

Received

JUN 11 2015

Gambling Commission
Comm. & Legal Division

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of)
the License to Conduct Gambling Activities of:)
)
The Hideaway)
Shoreline, Washington,)
)
Licensee.)
_____)

No. CR 2014-02334

SETTLEMENT ORDER

The Washington State Gambling Commission and the licensee, The Hideaway, enter into this Settlement Order to resolve the administrative charges issued against the licensee. Gregory J. Rosen, Assistant Attorney General, and Arlene Dennistoun, Staff Attorney, represent the Gambling Commission. The Hideaway is represented by its President, Teresa Malphrus.

I.

The Washington State Gambling Commission issued The Hideaway, Organization Number 00-21630, the following licenses:

Number 05-08045, authorizing Class "C" Punchboard/Pull-Tab activity; and

Number 65-07236, authorizing Class "F7" Public Card Room activity.

The licenses expire on June 30, 2015, and were issued subject to the licensee's compliance with state gambling laws and Commission rules.

II.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on April 3, 2015. The licensee received the Notice, and on April 21, 2014, Commission staff received the licensee's request for hearing.

III.

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

SUMMARY:

On December 16, 2014, the Hideaway allowed a minor to gamble for the third time within one year and in violation of a Settlement Order.

VIOLATIONS:

1) RCW 9.46.075 Denial, suspension, or revocation of license, permit

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 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 230-06-010 Age restrictions for players.

No person must allow anyone under the age of eighteen to participate in gambling activities except:

(The following subsections apply.)

(1) To play in licensed bingo games when accompanied by an adult member of his or her immediate family or a guardian, who is at least eighteen years old:

- (a) "Immediate family" means only the spouse, parents, or grandparents of an individual; and
- (b) "Guardian" means only a court-appointed, legal guardian of an individual; or

The previous Settlement Order states that four days of the suspension shall be deferred for one year. If the licensee violates the terms of the order, the Director may impose the four-day suspension in addition to the consequences of the new violation. The Hideaway demonstrated willful disregard for Commission rules by repeatedly allowing a minor to gamble, in violation of WAC 230-06-010. In addition, the licensee violated the terms of the Settlement Order dated July 1, 2014. Therefore, grounds exist to suspend The Hideaway's licenses under RCW 9.46.075(1), WAC 230-03-085(1) and (3), and the 2014 Settlement Order.

IV.

On April 3, 2015, Commission staff received the licensee's request for a hearing. The licensee waives its right to a hearing, and the parties agree to settle this matter under the following terms:

The licensee's gambling license is hereby **suspended for a period of seven (7) days**, provided that:

- 1) **Five (5) 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 (1) year term.
 - 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 a five (5) day suspension of the current gambling license and any subsequently acquired gambling license(s).
- 2) 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.
- 3) 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 The Hideaway, 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.
- 4) Pursuant to RCW 9.46.077, the licensee has chosen to **vacate the remaining two (2) days** of the suspension by paying a fine of \$3,045, which represents 35% of the licensee's daily net receipts plus investigative and administrative costs of \$1,525. The licensee agrees to pay a total monetary penalty of \$4,570.
- 5) The licensee shall also serve a **two (2) day** suspension that was deferred in the July 1, 2014, Settlement Order. The **suspension shall begin at 8:00 a.m. on July 1, 2015, and end at 8:00 a.m. on July 3, 2015**. During the suspension, no gambling activities may be conducted, and all games, including pull-tabs and flares, shall be removed from public view.

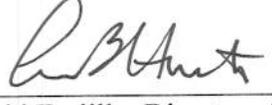
The signed Settlement Order and payment must be received by Commission staff on or before June 5, 2015, and mailed to Commission Headquarters at the following address:

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
Third Floor Reception
4565 7th Avenue SE;
Lacey, Washington

DATED this 20 day of MAY, 2015.

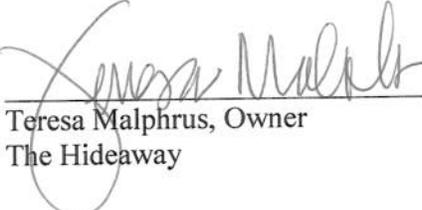


David Trujillo, Director

*AMY B. HUNTER,
DEPUTY DIRECTOR,
FOR*

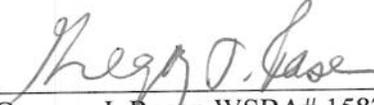
By her signature, the Licensee understands and accepts the terms and conditions of this Order.

APPROVED FOR ENTRY:

 5/28/15

Teresa Malphrus, Owner (Date)
The Hideaway

APPROVED AS TO FORM:



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



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