

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of)
the Licenses to Conduct Gambling Activities of:)
Frosty's Saloon & Grill)
Napavine, Washington,)
Licensee.)
_____)

NO. CR 2009-01429

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

I.

The Washington State Gambling Commission issued Frosty's Saloon & Grill, Organization Number 00-17345, the following licenses:

05-09497, Authorizing Class "F" Punchboard Pull-Tab Activity.

65-02377, Authorizing Class "D" Gaming Activity.

The licenses expire on March 31, 2010, and were 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 postmarked until August 21, 2009, and not received until August 24, 2009. This conduct violated WAC 230-14-284(2).
- Previously, the licensee filed late reports for the first, second, third, and fourth quarters of 2008. The licensee's failure to timely submit its activity reports demonstrates the licensee's willful disregard for complying with state administrative rules.
- The licensee has the following administrative history:
 - In September, 2008, a Commission Special Agent issued a Notice of Violation and Settlement (NOVAS)¹ to the licensee for failing to timely submit its punchboard/pull-tab activity report for the first and second quarters of 2008. (CR2008-01508)

¹ 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.

- In February, 2009, a Commission Special Agent issued a Notice of Violation and Settlement (NOVAS) to the licensee for failing to timely submit its punchboard/pull-tab activity report for the third and fourth quarters of 2008. (CR2009-00317)
- 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.

(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.

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.

III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

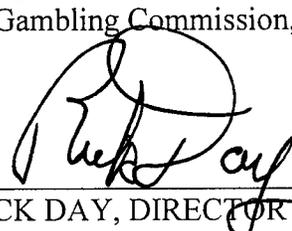
The licensee will have the opportunity to have a hearing on the alleged violations.

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.

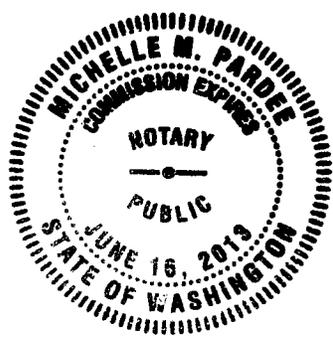
Based on RCW 34.05.440, failure to return this document will result in the entry of a default order REVOKING your license.

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.



RICK DAY, DIRECTOR



SUBSCRIBED AND SWORN TO before me
this 16 day of October, 2009.

Michelle M Pardee
NOTARY PUBLIC in and for the State of
Washington residing at Lacey
My commission expires on June 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 the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 16th day of Oct., 2009
[Signature]
Communications and Legal Department
Washington State Gambling Commission



(NOTARY PUBLIC FOR THE STATE OF WASHINGTON)
BY
(NOTARY PUBLIC FOR THE STATE OF WASHINGTON)

I hereby certify that I have this day signed a true and correct copy of the foregoing instrument in accordance with the provisions of the laws of the State of Washington, and that the same is a true and correct copy of the original instrument as the same appears from the records of the County of King, State of Washington.

Witness my hand and the seal of my office this _____ day of _____, 20____.

Notary Public for the State of Washington
Commission Expires _____