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STATE OF WASHINGTON
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE GAMBLING COMMISSION

GAMBLING COMMISSION
COMM & LEGAL DEPT

In the Matter of the Summary Suspension and
Revocation of the License to Conduct
Gambling Activities of:

IOVKO T. MARGARITOV,

Licensee.

OAH No. 2010-GMB-0057
GC No. CR 2010-00889

INITIAL ORDER OF DISMISSAL
BASED ON DEFAULT AND
ALTERNATIVE ORDER REVOKING
LICENSE

Administrative Law Judge John M. Gray convened an administrative hearing in this matter on November 15, 2010, at the Gambling Commission Office, 4565 7th Avenue, Lacey, Washington.

H. Bruce Marvin, Assistant Attorney General, appeared and represented the Commission. Stephanie Beach, Special Agent with the Commission, appeared as a witness for the Commission.

Iovko T. Margaritov ("Mr. Margaritov"), the Licensee, failed to appear.

The Gambling Commission moved for the entry of both a default order and an order on the merits based on the earlier Initial Order Denying Stay.

Administrative Law Judge Larry Rogers entered an Initial Order Denying Stay on October 8, 2010, under OAH Docket Number 2010-GMB-0052, GC CR No. 2010-00889 (hereinafter, the "Stay Hearing Order"). In Stay Hearing Order, ALJ Rogers admitted 13 exhibits into the record. He also made Findings of Fact and Conclusions of Law as part of the Stay Hearing Order. Although there are two different Office of Administrative Hearings docket numbers for the October 8 Stay Hearing and the November 15 hearing on the merits, I find that the parties are identical and the Findings of Fact in the Stay Hearing Order and the facts alleged that were at issue, to be proved at the hearing on

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the merits, involve the same set of facts. Consequently, I adopt those 13 exhibits the Findings of Fact from the Stay Hearing Order and incorporate those Findings of Fact here.

FINDINGS OF FACT

I find the following facts more probable than not under the preponderance of the evidence standard:

1. Mr. Margaritov was employed as an employee in the card room at Lancer Lanes Restaurant and Casino in Clarkston, Washington. On July 2, 2010, he filed a license renewal application with the Commission disclosing that he had been charged with three counts of felony delivery of a controlled substance and one count of felony possession with intent to deliver. The Commission's investigation revealed that the charges arose from three incidents in which Mr. Margaritov sold marijuana to a confidential informant. The possession charge arose from the police finding a quarter pound of marijuana during a search incident to his arrest. He failed to report these facts to the Commission staff within thirty days.

2. On August 05, 2010, Mr. Margaritov pled guilty to all counts. He was sentenced to 365 days in jail (subject to work and school release if applicable) and 12 months of community supervision.

3. Mr. Margaritov is currently incarcerated but is released to work and to attend college.

CONCLUSIONS OF LAW

Based upon the above findings of fact, I make the following conclusions of law:

1. The undersigned administrative law judge has jurisdiction to hear and initially decide this matter. RCW 9.46.140; RCW 34.05.425(1)(c); RCW 34.12.030(1); and WAC 230-17-025.

2. During the time described in the Findings of Fact, Mr. Margaritov, has held a license to act as a public card room employee, and he is subject to the provisions of RCW 9.46.075 and WAC 230-03-085.

3. The Commission has the broad purpose of protecting the public by insuring that those activities authorized by chapter 9.46 RCW do not maliciously affect the public and do not breach the peace. RCW 9.46.010.

4. Each licensee has an affirmative responsibility to establish by clear and convincing evidence his continuing qualifications for licensure. RCW 9.46.153(1). Each holder of a license, issued pursuant to chapter 9.46 RCW, is subject to continuous scrutiny regarding his general character, integrity, and ability to engage in or participate in, or associate with, gambling or related activities impacting this state. RCW 9.46.153(7).

5. The Commission may suspend or revoke any license or permit issued by it, for any reason or reasons it deems to be in the public interest, when a licensee has violated, failed, or refused to comply with the provisions, requirements, conditions, limitations, or duties imposed by chapter 9.46 RCW and any amendments, or any rules adopted by the Commission. RCW 9.46.075(1). The Commission may suspend or revoke any and all licenses and permits of any holder who commits any act that constitutes grounds under RCW 9.46.075 for denying, suspending, or revoking licenses or permits. WAC 230-03-085(1). The Commission's evidence contained in the exhibits, and the Findings of Fact as adopted in this decision, show that the
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Commission, more likely than not, has the evidence to prove, by a preponderance of the evidence, that Mr. Margaritov violated, failed, or refused to comply with all the requirements in RCW 9.46.075(1), 9.46.075(8), 9.46.153(1), WAC 230-03-085(1), (5), (7), (8), and WAC 230-06-085(1).

6. Marijuana is a "narcotic." RCW 69.50.101(r). Marijuana is a controlled substance. RCW 69.50.204(c)(22), (30). The sale of narcotics is a crime which by its very nature involves "moral turpitude." *State v. Hennings*, 3 Wn. App. 483, 489, 475 P.2d 926 (1970). Thus, the crimes to which Mr. Margaritov pleaded guilty were crimes of moral turpitude.

7. Mr. Margaritov failed to appear at the hearing on the merits and, consequently, was not present prove by clear and convincing evidence that he is qualified to hold a gambling license. RCW 9.46.075(8); 9.46.153(1). He has not met his burden of proving that he is entitled to retain his gambling license.

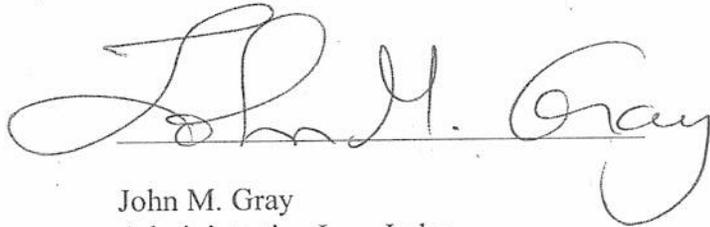
8. To closely control all factors incident to the activities authorized in chapter 9.46 RCW, the provisions of the chapter shall be liberally construed to achieve such ends. RCW 9.46.010. The general public can find itself in a particularly vulnerable position should a person licensed to conduct gambling activities fail to discharge his occupation with a sense of justice and honesty. In the absence of evidence to the contrary from Mr. Margaritov, the evidence of the Commission would establish that, in the public interest, the revocation of the license to act as a house-banked cardroom employee of the licensee, Mr. Margaritov, is the public interest.

INITIAL ORDER

IT IS HEREBY ORDERED That the card room employee license of Iovko Margaritov be, and the same is, REVOKED.

Alternatively, the Licensee, Iovko Margaritov, is in DEFAULT. A request that this order be vacated must be filed within seven days of service of this order, stating the grounds relied upon. RCW 34.05.440(3).

DATED at Olympia, Washington, this 30th day of November, 2010.



John M. Gray
Administrative Law Judge
Office of Administrative Hearings

NOTICE TO THE PARTIES

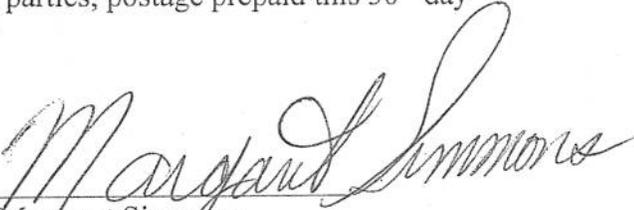
Initial orders must be entered in accordance with RCW 34.05.461(3). WAC 230-17-085(1). An initial order becomes the final order unless a party files a petition for review of the initial order as explained in WAC 230-17-090. WAC 230-17-085(2). RCW 34.05.464 governs the review of initial orders. WAC 230-17-090(1). Any party to an adjudicative proceeding may file a petition for review of an initial order. Parties must file the petition for review with us within twenty days of the date of service of the initial order unless otherwise stated. Parties must serve copies of the petition to all other parties or their representatives at the time the petition for review is filed. WAC 230-17-090(2). Petitions must specify the portions of the initial order the parties disagree with and refer to the evidence in the record on which they rely to support their petition. WAC 230-17-090(3). Any party to an adjudicative proceeding may file a reply to a petition for review of an initial order. Parties must file the reply with us within thirty days of the date of service of the petition and must serve copies of the reply to all other parties or their representatives at the time the reply is filed. WAC 230-17-090(4). Any party may file a cross appeal. Parties must file cross appeals with us within ten days of the date the petition for review was filed with us. WAC 230-17-090(5). Copies of the petition or the cross appeal must be served on all other parties or their representatives at the time the petition or appeal is filed. WAC 230-17-090(6). After we

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receive the petition or appeal, the commissioners review it at a regularly scheduled commission meeting within one hundred twenty days and make a final order. WAC 230-17-090(7).

Certification of Mailing

I certify that I mailed true and correct copies of the **Initial Order of Dismissal Based on Default and Alternative Order Revoking License** to the following parties, postage prepaid this 30th day of November 2010 at Olympia, Washington.


Margaret Simmons
Legal Secretary

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