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GAMBLING COMMISSION  
STATE OF WASHINGTON  
COMM & LEGAL DIVISION  
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GAMBLING COMMISSION  
COMM & LEGAL DEPT

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

No. CR 2009-01660

**SETTLEMENT ORDER**

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JAN 13 2010  
HEADQUARTERS OFFICE OF  
ADMINISTRATIVE HEARINGS

I.

This Settlement Order is entered into between the Washington State Gambling Commission and Annex. The Gambling Commission is represented by H. Bruce Marvin, Assistant Attorney General, and Brenda M. Bono, Staff Attorney. The licensee is represented by Barbara Chase, owner.

II.

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.

III.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on November 17, 2009. On December 9, 2009, Commission staff received the licensee's Request for Hearing.

IV.

The following is a summary of the facts alleged, and the violations charged, in the Notice of Administrative Charges:

- 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

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<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.

(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.

V.

The licensee acknowledges that it has read the Notice of Administrative Charges, and understands the facts contained in it. The licensee has waived its right to a hearing, based on the terms and conditions of this Settlement Order. Because Annex has now submitted its delinquent Activity Report, the parties agree to settle this matter under the following terms:

1) The licensee agrees that Annex's license is suspended for a period of **fifteen (15) days**, provided that:

a) **Three (3) 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 agrees not to violate any of Washington's gambling statutes or regulations during the one (1) year term. If the licensee violates these statutes or regulations and if the violation is the type that warrants the filing of administrative or criminal charges, then the Director may impose the three-day suspension of the current gambling license and any subsequently acquired gambling licenses.

b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this agreement, has discretion to determine whether the licensee has violated any term of this agreement. In the event the Director determines that a violation of this section has occurred, he may suspend the license(s) issued to the licensee, and any subsequently acquired licenses, for up to three days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. This suspension shall be in addition to any 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.

c) The licensee has chosen to serve the remaining **twelve (12) days** of the suspension. **The suspension period begins at 8:00 a.m. on Monday, January 18, 2010, and ends at 8:00 a.m. on Saturday, January 30, 2010.** During this period of suspension, no gambling activities shall take place at the licensed premises.

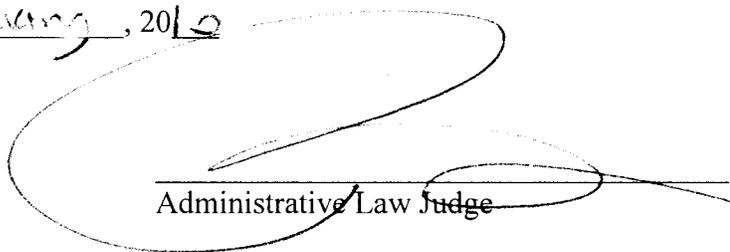
d) **The signed Order must be received by Commission staff on or before Monday, January 4, 2010.** The order must be **mailed** to Commission Headquarters at the following address:

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 7<sup>th</sup> Avenue SE; Fourth Floor  
Lacey, WA 98503

DATED this 10<sup>th</sup> day of January, 2010

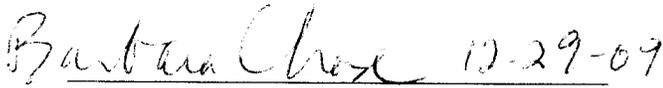


Administrative Law Judge

APPROVED FOR ENTRY:

APPROVED AS TO FORM:

By the signature below, the licensee acknowledges reading this Settlement Order, and understands the terms and conditions contained in it.

  
Barbara Chase, Owner                      Date  
Annex

  
H. Bruce Marvin, WSBA #25158  
Assistant Attorney General,  
Washington State Gambling Commission

  
Brenda M. Bono, WSBA #29956  
Staff Attorney  
Washington State Gambling Commission