

Received
APR 09 2014
Gambling Commission
Comm. & Legal Division

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or)
Revocation of the Licenses to Operate)
Gambling Activities of:)
)
Charlie's,)
Montesano, Washington,)
)
Licensee.)
_____)

No. CR 2013-02000

SETTLEMENT ORDER

The Washington State Gambling Commission and the licensee, Charlie's, enter into this Settlement Order to resolve the administrative charges issued against the licensee. Gregory J. Rosen, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Gambling Commission. Charlie's is represented by its owner, Charlie Cook.

I.

The Washington State Gambling Commission issued Charlie's, organization number 00-17016, the following licenses:

- Number 53-02084, Authorizing Class "A" Commercial Amusement Game activity; and
- Number 05-09342, Authorizing Class "F" Punchboard/Pull-Tab activity.

The licenses expire on December 31, 2014, 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 November 6, 2013. The licensee received the Notice, and on November 15, 2013, Commission staff received the licensee's request for hearing.

III.

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

SUMMARY:

Charlie's failed to pay the second-half payment for another licensee with common ownership, Betty's Kitchen. Both locations are owned 100% by Charles Cook.

VIOLATIONS:

1) RCW 9.46.075 Denying, suspending, or revoking of a license, or permit

Provides that 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.

2) 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.

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

3) WAC 230-05-015 Two-part payment plan for license fees.

(The following subsections apply.)

(1) If you are renewing an annual license or applying for an additional license, you may pay the license fee in two payments if:

- (a) You elect to participate; and
- (b) The license fee is at least eight hundred dollars; and
- (c) You pay an administrative processing fee as set out in WAC 230-05-020 or 230-05-030, plus one-half of the annual license fee at the time of application or renewal.

(2) We issue licenses under the two-part payment plan with an expiration date of not more than one year and a second-half payment due date.

- (a) If we receive your second-half payment on or before the due date, the license will remain in effect until the expiration date.

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(b) If you do not submit the second-half payment on or before the due date, the license expires and gambling activities must stop. You must pay us the second-half payment regardless if you stop operating the gambling activity, close your business, surrender your license, or your license is revoked. If you do not pay the second-half payment, we may take action against other licenses you hold or refer the debt to collections, or both.

The licensee's failure to timely submit Betty's second-half payment demonstrates its willful disregard for complying with WAC 230-05-015. Therefore, grounds exist to suspend or revoke Charlie's licenses under RCW 9.46.075(1) and WAC 230-03-085(1), (3) and (7).

IV.

On November 15, 2013, Commission staff received the licensee's request for a hearing. The licensee has now paid its second-half license fees. The licensee waives its right to a hearing, and the parties agree to settle this matter under the following terms:

The licensee's gambling licenses are hereby **suspended for a period of ten (10) days**, provided that:

- a) **Three (3) 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 must not violate the terms of this Settlement Order, or Washington's gambling statutes and/or regulations during the one year term, including failing to timely pay its license fees.
 - If the licensee violates the terms of this order, 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 three (3) day suspension of the current gambling licenses and any subsequently acquired gambling license(s).
- 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.
- c) In the event the Director determines that a violation of this section or any other type of violation has occurred, he may suspend the license(s) issued to Charlie's, by mailing or delivering a Notice of Administrative Charges to the licensee. The suspension shall be in addition to the 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.
- d) **The licensee has chosen to serve the remaining seven (7) days of the suspension on March 17, 2014 to March 23, 2014.**
 - i. The suspension period begins at 8:00 a.m. on Monday, March 17, 2014, and runs through Sunday, March 23, 2014.

The signed Settlement Order must be received by Commission staff on or before March 14, 2014, and mailed to Commission Headquarters at the following address:

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

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

Washington State Gambling Commission
Communications and Legal Division
4565 7th Avenue SE;
Third Floor Reception
Lacey, Washington

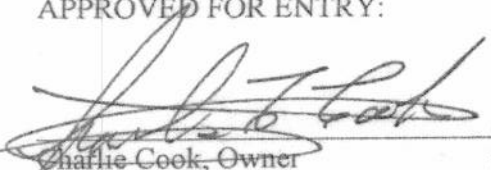
DATED this 14 day of March, 2014.

3/28/14


Administrative Law Judge

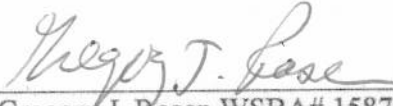
By his signature, the Licensee understands and accepts the terms and conditions of this Order.

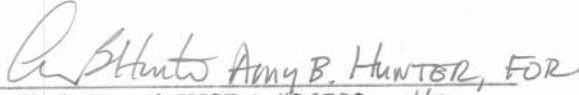
APPROVED FOR ENTRY:


Charlie Cook, Owner
Charlie's

3-14-14
(Date)

APPROVED AS TO FORM:


Gregory J. Rosen WSBA# 15870
Assistant Attorney General
Representing the Washington State
Gambling Commission


Melinda Froud, WSBA #26792 #23773
Staff Attorney
Washington State Gambling Commission