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JUN 12 2015
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STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of of the License to Conduct Gambling Activities of:	NO. CR 2015-00129
Sam J II d/b/a Marcos Kirkland, Washington,	**SETTLEMENT ORDER**
Licensee.	

This Settlement Order is entered into between the Washington State Gambling Commission and Sam J II d/b/a Marcos (Marcos). Gregory Rosen, Assistant Attorney General, and Arlene Dennistoun, Staff Attorney, represent the Gambling Commission. Amit Sethi represents the licensee.

I.

The Washington State Gambling Commission issued Marcos, organization number 00-22946, the following license:

- Number 05-21187, authorizing Class "J" Punchboard Pull-Tab activity.

The license that expired on March 30, 2015 and was not renewed, was issued subject to the licensee's compliance with state gambling laws and regulations. Administrative charges were issued on March 11, 2015. The licensee returned a request for administrative hearing on April 1, 2015.

II.

SUMMARY:

The licensee owned a former punchboard/pull-tab license, Gloria's, which failed to pay exceeding license class fees to the Commission. Staff has attempted to collect outstanding fees of $1,503 since August 2014. Gloria's has also failed to pay their second-half license fee.

VIOLATIONS:

1) RCW 9.46.075 Denial, suspension, or revocation of license, application, or 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 certified employee, 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.

(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 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.

(7) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within thirty days after receiving a written request from us; or

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by: (a) Prior activities.

3) WAC 230-06-130 Exceeding license class.
(The following subsections apply.)

(1) Licensees must not exceed the gross gambling receipts limits for their license class during any annual license period.

(2) Licensees must apply a projection of year-to-date receipts to the remaining period of their license and, if it indicates that it is reasonably likely that they may exceed their license, they must immediately:
(a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and
(b) Submit the fee required for the new license, minus the amount originally submitted for the previous license, plus a change of classification fee.

4) WAC 230-06-135 Failing to apply for license class upgrade.
(The following subsections apply.)

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(1) If licensees fail to apply for a license class upgrade and exceed the license class limit within a present or previous license year, we assess an additional fee. We charge an additional fee of up to fifty percent of the difference between the fee for the present license class and the new license class, or one thousand dollars, whichever is less.

(2) Licensees must pay any required license class upgrade fee, plus any additional fee required by subsection (1) of this section, within thirty days of our notification.

(3) Failure to pay the fees may result in an immediate summary suspension of all licenses.

5) WAC 230-05-015 Two-part payment plan for license fees.
(The following subsections apply.)

(2) We issue licenses under the two-part payment plan with an expiration date of not more than one year and a second-half payment due date.
(b) If you do not submit the second-half payment on or before the due date, the license expires and gambling activities must stop.
You must pay us the second-half payment regardless if you stop operating the gambling activity, close your business, surrender your license, or your license is revoked. If you do not pay the second-half payment, we may take action against other licenses you hold or refer the debt to collections, or both.

Since August 2014, Commission staff has attempted to collect $1,503 from Gloria's Restaurant and Lounge (Gloria's). The owners of Marcos also own Gloria's and are responsible for the outstanding fees owed. The repeated failure to abide by applicable laws and rules demonstrates willful disregard for compliance with Commission rules, and demonstrates Marcos poses a threat to the effective regulation of gambling. Additionally, the licensee, as owners of Gloria's failed to pay Gloria's exceeding class fees in violation of WAC 230-06-135, and failed to pay Gloria's second-half payment in violation of WAC 230-05-015. Therefore, grounds exist for the suspension or revocation of Marcos license to conduct gambling activities, based on RCW 9.46.075(1) and (8) and WAC 230-03-085(1), (3), (7), and (8).

III.

The licensee, through owner Amit Sethi, acknowledges that he received the Notices of Administrative Charges issued in this case, and understands the facts and violations in them. Marcos' license expired on March 30, 2015. The licensee has waived its right to a hearing, based on terms and conditions of this Settlement Order.

The licensee agrees to the following terms and sanctions:

1) If Marcos reapplies, or if any applicant related or associated with the current owner of the licensee applies for a license, they shall be required to establish, by clear and convincing evidence, that they are qualified to hold a gambling license.

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2) No promises or assurances have been made that Marcos, or any applicant related or associated with the current owners of the licensee, will receive a license from the Commission should they reapply.

3) Should the owner of Marcos reapply for a gambling license, he understands that all outstanding gambling fees must be paid, prior to obtaining a license. (See attached letter dated January 8, 2015). This settlement order does not restrict the Commission's ability to assign the outstanding fees owed to a collection agency for collection.

4) **The signed Settlement Order must be received by Commission staff by June 5, 2015,** and mailed to Commission Headquarters at the following address:

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

Or delivered (in person or via private courier) to the following address:

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

DATED this 12 day of June, 2015.

David Trujillo, Director

APPROVED FOR ENTRY:
By the signature below, the licensee understands the terms and conditions contained in the settlement order.

6-7-15

Amit Sethi (Date)
Owner of Marcos

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

APPROVED AS TO FORM:

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