

(NRT Inc.), had serviced NRT Corp.'s TLS kiosks without a license between 2012 and 2014. The TLS kiosks were placed in various Tribal casinos. Agents also found the applicant had a lease and service agreement with a Tribe for TLS kiosks.¹

2) The applicant's parent company, NRT Corp., is a licensed manufacturer. At various times, employees of both NRT Corp. and the applicant serviced TLS kiosks between 2012 and 2014. The agent found some of the applicant's employees were licensed as manufacturer representatives for NRT Corp. when they should have been licensed as the applicant's employees. The agent found at least one employee was never licensed.

3) The applicant was cooperative with the agent throughout her investigation, submitting its distributor application and applications for its distributor representatives.

VIOLATIONS:

1) RCW 9.46.075 Gambling commission — Denial, suspension, or revocation of license, permit — Other provisions not applicable.

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 an application, 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 subsection applies.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

3) RCW 9.46.310 Licenses for manufacture, sale, distribution, or supply of gambling devices.

No person shall manufacture, and no person shall sell, distribute, furnish or supply to any other person, any gambling device, including but not limited to punchboards and pull-tabs, in this state, or for use within this state, without first obtaining a license to do so from the commission under the provisions of this chapter.

¹ NRT Corp. did not report the formation of the applicant, NRT Inc.. (its subsidiary company) to Commission staff until after the agent's investigation began.

Such licenses shall not be issued by the commission except respecting devices which are designed and permitted for use in connection with activities authorized under this chapter: PROVIDED, That this requirement for licensure shall apply only insofar as the commission has adopted, or may adopt, rules implementing it as to particular categories of gambling devices and related equipment.

WAC 230-03-190 Applying for a distributor license.

You must apply for a distributor license if you:

(The following subsections apply.)

- (1) Buy or otherwise obtain a finished piece of gambling equipment for use in authorized gambling activities from another person and sell or provide that gambling equipment to a third person for resale, display, or use; or
- (3) Service and repair authorized gambling equipment. However, distributors must not add, modify, or alter the gambling equipment; or
- (4) Modify gambling equipment using materials provided by manufacturers to upgrade equipment to current technology.

The applicant serviced tribal lottery system (TLS) kiosks at Tribal casinos without the required distributor's license at various times between 2012 and 2014. The TLS kiosks belonged to the applicant's parent company, NRT Technology Corp. The applicant currently leases gambling equipment to a Tribal casino, and has been doing so since January 2014.

IV.

- 1) In consideration that the applicant, NRT Technologies, Inc., has agreed with the facts and violations as stated herein, the parties agree to settle this matter without the need for formal administrative charges.
- 2) The applicant has cooperated with, and paid \$7,000 for, the pre-licensing investigation.
- 3) The applicant, NRT Technologies, Inc. understands the Commission Director issues a temporary distributor's license, and the license is pending final approval by the Commission. The Director and Commission staff will recommend approval of NRT Technologies, Inc.'s application for a distributor's license; however, no promises or assurances have been made to NRT Technologies, Inc. that the Commissioners will approve the license application. Nothing prevents the Commission from disapproving NRT Technologies, Inc.'s distributor license application based on facts that may not be known by Commission staff.
- 4) The applicant has since implemented policies and procedures to help ensure compliance with Washington laws and Commission rules.
- 5) Commission staff and the applicant agree that if the Commission gives final approval of a distributor license, a **ten-day** suspension shall be deferred for a period of one (1) year from entry of this Settlement, subject to: The applicant must not violate Washington's gambling statutes or

regulations during the one (1) year term. If the applicant violates gambling statutes or regulations and if the violation is the type that warrants filing administrative charges, then the Director may impose the **10-day** suspension of NRT Technologies, Inc.'s gambling license, and any subsequently obtained license(s).

6) The parties agree that the Director of the Washington State Gambling Commission, based on this Settlement, has sole discretion to determine whether the applicant has violated any term of this Settlement. If the Director determines a violation has occurred, he may suspend the license(s) issued to NRT Technologies, Inc. by mailing or delivering a Notice of Order of Administrative Charges to the applicant. Besides the consequences of the new violation, all or part of the deferred sentence shall also be served. The applicant shall have an opportunity for a hearing on the alleged violations.

7) The applicant agrees to pay a penalty of **\$30,375**, which represents 75 percent of the approximate revenue received by the applicant between 2012 and 2014, when it operated without a license. The applicant has already reimbursed the Commission for its investigative and administrative costs with its \$7,000 payment. The applicant agrees to pay a total penalty of **\$30,375 by September 23, 2014**. The applicant shall **mail** its payment to the following address:

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

or **deliver** payment (in person or via private courier) to the following address:

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

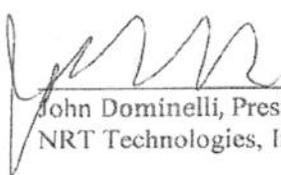
or pay **online** through My Account.

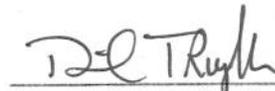
8) If the applicant makes its payment by the date agreed to in paragraph seven of this section, this matter will be deemed closed. If the applicant fails to timely make its payment, staff will not recommend approval of the distributor license application, and NRT Technologies, Inc.'s application will not be forwarded to the Commission for approval in October 2014.

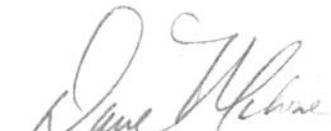
DATED this 22 day of Sept, 2014.

AGREED TO BY:

By the signature below, the applicant acknowledges he has read the foregoing Settlement in Lieu of Administrative Charges, and understands the terms and conditions contained.

 Sep. 17, 2014
John Dominelli, President and CEO (Date)
NRT Technologies, Inc.

 9/22/2014
David Trujillo, Director
Washington State Gambling Commission

 9/17/14
Dave Malone, WSBA #23435 (Date)
Attorney Representing
NRT Technologies, Inc.


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