

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or)
Revocation of the License to Conduct)
Gambling Activities of:)
)
L&M Firehouse,)
Orting, Washington,)
)
Licensee.)
_____)

No. CR 2014-00518

**NOTICE OF ADMINISTRATIVE
CHARGES AND OPPORTUNITY
FOR ADJUDICATIVE PROCEEDING**

I.

The Washington State Gambling Commission issued L & M Firehouse, organization number 00-21234, the following license:

- Number 05-20539, Authorizing Class "F" Punchboard/Pull-Tab activity.

The license expires on March 31, 2014, and was issued subject to the licensee's compliance with state gambling laws and regulations.

II.

David Trujillo, Director of the Washington State Gambling Commission, charges the licensee with the following violations of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

SUMMARY:

SP, Inc. d/b/a L&M Firehouse, failed to pay required gambling taxes to the City of Orting.

FACTS:

- 1) On February 20, 2014, a Washington State Gambling Commission Special Agent (agent) was assigned the L&M Firehouse license file because Commission staff received an affidavit from the City of Orting indicating that the licensee failed to make required gambling tax payments totaling \$40,565.
- 2) The affidavit documented the City's attempts to collect the past due gambling taxes owed. The city's timeline of events is as follows:
 - July 10, 2013- A notice was sent from the City of Orting to L&M Firehouse informing them that tax payments were delinquent for 3rd & 4th quarter 2012 and 1st Quarter 2013.

- October 3, 2013 - A notice was sent from Kenyon Disend, legal counsel representing the City of Orting, informing L&M Firehouse that tax payments were delinquent for 3rd and 4th quarters 2012 and 1st & 2nd quarters 2013. At the time of the notice, total taxes, penalties, and interest totaled \$32,619.79.
- November 5, 2013 – Commission staff sent a letter to L&M Firehouse, informing them of the delinquent taxes. The letter warned that failure to pay the gambling taxes may result in suspension or revocation of their gambling license.
- December 23, 2013 - Commission staff sent a second letter to L&M Firehouse, informing them of the delinquent taxes. The letter again warned of the potential for suspension or revocation of their gambling license.

ADMINISTRATIVE HISTORY:

L&M Firehouse received a Notice of Violation and Settlement (NOVAS)¹ in 2007 for Late Activity Report filing and a NOVAS in 2009 for allowing a minor to gamble.

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 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 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.

(8) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this chapter.

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.

¹ NOVAS- Notice of Violation and Settlement identifies the violation and gives the licensee the opportunity to pay a fine to settle the matter.

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

(4) Has failed to pay gambling taxes to local taxing authorities and the local taxing authority has petitioned us to take action.

The licensee's failure to pay tax payments for the 3rd and 4th quarters of 2012 and 1st & 2nd quarters 2013 demonstrates its willful disregard for complying with local ordinances. Therefore, grounds exist to suspend or revoke L&M Firehouse's license under RCW 9.46.075(1), and (8) and WAC 230-03-085(1), (3) and (4).

III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

The licensee will have the opportunity to have a hearing on the alleged violations.

In order to have a hearing or discuss settlement options, the enclosed REQUEST FOR HEARING must be COMPLETED AND RETURNED to the Gambling Commission *within 23 days* from the date of the mailing of this notice.

Based on RCW 34.05.440, failure to return this document will result in the entry of a default order REVOKING your license.

IV.

I have read this Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding, know the contents of it, believe it to be true, and have executed this Notice in my capacity as Director of the Washington State Gambling Commission.

Dated March 25, 2014



DAVID TRUJILLO, DIRECTOR

STATE OF WASHINGTON)
)
COUNTY OF THURSTON)

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

Dated at Olympia, Washington this 25 day of March, 2014
