

RECEIVED

AUG 13 2010

GAMBLING COMMISSION
COMM & LEGAL DIVISION

STATE OF WASHINGTON
GAMBLING COMMISSION

RECEIVED

JUL 26 2010

OAH - Olympia

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

NO. CR 2010-00216

M&R Euroimport, Ltd.,)
d/b/a Classic Island Casino)
Kennewick, Washington,)

SETTLEMENT ORDER

Licensee.)
_____)

This Settlement Order is entered into between the Washington State Gambling Commission and M&R Euroimport, Ltd., a/b/a Classic Island Casino. H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Commission. Shea C. Meehan, Attorney, represents the licensee.

I.

The Washington State Gambling Commission issued M&R Euroimport, Ltd., a/b/a Classic Island Casino, organization number 00-18364, the following licenses:

- Number 05-09990, authorizing Class "C" Punchboard/Pull-Tab activity, and
- Number 67-00171, authorizing Class "15" House-Banked Card Room activity.

The licenses expire on June 30, 2011, and were issued subject to the licensee's compliance with state gambling laws and regulations.

II.

In the above-entitled case, the Gambling Commission issued a Notice of Administrative Charges and Opportunity for an Adjudicative Hearing on March 29, 2010, seeking the suspension or revocation of Classic Island Casino's licenses to conduct gambling activities. On April 19, 2010, Commission staff received the licensee's request for a hearing.

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

SUMMARY:

On February 8, 2010, Commission staff received a petition from the City of Kennewick which asked for the suspension or revocation of M&R Euroimport, Ltd., d/b/a Classic Island Casino's gambling licenses because it had not paid its local gambling taxes and owed the city approximately \$221,071 for the first, second, and third quarters of 2009. Additionally, M&R Euroimport, Ltd., d/b/a Classic Island Casino failed to pay its fourth quarter of 2009 gambling taxes. This is also a violation of a July 2008 Settlement Order.

RCW 9.46.075 Denying, suspending, or revoking an application, license or permit

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 subsections apply.)

(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 an license or permit

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.

(4) Has failed to pay gambling taxes to local taxing authorities and the local taxing authority has petitioned us to take action.

III.

The licensee acknowledges that it received the Notice of Administrative Charges issued in this case, and understands the facts and violations contained in it. While not admitting to the facts and violations specified above in Section II, the licensee agrees that if the Gambling Commission established the alleged facts in the case at issue, there would be sufficient evidence of the violations as stated in the administrative charges.

The licensee paid the City of Kennewick gambling taxes for the first quarter of 2010.

On May 3, 2010, the City of Kennewick notified Commission staff that it had reached a Settlement Agreement (Agreement) with the licensee for the payment of delinquent gambling taxes in the amount of \$259,005.70. The Agreement is incorporated by reference to this Settlement Order. Under the Agreement, starting May 2010, the licensee will make monthly payments of \$5,761.44 on or before the 10th of each month through April 10, 2015. As a result of the Agreement, the City of Kennewick withdrew its petition for action against the licensee's gambling license.

The licensee has waived its right to a hearing, based on the terms and conditions of this Settlement Order and agrees to the following terms and sanctions:

1) Failure by the licensee to make a payment according to the Agreement will be a new administrative violation against its gambling licenses. As a result, the Director will issue charges for the revocation of Classic Island Casino's licenses. The licensee will be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.

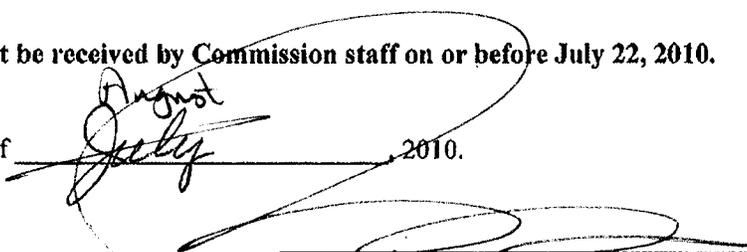
- 2) The licensee's gambling licenses are hereby suspended for a period of fifteen (15) days, provided that:
- a) **Thirteen (13) days** of the suspension shall not be currently served, but shall be deferred for one year, subject to the following: The licensee agrees not to violate the terms of this Settlement Order, or any of Washington's gambling statutes or regulations during the deferral period.
 - b) If the licensee violates this Settlement Order or gambling 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 thirteen-day deferred suspension of the current gambling licenses and any subsequently acquired gambling licenses. At least two of the thirteen deferred days will be served and may not be vacated by a monetary penalty.
 - c) 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 agreement has occurred, he may suspend the license(s) issued to the licensee for up to thirteen days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. In addition to the consequences of the new violation, the deferred sentence shall also be served. The licensee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.
 - d) Pursuant to RCW 9.46.077, the licensee has chosen to serve the remaining two (2) days of this suspension.
 - e) Additionally, the licensee agrees to serve two (2) days of the deferred fifteen-day suspension provided in the July 2008 Settlement Order.
 - f) **The licensee will serve a total of four (4) suspension days.** As the licensee is making payments according to the Agreement between the licensee and the City of Kennewick, the days will be served as follows:
 - i. **The first suspension day will be on Sunday, July 25, 2010.**
 - No gambling activities shall take place at the licensed premises starting at 8:00 a.m. on Sunday, July 25, 2010.
 - The licensee may resume its gambling activities at 8:00 a.m. on Monday, July 26, 2010.
 - ii. **The second suspension day will be on Sunday, August 29, 2010.**
 - No gambling activities shall take place at the licensed premises starting at 8:00 a.m. on Sunday, August 29, 2010.
 - The licensee may resume its gambling activities at 8:00 a.m. on Monday, August 30, 2010.

iii. The third and fourth suspension days will start on Sunday, September 5, 2010, and run through Monday, September 6, 2010.

- No gambling activities shall take place at the licensed premises starting at 8:00 a.m. on Sunday, September 5, 2010.
- The licensee may resume its gambling activities at 8:00 a.m. on Tuesday, September 7, 2010.

3) The signed order must be received by Commission staff on or before July 22, 2010.

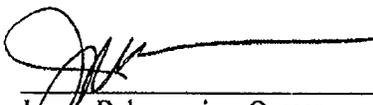
DATED this ^{12th} ~~21~~ day of ~~July~~ ^{August}, 2010.

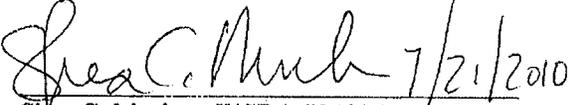

Administrative Law Judge

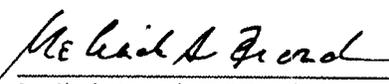
APPROVED FOR ENTRY:

APPROVED AS TO FORM:

By the signature below, the licensee understands the terms and conditions contained in the settlement order.


James Bakunowicz, Owner (Date)
M&R Euroimport, Ltd.,
a/b/a Classic Island Casino


Shea C. Meehan, WSBA #34087 (Date)
Walker Heye & Meehan, PLLC
Representing the licensee


Melinda Froud, WSBA #26792
Lead Staff Attorney,
Washington State Gambling Commission

 #31517 for
H. Bruce Marvin, WSBA #25152
Assistant Attorney General,
Representing the Washington
State Gambling Commission