

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of )  
the Licenses to Conduct Gambling Activities of: )  
Annex, )  
Tukwila, Washington, )  
Licensee. )  
\_\_\_\_\_ )

NO. CR 2009-01660

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

I.

The Washington State Gambling Commission issued Annex, Organization number 00-21514, the following license:

05-20672, Authorizing Class "B" Punchboard Pull-Tab Activity.

The license expires on December 31, 2009, and was issued subject to the licensee's compliance with state gambling laws and regulations.

II.

Rick Day, 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:

- The licensee failed to timely submit its punchboard/pull-tab activity report for the first and second quarters of 2009. The activity report was due at our administrative office or postmarked by July 30, 2009. However, the activity report was not submitted as of November 12, 2009. This conduct violates WAC 230-14-284(2).
- Previously, the licensee filed late reports for the third and fourth quarters of 2008. The licensee's failure to timely submit its activity reports demonstrates its willful disregard for complying with state administrative rules.
- In September 2009, the agent was contacted by Lori Anderson, Finance Director for the City of Tukwila, who informed the agent that Annex was not current with its gambling taxes owed to the city.
- The licensee has the following administrative history:
  - In early 2009, a Commission Special Agent issued a Warning Letter to the licensee for failing to timely submit its punchboard/pull-tab activity report for the third and fourth quarters of 2008.

- In August, 2009, the Agent issued a Notice of Violation and Settlement (NOVAS)<sup>1</sup> to Annex for the late activity report for the first and second quarters of 2009.
- Grounds exist for the suspension or revocation of the licenses to conduct gambling activities, based on RCW 9.46.075(1) and WAC 230-03-085(1), (3), (7).

**RCW 9.46.075 Denying, suspending, or revoking a license or permit states:**

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.

**WAC 230-03-085 Denying, suspending, or revoking a license or permit states:**

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; or

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

(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.

**WAC 230-14-284 Activity reports for punchboard and pull-tab licensees states:**

Punchboards and pull-tab licensees must submit an activity report to the Commission. Licensees must complete the report in the format we require and must: (The following subsections apply.)

(1) Cover the periods:

- (a) January 1 through June 30; and
- (b) July 1 through December 31; and

(2) Be received at our administrative office or postmarked no later than thirty days following the end of the reporting period.

---

<sup>1</sup> The NOVAS identifies the violation, and in this case, gives the recipient the opportunity to pay a fine and submit its delinquent report to settle the matter.

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.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

Rick Day, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents of it, believes it to be true, that he is the Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.

*[Handwritten Signature]*  
\_\_\_\_\_  
RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me  
this 17<sup>th</sup> day of NOVEMBER, 2009.

*[Handwritten Signature]*  
\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington residing at POYALLUP, WA  
My commission expires on 7-16-2013

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

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

Dated at Olympia, Washington this 18<sup>th</sup> day of Nov., 2009

*[Handwritten Signature]*  
\_\_\_\_\_  
Communications and Legal Department  
Washington State Gambling Commission



