

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of)
the Licenses to Conduct Gambling Activities of:)
Gaming Distributors)
Kent, Washington,)
Licensee.)
_____)

NO. CR 2009-01397

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

I.

The Washington State Gambling Commission issued Gaming Distributors the following licenses:

Number 20-00197 Authorizing Class "B" Manufacturer Activity.
Number 21-00243 Authorizing Class "B" Distributor Activity.

The licenses expire on September 30, 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:

SUMMARY:

The licensee sold gambling equipment to an unlicensed person on Craigslist.

FACTS:

- 1) On September 3, 2009, a Commission Special Agent (agent) was assigned the responsibilities of responding to a complaint that an unidentified person was attempting to sell a large poker chip set on Craigslist.
- 2) The agent obtained the listing from Craigslist. According to the listing, a person in Kirkland, Washington was attempting to sell a poker chip set for \$2,600. The listing said the following: "This set is from a real casino that is no longer in operation that I have had in possession for some time ... as you can see there are over 14,500 chips in this set."
- 3) Later, on September 3, 2009, the agent e-mailed in response to the listing from an undercover e-mail account. He expressed interest in buying the chips, and asked for a photo

of the chips. The agent also asked what casino the chips were from.

- 4) On September 3, 2009, at 11:05 p.m., the agent received a response from the seller, Ryan Buzard. According to Mr. Buzard, the chips were from the Big Apple Casino that closed down in Everett a few years ago. Mr. Buzard attached pictures of the gambling chips to his e-mail. The agent observed "The Big Apple Casino" name and logo printed on the chips. Review of Commission licensing files revealed that the Big Apple Casino was also known as Club Broadway, and closed on June 1, 2006.
- 5) Mr. Buzard sent photos of \$1, \$5, \$25, and \$100 chips. The agent concluded that they were house-banked gambling chips because they included higher dollar amounts that would not be used for poker games. Poker wagering limits are \$40.
- 6) The agent looked up the name Ryan Buzard in Commission records and found that he is the president of the manufacturer licensee Gaming Distributors. In 2006, Mr. Buzard worked for a distributor called Higgins Enterprises.
- 7) Commission records regarding the closure of Big Apple Casino/Club Broadway reflect that upon closure, the gambling equipment was sold to Higgins Enterprises, including 34,000 gambling chips.
- 8) The agent repeatedly telephoned Mr. Buzard in the days following September 3, 2009. On September 15, 2009, the agent received a telephone call from Mr. Buzard. He informed the agent that he had sold the chips for \$2,600 to an individual named Gerald Figgerle, who does not have a gaming license in Washington.
- 9) On September 24, 2009, Mr. Buzard was interviewed at the Renton Field office. He told the agent that he got the Big Apple Casino chips from a guy in Michigan on eBay for approximately \$2,000. Mr. Buzard said that he did not receive the chips from Higgins Enterprises. Mr. Buzard said that his business was slow, and that he was not going to renew his license which was scheduled to expire September 30, 2009.
- 10) In October 2009, the agent contacted the Commission Licensing Division and discovered that Mr. Buzard renewed Gaming Distributor's gambling licenses. The agent then attempted to contact Mr. Buzard again by telephone. He left numerous voicemails, but as of November 16, 2009, Mr. Buzard had not replied.

Therefore, under RCW 9.46.075(1), WAC 230-03-085(1), WAC 230-06-110, and WAC 230-16-190 grounds exist to suspend or revoke Gaming Distributors' licenses.

RCW 9.46.075 Denying, Suspending or Revoking a License 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(1) Denying, suspending, or revoking an application, 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 subsection applies.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

WAC 230-06-110 Failure to Closely Control Gambling Equipment in Possession states: (The following subsections apply.)

(1) All licensees and persons authorized to possess gambling equipment must closely control the gambling equipment in their possession.

(2) Before selling gambling equipment, licensees must ensure that the buyer possesses a valid gambling license.

WAC 230-16-190 Sales Invoices for Manufacturers and Distributors states:

Manufacturers and distributors must document each sale of equipment or services, any return or refund, or any other type of transfer of punch boards, pull-tabs, pull-tab dispensers, or bingo equipment, including bingo cards, with a standard sales invoice.

Sales invoices and credit memos - These invoices and credit memos must:

(1) Be prenumbered sequentially at the time of purchase, using not less than four digits. Manufacturers and distributors may use computer generated numbering systems if:

(a) The system numbers the invoices and credit memos sequentially; and

(b) The manufacturers and distributors use the same system for all sales; and

(c) The manufacturers and distributors must not use a manual override function; and

(2) Record:

(a) The date of sale. Distributors must also enter the date of delivery if different from the date of sale; and

(b) The customer's name and complete business address; and

(c) A full description of each item sold or service provided, including the I.D. stamp number for each item, if attached; and

(d) The quantity and price of each item, including each merchandise prize for punch boards or pull-tabs; and

(e) The gross amount of each sale, including all discount terms and the total dollar amount of any discount; and

(3) Have three parts including, at least:

(a) The original, which must be given to the customer; and

(b) One which must be filed by customer name; and

(c) One which must be filed by invoice number or in an electronic sales journal, if we approve it.

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.

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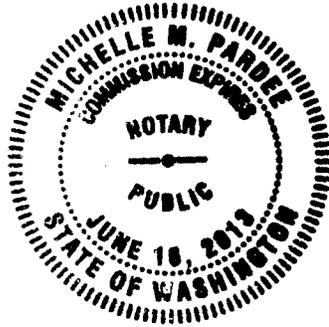
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Based on RCW 34.05.440, failure to return this document will result in the entry of a default order REVOKING your licenses.

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
RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me
this 25 day of November, 2009.

Michelle M Pardee
NOTARY PUBLIC in and for the State of
Washington residing at Lacey
My Commission expires on June 18, 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 25th day of Nov, 2009

W. Fredricks
Communications and Legal Department
Washington State Gambling Commission



THE PRESIDENT
OF THE UNITED STATES
OF AMERICA

Executive Order
No. 12812
February 18, 1992

Department of Justice
Washington, D.C. 20530