

RECEIVED

DEC 01 / 2009

GAMBLING COMMISSION  
COMM & LEGAL DEPT

STATE OF WASHINGTON  
GAMBLING COMMISSION

RECEIVED

NOV 24 2009

GAMBLING COMMISSION  
COMM & LEGAL DIVISION

In the Matter of the Suspension of the )  
Licenses to Conduct Gambling Activities of: )

No. CR 2009-01429

Frosty's Saloon & Grill )  
Napavine, Washington, )

SETTLEMENT ORDER

Licensee. )  
\_\_\_\_\_ )

RECEIVED  
DEC 03 2009  
HEADQUARTERS OFFICE OF  
ADMINISTRATIVE HEARINGS

I.

This Settlement Order is entered into between the Washington State Gambling Commission and Frosty's Saloon & Grill. The Gambling Commission is represented by H. Bruce Marvin, Assistant Attorney General, and Brenda M. Bono, Staff Attorney. The licensee is represented by Gena Allen.

II.

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.

III.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on October 16, 2009. On October 26, 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 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)<sup>1</sup> to the licensee for failing to timely submit its punchboard/pull-tab activity report for the first and second quarters of 2008. (CR 2008-01508)
  - 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. (CR 2009-00317)

The licensee agrees to the following:

1) The licensee agrees that Frosty's Saloon & Grill's licenses are hereby 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 two years 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 two (2) 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 four-day suspension of the current gambling license(s) 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 five 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) Pursuant to RCW 9.46.077, the licensee has chosen to vacate the **remaining twelve (12) days** of this suspension by paying a fine in the amount of **One Thousand Dollars (\$1,000)**. The licensee also agrees to reimburse the Commission for its investigative and

---

<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.

administrative costs in the amount of **Three Hundred Dollars (\$300)**, for total fines and costs of **One Thousand, Three Hundred Dollars (\$1,300)**. The fine shall be paid in two payments. The first payment of \$650 must be received by Commission staff no later than **November 20, 2009**. The second payment of \$650 shall be received by Commission staff no later than **December 20, 2009**.

d) The signed Order and the licensee's first payment must be received by Commission staff on or before **Friday, November 20, 2009**. The order must be mailed to Commission Headquarters at the following address:

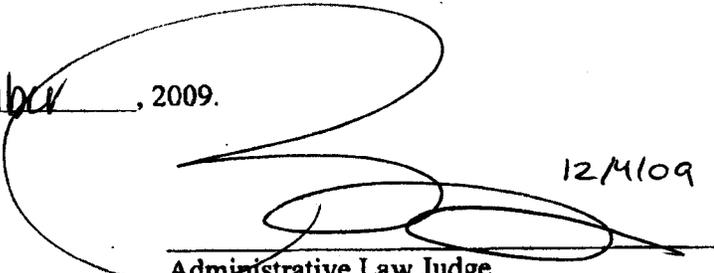
Washington State Gambling Commission  
Attention: Communications and Legal Division  
P.O. Box 42400  
Olympia, WA 98504-2400

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

2) If no violations occur within the two (2) year period, and the licensee makes its payment by the date agreed to in this Settlement Order, this matter will be deemed closed. If the licensee fails to timely make its payment, the Director may impose a two (2) day suspension for the late payment. However, serving the suspension does not relieve the licensee of the obligation to pay its fine.

DATED this 17 day of November, 2009.

  
Administrative Law Judge

12/1/09

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.

Gena Allen 11-17-09  
Gena Allen Date  
Frosty's Saloon & Grill

H. Bruce Marvin  
H. Bruce Marvin, WSBA #25152  
Assistant Attorney General,  
Washington State Gambling Commission

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