

STATE OF WASHINGTON
GAMBLING COMMISSION

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

Pioneer Roadhouse/Town Tavern)
629 Old Pioneer Hwy)
Arlington, Washington,)

Licensee.)

NO. CR 2010-00359

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

I.

The Washington State Gambling Commission issued Pioneer Roadhouse/Town Tavern, organization number 00-21545, the following license:

Number 05-20687, Authorizing Class "B" Punchboard/Pull-Tab Activity.

The license expires on June 30, 2010, and was 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 violation of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

1) The licensee failed to timely submit its punchboard/pull-tab activity report for the third and fourth quarters of 2009 within 30 days following the end of the reporting period. The activity report was due January 30, 2010. However, the activity report has not been received. This conduct violates WAC 230-14-284(2).

2) In February 18, 2010, the licensee was issued a Notice of Violation and Settlement (NOVAS)¹ for failure to timely submit these reports. As of April 15, 2010, the licensee had not paid the \$300 fine issued with the NOVAS.

3) In November of 2009, Commission staff discovered that the licensee had punchboard/pull-tab sales in excess of the amount allowed by their class "B" license. The license class ceiling was \$100,000 in sales, and the Pioneer Roadhouse gross receipts were \$132,906, \$32,906 in excess of class.

4) On November 13, 2009, a Commission Customer Service Specialist sent the licensee a letter and an Exceeding Class Notice, which reflected that the licensee had excess gross gambling receipts for its license year ending June 30, 2009. The letter requested that the licensee pay

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.

exceeding class fees of \$1,503 within 30 days. That fee included the Class "C" license fee of \$2116, with credit for the \$935 the licensee had paid for its Class "B" license, in addition to a change of class fee of \$27, and an exceeding class fee of \$295. As of April 15, 2010, the licensee had not paid the exceeding class fee by May 5, 2010.

5) On February 19, 2010, a Commission special agent received a complaint from the deed holder of the licensee's property, informing Commission staff that he had initiated foreclosure process on the licensee. This action was the result of liens placed on the property by the county for unpaid gambling taxes.

6) On March 19, 2010, an agent drove by the licensee's premises, and verified that the business was closed.

7) On March 24, 2010, Commission staff received notification from the Washington State Department of Labor and Industries of a Notice and Order to Withhold and Deliver for payment of unpaid taxes.

8) Grounds exist for the suspension or revocation of Pioneer Roadhouse/Town Tavern's license to conduct gambling activities, based on RCW 9.46.075(1) and WAC 230-03-085(1), (3), and (7).

VIOLATIONS:

RCW 9.46.075(1) Suspending a license or permit

The Commission may suspend 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(s) 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 Suspending a license or permit

We may suspend any 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(s) 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.

WAC 230-06-135 Failing to apply for license class upgrade

The following subsection(s) apply:

- (1) If licensees fail to apply for a license class upgrade and exceed the license class limit within a present or previous license year, we assess an additional fee. We charge an additional fee of up to fifty percent of the difference between the fee for the present license class and the new license class, or one thousand dollars, whichever is less.
- (2) Licensees must pay any required license class upgrade fee, plus any additional fee required by subsection (1) of this section, within thirty days of our notification.
- (3) Failure to pay the fees may result in an immediate summary suspension of all licenses.

WAC 230-14-284 Activity for punchboard and pull-tab licensees

The following subsection(s) apply:

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 subsection(s) 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.

WAC 230-06-130(1), and (2)(a), and (b) Exceeding license class:

(The following subsection(s) apply)

- (1) Licensees must not exceed the gross gambling receipts limits for their license class during any annual license period.
- (2) Licensees must apply a projection of year-to-date receipts to the remaining period of their license and, if it indicates that it is reasonably likely that they may exceed their license, they must immediately:
 - (a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and
 - (b) Submit the fee required for the new license, minus the amount originally submitted for the previous license, plus a change of classification fee.

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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 regarding the licensee, Pioneer Roadhouse/Town Tavern, 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.

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 7th day of May, 2010

Maurice Prebell

Communications and Legal Department
Washington State Gambling Commission

Rick Day

RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me
this 7th day of May, 2010.

Gail A. Grate

NOTARY PUBLIC in and for the State of
Washington residing at Olympia
My commission expires on 7-12-11

