTLEMENT ORDER OAH - Tacoma

The Washington State Gambling Commission and the licensee, Let It Ride Casinos, enter into this Settlement Order to resolve the administrative charges issued against the licensee. Stephanie Happold, Assistant Attorney General, and Arlene Dennistoun, Staff Attorney, represent the Gambling Commission. Cory Thompson, co-owner, represents the licensee.

I.

The Washington State Gambling Commission issued Let It Ride Casinos (Let It Ride), organization number 00-18375, located at 227 Main Ave S. Renton, the following license:

Number 28-00020, authorizing Class "B" Fund Raising Event (FRE) activity.

The license, which expires on August 30, 2012, 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 December 22, 2011. The licensee received the Notice, and on December 29, 2011, Commission staff received the licensee's request for hearing. On February 3, 2012, the Director issued a Notice of Amended Charges.

III.

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

SUMMARY:

An FRE is a licensed activity that authorizes a nonprofit organization to raise funds. A Recreational Gaming Activity (RGA) license authorizes any organization to hold a nongaming event for entertainment purposes. A class "B" FRE license allows the equipment distributor to service class "A" and "D" FREs and RGA providers. On multiple occasions in 2010 and 2011, the licensee's FRE equipment distributor activities

exceeded those permitted by the license class of the non-profit licensee with whom they had contracted to provide FRE support¹, by accepting gratuities² and providing dealer activity to class "A" licensees' events.

VIOLATIONS:

1) RCW 9.46.075 (1), (2) and (7) provide the Commission may 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 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, 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;

(2) Knowingly causes, aids, abets, or conspires with another to cause, any person to violate any of the laws of this state or the rules of the Commission;

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

2) WAC 230-03-085(1), (3) and (8) provide that the Commission may revoke any license or permit when the licensee, or anyone holding a substantial interest in the licensee's business or organization:

(The following subsections apply.)

(1) Commits any act that constitutes grounds for revoking licenses or permits under RCW 9.46.075; or

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

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gaming activities, as demonstrated through the person's prior activities, criminal record, reputation, habits, or associations.

¹A class "A" license allows the public to attend a FRE, and play for cash prizes, but the games must be operated or managed by members of the non-profit organization. A class "D" license makes games open to members and their guests only, and the players may play for merchandise prizes only(no cash), but the games may be operated or managed by an FRE distributor. Neither class "A" nor class "D" events allow gratuities to be paid to the FRE distributor.

²Gratuities are not permitted from a FRE because all fundraising amounts are intended for the fund raising charitable recipient.

3) **RCW 9.46.180** provides that any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any provision of this chapter shall be guilty of a class B felony subject to the penalty in RCW 9A.20.021.

4) **RCW 9.46.185** provides that any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any rule or regulation adopted pursuant to this chapter shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021.

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5) **RCW 9.46.0223 (1)** provides that "Fund-raising event," as used in this chapter, means a fund-raising event conducted during any seventy-two consecutive hours but exceeding twenty-four consecutive hours and not more than once in any calendar year or a fund-raising event conducted not more than twice each calendar year for not more than twenty-four consecutive hours each time by a bona fide charitable or nonprofit organization as defined in RCW 9.46.0209 other than any agricultural fair referred to there under, upon authorization therefore by the commission, which the legislature hereby authorizes to issue a license therefore, with or without fee, permitting the following activities, or any of them, during such event: Bingo, amusement games, contests of chance, lotteries, and raffles. However: (a) Gross wagers and bets or revenue generated from participants under subsection (2) of this section received by the organization less the amount of money paid by the organization as winnings, or as payment for services or equipment rental under subsection (2) of this section, and for the purchase cost of prizes given as winnings do not exceed ten thousand dollars during the total calendar days of such fund-raising event in the calendar year; (b) such activities shall not include any mechanical gambling or lottery device activated by the insertion of a coin or by the insertion of any object purchased by any person taking a chance by gambling in respect to the device; (c) only bona fide members of the organization who are not paid for such service or persons licensed or approved by the commission under subsection (2) of this section shall participate in the management or operation of the activities, and all income there from, after deducting the cost of prizes and other expenses, shall be devoted solely to the lawful purposes of the organization; and (d) such organization shall notify the appropriate local law enforcement agency of the time and place where such activities shall be conducted. The commission shall require an annual information report setting forth in detail the expenses incurred and the revenue received relative to the activities permitted.

Let It Ride Casinos failed to comply with gambling laws and rules, after being warned numerous times about similar violations in willful disregard of Commission rules. After a warning from an agent on April 27, 2010, Let It Ride managed and operated at least six Class "A" FREs, causing the FRE licensees to violate RCW 9.46.0233 and WAC 230-09-065(1). From April 27, 2010, to September 15, 2011, the licensee contracted with 24 FRE licensees, and in seventeen of those contracts, the language "Gratuities Not Included" was included. Let It Ride collected gratuities on at least two occasions totaling \$500. Mr. Thompson made a material representation of fact to Commission staff when he said that Let It Ride Casinos stopped including "Gratuity Not Included" language in his contracts for FRE's that were written after May 20, 2011.

IV.

The licensee requested a hearing in this matter; however, the licensee has waived its right to a

hearing, based on the terms and conditions of this Settlement Order. The licensee and the Gambling Commission agree that the history of cases referred to in the administrative charges resulted in one verbal warning, and no Notice of Violation and Settlement issued to the licensee.

1) The licensee, Let It Ride Casinos, agrees that its license is hereby suspended for a period of **thirty (30) days**, provided that **fifteen (15) days** are deferred for a period of one (1) year from the date of entry of this Settlement, subject to the following: The licensee must not violate Washington's gambling statutes or regulations during the one (1) year term. If the licensee violates such 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 **15-day** suspension of the current gambling license and any subsequently acquired gambling licenses.

2) 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 license(s) issued to Let It Ride Casinos, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. In addition to the consequences of the new violation, all or part of the deferred suspension shall also be served. The licensee shall have an opportunity for an Adjudicative Proceeding, which includes a hearing on the alleged violations.

3) Pursuant to RCW 9.46.077, the licensee has chosen to vacate the **remaining fifteen (15) days** of the suspension by paying a fine of **three thousand, seven hundred and thirty dollars (\$3,730)**, which represents the licensee's approximate net revenue for five (5) charitable/nonprofit events contracted for by the licensee between April 28 and May 12, 2012. The licensee also agrees to reimburse the Commission for a portion of its investigative and administrative costs in the amount of **two thousand dollars (\$2,000)**, for a total penalty of **five thousand, seven hundred and thirty dollars (\$5,730)**.

4) The licensee agrees to pay the fine in three (3) installments. The first installment of **one thousand, nine hundred and ten dollars (\$1,910)** is due by **April 30, 2012**. The second and third installments of **one thousand, nine hundred and ten dollars (\$1,910)**, are each due by **May 29 and June 29, 2012**.

5) **The signed order and first installment must be received by Commission staff by April 30, 2012**, 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:

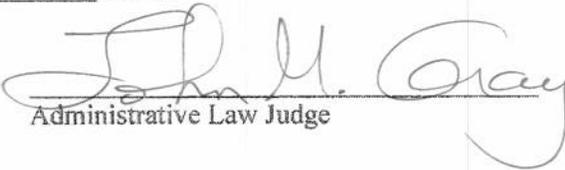
Washington State Gambling Commission
Attention: Communications and Legal Division
4565 7th Avenue SE; Fourth Floor
Lacey, WA 98503

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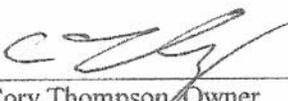
5) If the licensee makes its payment as agreed, this matter will be deemed closed. However, if the licensee fails to timely make its payments, the Director may impose an additional two (2) day suspension for each late payment. Serving the suspension would not, however, relieve the licensee of its obligation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

DATED this ¹⁰~~20~~ day of ^{May}~~APRIL~~, 2012.


Administrative Law Judge

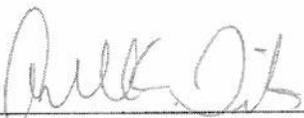
By his signature, the Licensee understands and accepts the terms and conditions of this Order.

APPROVED FOR ENTRY:


Cory Thompson, Owner
Let It Ride
4/20/12 (Date)

APPROVED AS TO FORM:


Stephanie Happold WSBA# 38112
Assistant Attorney General
Representing the Washington State
Gambling Commission


Arlene Dennistoun, WSBA #28760
Staff Attorney
Washington State Gambling Commission