

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the)
License to Conduct Gambling Activities of:) NO. CR 2010-01408
)
Willoughby's Restaurant & Lounge) **FINDINGS, CONCLUSIONS,**
Yelm, Washington,) **DECISION, AND FINAL**
) **ORDER IN DEFAULT**
Licensee.)

THE MATTER of the revocation of the license to conduct gambling activities of Willoughby's Restaurant & Lounge having come before the Commission on February 10, 2011, the State being represented by Jerry Ackerman, Senior Counsel, Office of the Attorney General, the Commission makes the following Findings of Fact, Conclusions of Law, and issues the following Decision and Order:

FINDINGS OF FACT

I.

The Washington State Gambling Commission issued Willoughby's Restaurant & Lounge, organization number 00-21797, license number 05-20789, authorizing Class "C" Punchboard Pull-Tab activity. The license expires on March 31, 2011, and was issued subject to the licensee's compliance with state gambling laws and regulations.

II.

On December 21, 2010, Deputy Director Dave Trujillo issued administrative charges to Willoughby's Restaurant & Lounge, by certified and regular mail. The administrative charges notified the licensee that failure to respond would result in the entry of a default order revoking its license. Willoughby's Restaurant & Lounge did not respond to the charges.

By not responding, Willoughby's Restaurant & Lounge waived its right to a hearing on such charges and pursuant to RCW 34.05.440, this final order may be entered in default.

III.

1) On February 10, 2010, and August 10, 2010, Willoughby's Restaurant & Lounge received written warnings for failure to timely submit its punchboard/pull-tab activity reports. The written warnings notified the licensee that failure to submit an activity report may lead to the suspension or revocation of its gambling license.

2) Willoughby's Restaurant & Lounge's punchboard/pull-tab activity report for the first and second quarters of 2010 was due at our administrative office by July 30, 2010. However, the licensee did not submit the activity report to Commission staff, in violation of WAC 230-14-284(2).

- 3) On October 15, 2010, a Commission Special Agent (agent) e-mailed Diana Bloom, owner of Willoughby's Restaurant & Lounge, and told her she needed to file the licensee's punchboard/pull-tab activity report for the first and second quarters of 2010. The agent attached a copy of the August 10, 2010, warning letter and a blank punchboard/pull-tab activity report for the first and second quarters of 2010. Ms. Bloom did not respond to the agent's e-mail.
- 4) On October 19, 2010, the agent contacted Ms. Bloom by telephone and told her that because she failed to submit Willoughby's Restaurant & Lounge's punchboard/pull-tab activity report for the first and second quarters of 2010, the agent had issued a Notice of Violation and Settlement (NOVAS)¹ to the licensee.
- 5) On November 16, 2010, the agent spoke to Timothy Willoughby, Ms. Bloom's husband, about the NOVAS. Mr. Willoughby did not know about the late activity report and asked if it was too late to resolve the matter. The agent told Mr. Willoughby that if he submitted the late activity report and paid the NOVAS fine by November 19, 2010, then the matter would be closed.
- 6) On November 19, 2010, Ms. Bloom came to the Gambling Commission headquarters and paid the \$300 NOVAS fine. Ms. Bloom asked Commission staff what paperwork she needed to submit and staff gave her a blank punchboard/pull-tab activity report for the first and second quarters of 2010. Ms. Bloom told staff that she would fax the completed activity report back to staff later that day.
- 7) The agent also spoke to Ms. Bloom on November 19, 2010, and told her that she needed to fax the completed activity report to staff by today. Ms. Bloom told the agent that she would do that.
- 8) Commission staff did not receive the licensee's activity report. As a result, the agent e-mailed Ms. Bloom on November 29, 2010, reminding her that she was to fax us the activity report on November 19, 2010. The agent also wrote in the e-mail that to resolve this matter, Ms. Bloom needed to submit both the activity report and payment of the fine. Ms. Bloom did not respond to the agent's e-mail.
- 9) As of January 21, 2011, the licensee had not submitted its punchboard/pull-tab activity report for the first and second quarters of 2010.
- 10) Willoughby's Restaurant & Lounge's failure to submit its activity report demonstrates its willful disregard for complying with state administrative rules. Therefore, grounds exist for the suspension of Willoughby's Restaurant & Lounge's license to conduct gambling activities, based on RCW 9.46.075(1) and WAC 230-03-085(1), (3), and (7).

¹ A 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.

RCW 9.46.075(1) Denying, suspending, or revoking a 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) 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

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

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.

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IV.

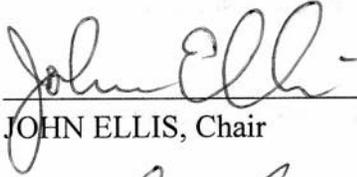
CONCLUSIONS OF LAW

The circumstances specified in the Findings of Facts in section III above constitute grounds for the revocation of Willoughby's Restaurant & Lounge's license to conduct gambling activities under the authority of RCW 9.46.075 and WAC 230-03-085.

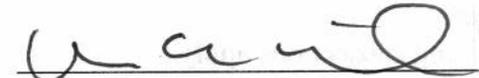
DECISION AND ORDER

The Washington State Gambling Commission HEREBY ORDERS: Willoughby's Restaurant & Lounge's Punchboard Pull-Tab license to conduct gambling activities is REVOKED.

DATED this 10 day of February, 2011.



JOHN ELLIS, Chair



KEVEN ROJECKI, Vice Chair



MIKE AMOS

MICHAEL REICHERT

REBECCA ROE

NOTICE: RCW 34.05.440(3) provides that within seven (7) days after service of a default order the party against whom it was entered may file a written motion requesting that the order be vacated and stating the grounds relied upon.

WAC 230-17-040(3) requires that motions be served on the parties listed below:

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