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4	CTATE OF WACHINGTON
5	STATE OF WASHINGTON GAMBLING COMMISSION
6	In the Matter of: NO. CR 2017-00022
7	BRICKHOUSE, LLC, d/b/a, SETTLEMENT AGREEMENT DUB PUB,
8	Applicant.
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10	The Washington State Gambling Commission (Commission) through David Trujillo,
11	Director, and the applicant, Brickhouse LLC, (Applicant) d/b/a Dub Pub in Kirkland,
13	Washington represented by Lee C. Dumas, Owner/Shareholder, enter into this Settlement in Lieu
14	of License Denial to resolve the administrative violations in Case Number 2017-00022.
15	I. INTRODUCTION
16	1. Applicant Dub Pub, 11516 124 th Ave. NE, Kirkland, Washington, submitted an
17	application on December 8, 2016, to Washington State Gambling Commission for License
18	Number 00-23844, Authorizing Class "D" Punchboard/Pull-Tab Activity.
19	2. The Applicant was subject to state gambling laws and Commission Rules at all
20	times before and during the application process.
21	3. The Applicant failed to obtain its Class "D" Punchboard/Pull-Tab license after it
22	purchased the business, Dub Pub, and before selling pull-tabs or purchasing new pull-tab games.
23	II. RELEVANT FACTS SUPPORTING APPLICATION DENIAL
24	1. On December 8, 2016, the Gambling Commission received a Class "D"
25	Punchboard/Pull-Tab Application from Dub Pub. The application indicated that Dub Pub was
26	previously licensed, and that a purchase of the business was finalized.

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- 2. On December 21, 2016, the Washington State Gambling Commission made contact by phone with Athina Mangouras, Owner/Shareholder, to ask when the purchase of Dub Pub closed. Ms. Mangouras indicated the close occurred on November 30, 2016. Ms. Mangouras indicated that Dub Pub was still operating pull-tabs. It was explained to her that she had been operating without a license as the previous license, pursuant to WAC 230-06-108(2), was null and void upon the sale of the business.
- On December 22, 2016, the Washington State Gambling Commission requested additional documents from the Applicant.
- 4. The additional documentation submitted by the Applicant, including closing documents, confirmed the close of the sale was November 30, 2016. The Asset Purchase Agreement identified in three paragraphs that the purchasers would need to obtain a new gambling license upon purchase.
- The Applicant offered unlicensed pull-tab gambling activities from December 1,
 2016 to through December 21, 2016.
- 6. During the time identified in Paragraph 5, the Applicant received \$3,717.00 in pull-tab revenue.

III. LEGAL BASIS FOR APPLICATION DENIAL

- Under WAC 230-06-108(2), the Applicant was required to apply for a new license upon purchase of Dub Pub and it could not continue to operate under the previous Dub Pub license and sell pull-tabs.
- 2. The Commission considers the Applicant's failure to discontinue gambling activities once the prior license expired on November 30, 2016 to be in violation of RCW 9.46.075 (1); RCW 9.46.160.
- 3. The Commission can deny the Applicant a license under RCW 9.46.075 for its failure to obtain a license after November 30, 2016.

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4. The Commission believes a settlement in lieu of denial of Applicant's request for a Class "D" Punchboard/Pull-Tab License is appropriate if the Applicant is willing to agree to the terms of settlement identified in Part IV below.

IV. SETTLEMENT AGREEMENT

- The parties enter into this agreement to avoid the time and expense of further
 possible litigation should the Commission move forward and deny the Applicant's request for
 a Class "D" Punchboard/Pull-Tab License for the reasons identified in Part III.
- 2. The Applicant acknowledges that it needed to obtain a new gambling license prior to continuing sales of pull-tabs as required by state law and Commission rules.
- 3. The Applicant is willing to comply with all gambling rules and regulations in the future.
- 4. The parties acknowledge that the Applicant's Class "D" Punchboard/Pull-Tab License is pending a decision by Commission staff and final approval by the Commission.
- 5. The parties agree that Gambling Commission staff will forward Brickhouse, LLC's Class "D" Punchboard/Pull-Tab application to the Commissioners for approval on the following conditions:
 - a. The parties agree that Brickhouse, LLC, once it obtains its Class "D" Punchboard/Pull-Tab License, will have its punchboard/pull-tab license suspended for twenty (20) days with ten (10) days being vacated under RCW 9.46.077 so long as:
 - i. The applicant pays a penalty of \$2,700.00 which represents approximately seventy-five (75) percent of revenue received by the Applicant for the time it sold pull-tabs through the Dub Pub business prior to receiving its Class "D" Punchboard/Pull-Tab License.
 - ii. The applicant also pays the Commission for its investigative and administrative costs of \$2,328.00.

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b. The Applicant shall pay the total penalty of \$5,028.00 no later than March 17,2017, by mailing payment to Commission Headquarters at the following address:

Washington State Gambling Commission

Attn: Licensing, Regulation & Enforcement Division P.O. Box 42400 Olympia, WA 98504-2400;

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

Washington State Gambling Commission Attn: Licensing, Regulation & Enforcement Division 4656 7th Avenue SE Lacey, WA 98503

- c. If Brickhouse, LLC makes its payment by the date agreed to in this settlement, this matter will be deemed closed and staff will forward its application to the Commissioners for approval. If the Applicant fails to timely make its payment, staff will not recommend approval of the license application, and Brickhouse, LLC's application will not be forwarded to the Commission for approval.
- 6. The parties agree that the remaining ten (10) days of the suspension will be deferred for one (1) year from the date the applicant's Punchboard/Pull-Tab license is approved by the Commission.
- 7. The Applicant shall not violate Washington's gambling statutes or rules during the one (1) year deferment period. If the Applicant violates any statutes or rules that warrant the filing of administrative charges, then the Director may impose any or all of the ten (10) days deferred suspension on its gambling license and any subsequently acquired gambling licenses. Otherwise, the ten (10) days deferred suspension will be dismissed by the Commission after the one (1) year period and no violations of any gambling statutes or rules.
- 8. 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

1	occurred, he may suspend the licenses issued to Seven Diamonds by mailing or delivering a
2	Notice of Order of Administrative Charges to the licensee. In addition to the consequences of
3	the new violation, the licensee shall serve all, or part of the deferred sentence. The licensee shall
4	have the opportunity to request an adjudicative proceeding, which includes a hearing on the
5	alleged violations.
6	9. This Agreement constitutes the final written expression of all the terms of this
7	Agreement and is a complete and exclusive statement of these terms.
8	10. The undersigned parties declare that the terms of this Settlement Agreement are
9	completely read, wholly understood, and voluntarily accepted for the purpose of making a full
10	and final compromise and settlement of any and all violations arising from the above-referenced
11	Complaint.
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13	3/10/17
14	LEE C DUMAS Representative for Brickhouse, LLC,
15	d/b/a Dub Pub
16	DAVID TRUILLO DATE DATE
17	DAVID TRUJILLO DATE Director
18	Washington State Gambling Commission
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