STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of the License to Conduct Gambling Activities of: Card Room Management, Renton, Washington, Licensee.	)	NO. CR 2011-00928 CR 2011-00606 *CR 2011-01114* ***AMENDED* NOTICE OF ADMINISTRATIVE CHARGES AND OPPORTUNITY FOR AN ADJUDICATIVE PROCEEDING**

**Amendments appear in italics and strikeouts*

Rick Day alleges as follows:

I.

He is the Director of the Washington State Gambling Commission and makes these charges in his official capacity.

II.

Jurisdiction of this proceeding is based on Chapter 9.46 RCW, Gambling, Chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

III.

The Washington State Gambling Commission issued Card Room Management, 8200 Tacoma Mall Boulevard, Lakewood, Organization Number 00-22215, the following license:

Number 26-00300, Authorizing Service Supplier Activity.

The license, which expires on August 26, 2012, was issued subject to the licensee's compliance with state gambling laws and regulations.

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IV.

SUMMARY:

The licensee's owners and substantial interest holders, Tim Iszley and Rick Faoro, committed numerous violations, including:

- Conducting service supplier activity without a license.
- Failing to disclose substantial interest in a licensed house-banked card room.
- Making false, misleading or untrue statements of a material fact.
- ~~Knowingly causing others to violate rules and laws~~.
- Allowing persons to conduct gambling activities without a license.
- ~~Failing to timely report changes in management~~.
- Failing to timely disclose a civil action.
- Repeatedly extending credit to patrons.
- Failing to keep complete accounting records of all gambling related transactions.

Card Room Management is unqualified to be licensed based on:

- The totality of the violations committed by Tim Iszley and Rick Faoro between 2009 and 2011.
- The totality of the administrative history of licensees owned, and/or in which substantial interest was held by, Mr. Iszley and/or Mr. Faoro.

FACTS:

1) The licensee, Card Room Management (CRM), has been licensed as a service supplier since October 10, 2010. Commission Special Agents (agents) began investigating the licensee after violations were found during a 2010 pre-licensing investigation of Seven Diamonds, owned by Tim Iszley. This was Mr. Iszley's first attempt to buy Parker's and obtain a card room license. Subsequently, Commission staff received applications from Rick Faoro and Tim Iszley for changes in organizational and ownership structure for various entities, and applications for additional card room licenses. Further investigation ensued, and agents began a closer review and assessment of the licensee's qualification to be licensed.

2) CRM's organizational and ownership structure is as follows (see attachment "A" for a chart of the licensee's organizational and ownership structure):

a) Cory Coyle is the President and Chairman of the Board of CRM, and Rick Faoro is the Executive Vice-President-General Counsel, Treasurer, Secretary, and Director, and Tim Iszley is Vice-President. Prior to March 2011, Tim Iszley was President and Chairman of the Board.

b) CRM is wholly owned by Puget Sound Gaming (PSG). PSG does not hold a license, but is a substantial interest holder of CRM. Cory Coyle is the President and Chairman of the Board of PSG; Rick Faoro is Executive Vice-President-General Counsel, Treasurer, Secretary, and Director, and Tim Iszley is Vice-President and Director.

c) PSG is wholly owned by Evergreen Gaming Corporation (EGC). EGC does not hold a license, but is a substantial interest holder of CRM. EGC is publicly traded on the Canadian Stock Exchange.

d) Tim Iszley owns approximately 32 percent, and is the Chief Executive Officer, President, and Chairman of the Board of Directors of EGC. Rick Faoro owns approximately 8.5 percent of EGC.

3) The licensee has agreements with EGC to assist and advise EGC on the development and monitoring of five licensed house-banked card rooms[1] owned by subsidiaries of EGC. EGC, through its subsidiaries, currently has a license application pending for another house-banked card room,[2] and an application pending for an "F" endorsed card room.[3]

4) The licensee also provides $10 million lines of credit for two unlicensed entities owned by EGC: Washington Gaming, and TI Gaming. These two entities are substantial interest holders of subsidiaries that own the five licensed house-banked card rooms serviced by the licensee.

5) Between 2009 and 2011, Commission Special Agents (agents) found that Tim Iszley and Rick Faoro violated numerous laws and Commission rules. Agents documented recent violations in the following case reports: 2010-00896,[4] 2010-01184,[5] and 2011-00606,[6] *and 2011-01114.*[7]

Background Facts Leading Up to the Investigation and Violations Alleged in this Case at Issue:

6) The following are background facts leading up to the investigation and violations alleged in this case against the licensee, Card Room Management (CRM):

a) In 2009, Tim Iszley, owner of Seven Diamonds, entered into a purchase and sale agreement to buy Parker's Sports Bar and Casino (Parker's). During the pendency of the sale of Parker's and of the application by Seven Diamonds for a house-banked card room license, agents from the Financial Investigations Unit (FIU) found that Seven Diamonds had failed to timely disclose several changes to its application and failed to disclose the material fact of the applicant's change of status from a buyer to a substantial interest holder of Parker's. Tim Iszley, as the applicant and owner of Seven Diamonds, had a

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[1] The five licensed house-banked card rooms are Riverside Casino, Goldie's Shoreline Casino, Palace Casino, Chips Casino and Wizards Casino.
[2] Administrative charges for denial are pending against 17001 Gaming Inc., d/b/a Parker's Casino; CR 2011-01134.
[3] Administrative charges for denial are pending against Tukwila Gaming, LLC, d/b/a Riverside Tukwila; CR 2011-01133. An "F" endorsed card room license allows licensees to use alternative fee collections and to offer player-supported jackpots; however, card games are not house-banked.
[4] CR 2010-00896: involves pending administrative charges filed against Parker's Sports Bar and Casino.
[5] CR 2010-01184: involves an investigation of Rick Faoro while he was licensed at Parker's Sports Bar and Casino. No enforcement or administrative action resulted from the investigation because Mr. Faoro's card room employee license expired prior to the completion of the investigation.
[6] 2011-00606: involves an investigation of Rick Faoro's suitability as a substantial interest holder, and is part of this current set of administrative charges.
[7] *2011-01114 involves an investigation of Tim Iszley's suitability as an owner and substantial interest holder.*

written contract with Parker's requiring Mr. Iszley to be "responsible for operating Parker's Casino," and to be responsible for all expenses, including wages, salaries, rent, etc. The contract also entitled Mr. Iszley to retain, "all other income generated by Parker's Casino…"

b) As a result of these violations, Seven Diamonds, through its owner, Tim Iszley, entered into a Settlement in Lieu of Charges[8] (see attachment "B") to resolve administrative charges that were pending, but not issued. Seven Diamonds agreed to serve a 15-day suspension upon licensure, with 10 days deferred for one year, and to vacate the remaining five days by paying a $7,509 fine.

c) The Commission also administratively charged[9] Parker's with failure to timely disclose the material fact of a new substantial interest holder. Parker's agreed to a 13-day suspension, deferring 12 days for one year, and vacating the remaining three-day suspension by paying a $9,522 fine. Additionally, the licensee served a one-day suspension for a prior Settlement Order violation.

d) Seven Diamonds never received a license, because in September 2010, it withdrew its application for a house-banked card room license and withdrew from the purchase and sale agreement to buy Parker's. However, before Seven Diamonds withdrew its application, an agent from the Field Operations Division (FOD) conducted a pre-operational review and evaluation (PORE), beginning in June 2010. During this PORE, the FOD agent found Tim Iszley and Rick Faoro had violated additional rules and laws; these violations were not alleged in the Settlement in Lieu of Charges issued against Seven Diamonds, because at the time, the FOD agent had not completed his investigation of Parker's.

e) In addition, Rick Faoro submitted applications in 2011, related to changes in management and ownership of two licensed house-banked card rooms (Goldie's Shoreline and Wizards Casino). Based on these applications, FIU agents completed an investigation to determine Mr. Faoro's suitability as a substantial interest holder and found more violations.

f) ~~At the time Tim Iszley became an unauthorized and undisclosed substantial interest holder of Parker's, and numerous violations were alleged to have occurred, Mr. Iszley and Mr. Faoro were also substantial interest holders and/or owners of Riverside Casino, another licensed house-banked card room. FIU agents also found violations had occurred at Riverside Casino that involved Tim Iszley and Rick Faoro~~.

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[8] In the Settlement in Lieu of Charges, CR 2010-00790, Tim Iszley acknowledged that he violated rules by becoming an undisclosed substantial interest holder of Parker's Casino. Mr. Iszley was designated as an "Officer," who Parker's retained to "oversee management and operate Parker's Casino until the date Slam Dunk [d/b/a Parker's Casino] sells Parker's Casino," and who "shall be responsible for operating Parker's Casino on behalf of Slam Dunk."

[9] CR 2010-00789, administrative charges for the suspension or revocation of Parker's licenses resulting in a Settlement Order.

Facts Supporting Rick Faoro Conducting Unlicensed Service Supplier Activity, *Tim Iszley and Mr. Faoro's Failure to Disclose Mr. Faoro's Substantial Interest in Parker's,* ~~and/or Failing to Disclose Substantial Interest in Parker's, Allowing Persons to Conduct Gambling Activity Without a License, Knowingly Causing Others to Violate Laws and Rules,~~ and Making False, Misleading or Untrue Statements of Material Fact – From Case Report 2010-00896 (involves pending administrative charges filed against Parker's):

7) Rick Faoro conducted unlicensed service supplier activity at Parker's during the pending sale of Parker's to Seven Diamonds. Mr. Faoro was licensed as a card room employee at Parker's, but was not paid card room employee wages. In addition, Mr. Faoro failed to disclose his substantial interest in, and management of, Parker's. ~~Mr. Faoro also caused another to violate gambling laws and rules when he directed Parker's Accounting Manager to code a card room employee as maintenance for payroll purposes.~~ Because Tim Iszley was a substantial interest holder (undisclosed and unauthorized), of Parker's during this same time, all violations are also attributable to Mr. Iszley, as well as Mr. Faoro. Agents found the following:

a) The FOD agent observed Rick Faoro on-site at Parker's premises at least two to three times a week during the PORE of Seven Diamonds.

b) Rick Faoro was not listed in the management structure of Parker's internal control documents.

c) Although Rick Faoro was a licensed card room employee, Parker's did not have any payroll records establishing that it had ever paid Mr. Faoro for performing card room employee duties. The only record showing that Parker's had paid Mr. Faoro was a copy of a $3,003 check written in August 2010. Mark Jones, Parker's Finance Manager, explained the $3,003 check was paid to reimburse Mr. Faoro for 780 miles of travel per month over a seven-month period. Mr. Jones said the 780 miles represented about three trips per week to Parker's premises by Mr. Faoro.

d) Rick Faoro told the FOD agent that as a card room employee for Parker's, "I played poker three days a week; that's all I did." But Mr. Faoro added, "I was linked there [at Parker's] so I could go everywhere and do anything." Mr. Faoro said he did enter Parker's cage "one time because there was a Sonoma[10] problem." The agent reviewed Parker's internal controls and found Mr. Faoro was not authorized to enter the cage.

~~e) Parker's relied on Rick Faoro to provide answers about the operation of the card room and Parker's use of "propositional players."[11] The agent asked Michael McCarthy, Parker's then-General Manager, about Parker's use of "propositional players." Mr. McCarthy said he wasn't aware that Parker's used "propositional players." But, he said he could, "ask Rick~~

[10] Sonoma is a player tracking system used by Parker's.

[11] ~~Propositional players, "prop players," "shills" or "game starters," are card room employees who are paid to assist in starting and/or maintaining poker games and who use their own funds while playing in poker games. They are required to be licensed.~~

~~because he'd know." Several minutes later, Mr. Faoro greeted the agent and said, "We don't use prop players; never have."~~

~~**Facts Supporting Rick Faoro Making False, Misleading, or Untrue Statements of Material Fact – From Case Report 2010-00896 (involves pending administrative charges filed against Parker's):**~~

f) ~~Despite Mr. Faoro's assertion that Parker's never used "propositional players," the FOD agent found that Parker's had a document titled "Propositional Players" in its internal controls. Parker's also had completed versions of these forms containing dates between February 4 and February 28, 2010, and April 8, 2010. The forms also listed the names of card room employees, Qiang Li, Nghi Nguyen and Steven Keyes, contained start and end times (generally covering eight hour periods), win/loss amounts, and signatures.~~

g) ~~On July 27, 2010, the FOD agent interviewed Craig Schweigert, a former General Manager for Parker's. Mr. Schweigert said Parker's definitely paid someone to play poker, but he did not have any details about who that was, or whether the person was an unlicensed CRE (card room employee).~~

Facts Supporting Rick Faoro Conducting Unlicensed Service Supplier Activity, and/~~or Failing to~~ *Tim Iszley and Mr. Faoro's Failure to Disclose Mr. Faoro's* Substantial Interest in Parker's ~~Allowing Persons to Conduct Gambling Activity Without a License, Knowingly Causing Others to Violate Laws and Rules~~, and Making False, Misleading or Untrue Statements of Material Fact – From Case Report 2010-00896 (involves pending administrative charges filed against Parker's):

h) Nancy Christopherson, Parker's Accounting Manager, said Rick Faoro had ordered her to code a person named Sam Wright as "maintenance" for payroll purposes, despite the fact that Mr. Wright played poker at Parker's. ~~as a "propositional player."~~ *Ms. Christopherson said Mr. Faoro "had me hire Sam Wright as a maintenance worker…," and that* Mr. Wright never "clocks in; he's just cut a check." She said Mr. Wright was not a licensed card room employee, and she was not aware that "propositional players"[12] needed to be licensed.

i) Ms. Christopherson said Mr. Wright played poker "all the time." When she asked Mr. Faoro why she should code Mr. Wright as maintenance, Mr. Faoro replied, "Just do it." *Ms. Christopherson said whenever he [Mr. Faoro] asked me to do stuff I would do whatever he asked of me." She always thought of Mr. Faoro as her superior at Parker's. Ms. Christopherson said she was hired to do the accounting at Parker's, to oversee the accounting person at Goldie's, and to help their accounting staff and cashiers get up and running when Mr. Iszley purchased new properties. Ms. Christopherson was paid by*

[12] Propositional players, "prop players," "shills" or "game starters," are card room employees who are paid to assist in starting and/or maintaining poker games and who use their own funds while playing in poker games. They are required to be licensed.

Parker's, and not Seven Diamonds, although Seven Diamonds listed her as an employee of Seven Diamonds for a brief period.

j) *Ms. Christopherson said Mr. Faoro told her how to structure Mail Mai's, then General Manager at Parker's, bonus payments that were based on Parker's profits. Ms. Christopherson said Mr. Faoro also told her how to structure bonus payments to poker managers, Charlie Li and "Nathan."*

k) *Ms. Christopherson said she knew "Geordie" was the owner of Parker's, but she "didn't take orders from him," and she thought it "was odd that the buyers were calling all of the shots."*

l) *"I took my directions from the GM and Rick was above the GM," Ms. Christopherson stated. Ms. Christopherson said that after the investigation on Mr. Faoro began, Mr. Faoro came to her and said, "You don't take direction from me, right?" Ms. Christopherson said she did not respond to Mr. Faoro's question.*

m) Mail Mai, another former General Manager for Parker's, said, "Sam gets paid to play, but look at the [profit and loss]. He's maintenance." Mr. Mai said he was uncomfortable with the inaccurate label placed on Sam Wright, and he had asked other employees why Sam Wright was labeled "maintenance." Mr. Mai was told repeatedly to "ask Rick." When Mr. Mai finally did ask Rick Faoro about Sam Wright's status and role, Mr. Faoro did not respond.

n) Steven Keyes, a former card room employee for Parker's, said Sam Wright was Parker's "eye in the sky," and "a mole."[13] Mr. Keyes said, "Sam's paid to go around to different locations to see how things are going out there."

o) The FOD agent received a voicemail message from Mark Jones, Parker's Finance Manager. Mr. Jones said he had overheard a conversation about Sam Wright, which made him "curious about Sam, too," so he had called Rick Faoro. Mr. Faoro asked Mr. Jones to relay the following to the agent about Sam Wright: Mr. Wright "performs marketing research and quality control" for Parker's; he has 25 years in the bar business; and, he "does a little bit of maintenance, too." Mr. Jones concluded his message to the agent with an invitation from Rick Faoro to call Sam Wright on his cell phone if the agent had any additional questions. (The agent made several attempts to call Sam Wright and was unsuccessful.)

p) Scott Hildebrandt, Parker's Director of Operations, told the agent that he did not know who Sam Wright was, but declared, "I'll take care of it." Mr. Hildebrandt told the agent that he had called Mark Jones, Parker's Finance Manager, and had told Mr. Jones to remove Sam Wright from Parker's payroll immediately.

[13] Slang for "propositional player."

q) Between March 1 and December 22, 2010, Parker's paid Sam Wright about $20,000 as a maintenance employee~~, when Mr. Wright was an unlicensed "propositional player" for Parker's~~.

~~r) Although Rick Faoro was not disclosed as a manager, owner or substantial interest holder, but licensed merely as a card room employee, Mike McCarthy, former General Manager at Parker's, notified Rick Faoro of his resignation. Mr. McCarthy e-mailed the agent that he had "advised Rick last week that I was done," and that "this has been a very unpleasant experience working with them and I am moving on."~~

s) Nancy Christopherson, Parker's Accounting Manager said, "I do whatever Rick tells me to do." Ms. Christopherson said Mr. Faoro's role at Parker's was "above the General Manager," and that Mr. Faoro was the "middle man" between Parker's and Tim Iszley.

t) Craig Schweigert, a former General Manager for Parker's, said that while serving as General Manager at Parker's, Rick Faoro was "at least the head of the poker room," and all poker managers reported to Mr. Faoro.

u) Mail Mai, a former General Manager for Parker's, said Rick Faoro was Parker's "clandestine GM," who was used by Tim Iszley to be Mr. Iszley's "eyes and ears."

v) During a meeting, Mr. Mai asked Tim Iszley who he (Mr. Mai) reported to, and Mr. Iszley said he reported to, and should direct all questions to Keven Baumann. However, when Mr. Mai contacted Mr. Baumann about an operational issue, Mr. Faoro told Mr. Mai, "You need to talk to me." Mr. Mai told Mr. Faoro that he had been instructed to report to Mr. Baumann, but Mr. Faoro replied that Mr. Mai must always report to him, and not to Mr. Baumann.

w) Mr. Mai said Parker's held monthly or weekly management team meetings, and that Rick Faoro, Tim Iszley, Cory Coyle, and Keven Baumann usually attended. Mr. Mai was under the impression that Keven Baumann and Rick Faoro directly managed the card room. But Parker's internal control documents did not list Mr. Faoro or Mr. Baumann as managers, nor did Parker's notify Commission staff that Mr. Baumann or Mr. Faoro were Parker's substantial interest holders.

x) Qiang Li, Parker's poker supervisor, said that Rick Faoro gave Tim Iszley advice, served as Mr. Iszley's consultant, and "has a lot of pull."

y) Mr. Li said Mr. Faoro advised Parker's poker room staff, and, "if it's good advice, we take it; if it's not good, we don't listen." Mr. Li said that Mr. Faoro participates in "budget counseling, including PSJ schemes." Mr. Li added that once in a while, Mr. Faoro attended Parker's management meetings, "to get a general feeling of the games and the floor."

z) Steven Keyes, Parker's poker floor supervisor, who reported to Qiang Li, said Rick Faoro was Tim Iszley's "right hand man." Mr. Keyes said Mr. Faoro "acts like a manager, but

nobody pays attention to him." Mr. Keyes said Mr. Faoro influences Mr. Iszley, but has "no pull otherwise." Mr. Keyes added that Mr. Faoro was a "consultant with [Parker's] jackpot payout system, and he discusses payouts for high hand schemes."

aa) The FOD agent obtained written statements from Nancy Christopherson, Mail Mai, Craig Schweigert, Qiang Li, and Steven Keyes.

Facts Supporting Rick Faoro Conducting Unlicensed Service Supplier Activity and~~/or~~ *Tim Iszley and Mr. Faoro's Failure to Disclose Mr. Faoro's* ~~Failing to Disclose~~ Substantial Interest in Parker's, and Making False, Misleading or Untrue Statements of Material Fact – From Case Report 2010-01184 (involves investigation of Rick Faoro while he was licensed at Parker's):

bb) FOD agents interviewed Rick Faoro on October 6, 2010. Mr. Faoro said, "I was there [at Parker's] on behalf of Tim Iszley, the buyer." Mr. Faoro said he was Mr. Iszley's advisor and attorney. "Anything I did, I did at the direction of Tim." Mr. Faoro said he did not get paid for his services. When asked about a $5,000 check paid to Mr. Faoro by Goldie's Shoreline, a licensed card room owned by Tim Iszley, Mr. Faoro said it was for legal work at Epstein Noriega, d/b/a Goldie's. Mr. Faoro invoked the attorney-client privilege and would not answer any more questions.

cc) Mr. Faoro said he did not have authority to hire or fire staff at Parker's, and that Sam Wright was "originally hired as maintenance;" however, "he [Sam Wright] did play poker." Mr. Faoro said he merely suggested that Parker's hire Sam Wright because Mr. Faoro "knew him for 20 years and the guy needed a job." Mr. Faoro denied that Mr. Wright was paid to play poker, and said, "Sam's like a mystery shopper." Mr. Faoro denied ordering Parker's accounting staff to code Sam Wright as maintenance for payroll purposes, and said anyone who said that was "incorrect."

dd) ~~Although Mr. Faoro had previously told the FOD agent that Parker's never used "propositional players," (see Fact #7e), Mr. Faoro now said Parker's had employed "propositional players." In addition, Mr. Faoro stated that, "I played poker three days a week. That's all I did." These activities possibly made Mr. Faoro a "propositional player" for Parker's as well. Mr. Faoro said he never sold chips or served as a dealer at Parker's. Parker's did not have any payroll records showing that Mr. Faoro was paid for card room employee duties (see Fact #7e).~~

ee) Mr. Faoro said he was aware that card rooms cannot pay unlicensed persons to play poker, and declared, "I would never do that." When asked whether Parker's used any unlicensed poker players, Mr. Faoro said, "not that I know of." Mr. Faoro said there were no unlicensed, paid poker players on Parker's payroll. Mr. Faoro invoked the attorney-client privilege when asked about Sam Wright, and Parker's card room employees, Qiang Li, Nghi Nguyen and Steven Keyes, who had been listed in Parker's forms as "propositional players." The agent later found there was no attorney-client privilege between Mr. Faoro and Steven Keyes. Mr. Keyes told the agent that Mr. Faoro

never served as his attorney or that he ever sought legal advice from Mr. Faoro, telling the agent, "I've never needed legal representation for anything."

ff) Mr. Faoro said that no one at Parker's reported to him, and that "I do carry myself with great authority. I can see how people might get the wrong idea about my role." Mr. Faoro then said, "I did attend a few [management] meetings," and "offered suggestions for Monte Carlo and PSJ [player-supported jackpot] distributions."

Facts Supporting Rick Faoro Conducting Unlicensed Service Supplier Activity ~~and/or Failing to Disclose Substantial Interest in Parker's~~ *and Tim Iszley and Mr. Faoro's Failure to Disclose Mr. Faoro's Substantial Interest in Parker's* – From Case Report 2011-00606 (involves an investigation of Rick Faoro's suitability as a substantial interest and is part of this current set of administrative charges):

gg) In a response to FIU agents' inquiries related to the investigation into Rick Faoro's suitability as a substantial interest holder, Tim Iszley wrote a letter, dated January 21, 2011, stating, in part, the following:

i) "In 2009, Rick [Faoro] came along side me and assisted with contract and legal negotiations at Parker's Casino in the role of an attorney. He was also on the payroll of Goldie's, which I owned at the time, as a Card Room Employee. While he was working at Goldie's Shoreline Casino, Rick would visit Parker's often during the attempted acquisition. He did not get paid at Parker's but was linked as a Card Room Employee so the commission knew of his presence there so that he could make operational recommendations and not be in violation of commission rules for acting as an unlicensed service provider."

ii) "...Rick and I would meet and discuss what could be done at Parker's to improve operations. It was not like he reported to me as much as we simply discussed ideas. I would make suggestions, as would he, and we would discuss which might work and why. Afterward, he would go back and discuss these items with the employees at Parker's and many of them were implemented."

hh) *Tim Iszley acknowledged being an undisclosed substantial interest holder of Parker's in the Seven Diamonds (CR 2010-00790) case, which resulted in a Settlement in Lieu of Charges. However, at the time of the Seven Diamonds' settlement, Mr. Iszley failed to notify Commission staff that Rick Faoro was also an undisclosed substantial interest holder and/or a service supplier. Mr. Iszley failed to timely notify Commission staff that he and Mr. Faoro discussed "what could be done at Parker's to improve operations," and that Mr. Faoro would then "discuss these items with the Parkers' employees and many of them were implemented." Instead, Mr. Faoro was linked as a card room employee at Parker's so that he could, as Mr. Faoro said to agents, "could go everywhere and do anything."*

Facts Supporting Rick Faoro and Tim Iszley Extending Credit – From Case Report 2010-00896 (involves pending administrative charges filed against Parker's):

8) While Tim Iszley and Rick Faoro were managing and operating Parker's without authorization *between January 20, 2010, and June 30, 2010*, Parker's repeatedly extended credit by cashing checks from patrons who had outstanding bad (insufficient funds) checks. Between March 3 and May 28, 2010, Parker's extended credit to players by accepting checks from players listed on its NSF (non-sufficient funds) list. The FOD agent found the following:

a) Parker's cashed a $200 check on March 13, 2010, for a player named Vimone Chindavone, without first collecting money for a previously returned $300 check from the same player. The second check was also returned unpaid.

b) Parker's cashed a $200 check on April 3, 2010, for a player named Timothy Lee, without first collecting money for a previously returned $200 check from the same player. The second check was also returned unpaid.

c) Parker's cashed three checks for $500, $1,000, and $500, on May 28, 2010, for a player named Jin Kim, without first collecting money for three previously returned checks for $800 each, from the same player. The second set of checks was also returned unpaid.

d) Although Parker's used a check cashing service, Parker's cashed checks without getting them approved through the check cashing service.

Facts Supporting Rick Faoro and Tim Iszley Failing to Keep Receipts and Disbursements Related to Gambling Activities – From Case Report 2010-00896 (involves pending administrative charges filed against Parker's):

9) While Tim Iszley and Rick Faoro were managing and operating Parker's without authorization *between January 20, 2010, and June 30, 2010,* Parker's failed to keep complete records of all transactions relating to gambling expenses.[14] The FOD agent found the following paid-in and out slips from the cashier cage, where Parker's failed to specify who received the cash, or where the cash came from:

a) A paid-out slip for $300, dated 02-04-10, failed to show who was paid. The reason listed on the slip was "supplies for dance floor area."

b) A paid-out slip for $60, dated 02-04-10, failed to show who was paid. The reason listed on the slip was "[illegible] for dance floor area."

c) A paid-out slip for $400, dated 02-05-10, failed to show who was paid. The reason listed on the slip was "casual labor (dance floor)."

[14] A similar violation occurred at Silver Dollar Casino-Renton, while Rick Faoro was General Manager. Case report 2009-01423 resulted in a verbal warning for failure to keep records documenting disbursements of cash.

d) A slip for $50, dated 2-18-10, failed to show whether money was paid in or out, was made to "Poker Room," and the reason listed was "Casual Labor."

e) A paid-in slip for $400, dated 2-26-10, was made to the "cage," for "casual labor." It is unclear where that money came from.

f) A paid-out slip for $175, dated 2-26-10, was paid to an unknown person, and made out to "New Bartender." No reason was listed except "per Craig."

g) A paid-out slip for $250, dated 2-26-10, did not show who was paid, and the reason listed was "casual labor/per Craig." Craig Schweigert, Parker's former General Manager, told the agent that the payment was associated with dance floor repairs. Mr. Schweigert assumed the money went to Parker's maintenance manager.

h) A paid-out slip for $100, dated 2-27-10, was paid to "Security" for "manual labor."

Facts Supporting Rick Faoro Making False, Misleading or Untrue Statements of Material Fact – From Case Report 2011-00606 (involves an investigation of Rick Faoro's suitability as a substantial interest and is part of this current set of administrative charges):

10) During an FIU agent's investigation into Rick Faoro's suitability as a substantial interest holder, the agent asked Rick Faoro to provide his 2009 personal tax returns, including all schedules. When the agent received the documents, she found the following:

a) The agent was unable to substantiate Mr. Faoro's stated wages because he initially failed to attach his W-2 form.

b) The agent was unable to substantiate Mr. Faoro's stated profit or loss from a business because Mr. Faoro initially stated a different amount on his Schedule "C" form.

c) The agent was unable to substantiate Mr. Faoro's stated capital loss because Mr. Faoro initially failed to attach his Schedule "D."

11) The agent later received the documents required for her to substantiate stated amounts on Mr. Faoro's tax return. Mr. Faoro also submitted an amended tax return with a note attached stating "we inadvertently included a capital gains/loss deduction which should not have been included." The agent found the following:

a) Mr. Faoro had ~~about $201,577 of undisclosed~~ *unreported* income, which the agent found by comparing deposits listed on Mr. Faoro's bank statements for the relevant time period, with ~~the total income~~ *$120,000 in annual income* disclosed on his financial statement.

b) *The agent received Mr. Faoro's financial statement on September 28, 2010. In an attempt to address Mr. Faoro's concerns about the methods and time period used by the agent to calculate Mr. Faoro's unreported income, the agent completed analyses for two different annual time periods. The agent completed the following analyses, both of which*

showed unreported income: ~~Mr. Faoro disclosed $138,900 of income on his financial statement dated September 28, 2010; however, Mr. Faoro's bank statements between January and December 2010 listed total deposits of $340,477.~~

i) *The agent added deposits that totaled $239,496.99 for the period between October 1, 2009 and September 30, 2010. Because Mr. Faoro reported $120,000 in annual income, the resulting difference was $119,496.99. The agent reviewed bank statements for two accounts, and excluded deposits from two other accounts disclosed by Mr. Faoro (one contained a deposit related to a family member's estate matter, and the other contained an immaterial balance). The agent also subtracted $32,400 from the bank deposit total to account for the gross income deposited versus the net income reported on Mr. Faoro's financial statement. Under this time period, the agent concluded there was still $87,096.99 in income that Mr. Faoro did not report on his financial statement.*

ii) *The agent added deposits that totaled $216,112.37 for the period between January 1 and December 8, 2010. Because Mr. Faoro reported $120,000 in annual income, the resulting difference was $96,112.37. The agent reviewed bank statements for two accounts, and excluded deposits from two other accounts disclosed by Mr. Faoro (one contained a deposit related to a family member's estate matter, and the other contained an immaterial balance). The agent also subtracted $32,400 from the bank deposit total to account for the gross income deposited versus the net income reported on Mr. Faoro's financial statement. The agent also subtracted $15,000 from the total bank deposits to account for additional income Mr. Faoro said he received during October, November and December 2010. Under this time period, the agent concluded there was still $48,712.37 in income that Mr. Faoro did not report on his financial statement.*

c) ~~The agent asked Mr. Faoro for copies of checks from one of Mr. Faoro's accounts in order to verify source of funds and disclosures; Mr. Faoro submitted redacted checks, citing to the attorney-client privilege. However, when the agent asked Mr. Faoro to establish the existence of an attorney-client privilege related to the redacted checks, Mr. Faoro ultimately provided un-redacted checks. One of the un-redacted checks showed that Mr. Iszley paid Mr. Faoro $2,000 for legal services in February 2010, despite Mr. Iszley's written statement in January 2011, that, "If I ever need legal advice, he [Mr. Faoro] gladly provides it for free."~~

12) The agent also found the following unusual items related to her suitability investigation of Mr. Faoro:

a) ~~Mr. Faoro's bank statements listed checks with the same numbers that were written for different amounts on different dates. For example, Mr. Faoro wrote check #4058 from his account in 2009 and wrote another check numbered #4058 from the same account again in 2010. The agent requested copies of these checks; however, Mr. Faoro produced only one of the checks.~~

a) Mr. Faoro owned and/or was a substantial interest holder of an entity called TimRick. In order to verify disclosures made by Mr. Faoro, FIU agents reviewed TimRick's financial records. Mr. Faoro gave FIU agents TimRick's Operating Agreement, which provided that each of TimRick's two members would have capital accounts; however, the only account that existed belonged to Mr. Faoro. TimRick did not have a bank account. According to a promissory note that was part of a purchase and sales agreement (TimRick bought TI Gaming) disclosed by Mr. Faoro, TimRick was to pay Tim Iszley $60,000 per month. However, TimRick did not have a bank account, and TI Gaming paid Mr. Iszley directly, rather than TimRick.

b) Rick Faoro owned and/or was a substantial interest holder of an entity called TI Gaming. In order to verify disclosures made by Mr. Faoro, FIU agents reviewed the financial records of TI Gaming.[15] Records show that TI Gaming's sole member was TimRick, and that TimRick made 11 payments to Tim Iszley between September 30 and December 9, 2010, totaling $239,000.

c) TI Gaming, TimRick and Card Room Management were disclosed by Mr. Faoro as separate entities but they were all located in the same office.

~~**Facts Supporting Tim Iszley and Rick Faoro Failing to Report a Change of Management – From Case Report 2011-00606 (involves an investigation of Rick Faoro's suitability as a substantial interest and is part of this current set of administrative charges):**~~

~~13) While Tim Iszley and Rick Faoro held a substantial interest in Riverside Casino, a licensed house-banked card room, Mr. Faoro was appointed Vice-President; however, this appointment was not timely disclosed to Commission staff.~~

~~a) An FIU agent reviewed two payroll checks from Riverside Casino to Rick Faoro. Mr. Faoro received a $12,820.15 check in May 2010 and a $6,954.39 check in June 2010. However, Mr. Faoro was not licensed as an employee in May or June 2010.~~

~~b) On June 2, 2010, Riverside Casino submitted its report titled, "2010 Annual Meeting of Shareholders and Directors for Riverside Casino, Inc.," which reflected that Mr. Faoro had been appointed Vice-President. The FIU agent reviewed the report and determined that Mr. Iszley and Mr. Faoro had failed to timely report a change of management, as required by Commission rules.~~

~~c) Mr. Faoro was appointed Vice-President of Riverside Casino on April 30, 2010, and Commission rules require disclosure within 30 days. Mr. Faoro should have disclosed the change in management by May 30, 2010, but did not do so until June 2, 2010.~~

[15] The licensee also had a management agreement with TI Gaming to perform certain management, marketing, compliance, account and human resources service to two licensed card rooms – Goldie's and Wizards.

Facts Supporting Rick Faoro Failing to Timely Disclose a Civil Action – From Case Report 2011-00606 (involves an investigation of Rick Faoro's suitability as a substantial interest and is part of this current set of administrative charges):

14) Rick Faoro failed to timely disclose a lawsuit filed against him personally, and against his law firm.

a) On April 29, 2011, an FIU agent requested a financial statement from Rick Faoro as part of the ongoing investigation into Mr. Faoro's suitability as a substantial interest holder *related to two new house-banked card room applications. Mr. Faoro submitted his financial statement on May 12, 2011. In the meantime, Mr. Faoro was also a substantial interest holder of the licensee, Card Room Management, as of March 16, 2011, and had an ongoing responsibility to timely report all civil actions that he was involved with.* A question on the financial statement asks whether, "you or any business in which you had 5% or more ownership or financial interest been a defendant in any suits or legal actions regarding financial matters within the last five years?"

b) On May 12, 2011, Mr. Faoro sent the agent an e-mail, stating that he had been involved in litigation in the last five years, that he didn't think the matter was required to be disclosed, but that he was disclosing it to "insure that to the extent it is relevant to your inquiries that you are aware of it."

c) The agent requested a copy of all documents related to the lawsuit, and within 10 days, Mr. Faoro provided the documents. The lawsuit against Mr. Faoro (and his law firm) was based on legal malpractice, violation of the Washington Consumer Protection Act, breach of fiduciary duty, negligent misrepresentation, and fraud.

d) The lawsuit was filed on March 15, 2011, and Commission rules require disclosure within 30 days. Mr. Faoro should have disclosed the lawsuit by April 15, 2011, but did not provide documents related to the lawsuit until May 25, 2011.

Administrative History of Tim Iszley and Rick Faoro:

15) Between 2000 and 2011, enforcement actions in 34 cases were taken against at least 15 licensees that Tim Iszley ~~and/or Rick Faoro~~ owned and/or held substantial interests in. *Rick Faoro was a substantial interest holder in one of the licensees, Gaming Consultants, Inc., between February 21, 2002, and June 10, 2003, and two enforcement actions were taken against Gaming Consultants, Inc. during this time.* Tim Iszley signed nine settlements to resolve administrative charges for 15 separate cases. In addition, Mr. Iszley received 17 warning letters for 19 separate cases. The following types of violations were committed in these 34 cases:

- Willfully disregarded rules (five incidents).
- Failed to comply with licensing requirements for card room employees, distributors, or service suppliers (seven incidents).

- Made false or misleading statements, or untrue statements of a material fact (two incidents).
- Caused others to violate rules and laws (four incidents).
- Failed to timely disclose loans, material facts, or other required information (10 incidents).
- Failed to maintain required records (eight incidents).
- Other operational violations related to card room requirements are noted in attachment "C."

16) Between 2001 and 2011, enforcement actions were taken against at least 18 licensees that Tim Iszley ~~and/or Rick Faoro~~ owned and/or held substantial interests in. *Rick Faoro was a substantial interest holder in one of the licensees, Gaming Consultants, Inc., between February 21, 2002, and June 10, 2003, and two enforcement actions were taken against Gaming Consultants, Inc. during this time.* Verbal warnings, Notices of Infractions, warning letters and Notices of Violation and Settlements were issued by agents to the licensees' General Managers and others (not directly to Mr. Iszley ~~or Mr. Faoro~~). The following types of violations were committed in these 104 cases:

- Employed unlicensed card room employees (five incidents).
- Player-supported jackpot violations (seven incidents).
- Willfully disregarded rules (one incident).
- Allowed minors to gamble (four incidents).
- Other operational violations related to card room requirements are noted in attachment "D."

17) Between 2001 and 2011, administrative charges were issued against at least four licensees that Tim Iszley ~~and/or Rick Faoro~~ owned and/or held substantial interests in. The cases settled; these settlements were not signed by Mr. Iszley ~~or Mr. Faoro~~. The following types of violations were committed in these four cases:

- Player-supported jackpot violations (three incidents).
- Surveillance violation (one incident).
- Allowed unlicensed service supplier activity (one incident).
- Failed to maintain complete records (one incident).
- Failed to report loans (one incident).

18) Between 2001 and 2011, $369,477 in fines and penalties were paid by at least 18 licensees as a result of enforcement and administrative actions taken against the licensees that Tim Iszley ~~and Rick Faoro~~ owned, and/or held substantial interest in. *Rick Faoro was a substantial interest holder in one of the licensees, Gaming Consultants, Inc., between February 21, 2002, and June 10, 2003. One enforcement action was taken against Gaming Consultants, Inc. during this time, which involved a fine and a penalty.*

VIOLATIONS:

1) **RCW 9.46.075(1)** provides that the Commission may suspend or revoke any license for any reason it deems to be in the public interest, including when the licensee has violated, failed or refused to comply with the provisions, requirements, conditions, limitations, or duties imposed by Chapter 9.46 RCW or any rules adopted by the Commission.

2) **WAC 230-03-085(1)** provides that the Commission may suspend or revoke any and all licenses of any holder, when the holder, or any other person with any interest in the holder commits any act that constitutes grounds under RCW 9.46.075 for suspending or revoking licenses, or commits any other act that the Commission determines constitutes a sufficient reason in the public interest for suspending or revoking licenses.

3) **RCW 9.46.075(8)** provides that the Commission may suspend or revoke any license for any reason it deems to be in the public interest, including when the licensee fails to prove, by clear and convincing evidence, that it is qualified in accordance with the provisions of this chapter.

4) **RCW 9.46.153(1)** provides that it shall be the affirmative responsibility of each licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

5) **WAC 230-03-085(3)** provides that the Commission may suspend or revoke any and all licenses of any holder, when the holder, or any other person with any interest in the holder has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.

6) **WAC 230-03-085(7)** provides that the Commission may suspend or revoke any and all licenses of any holder, when the holder, or any other person with any interest in the holder, fails to provide us with any information required under Commission rules within the time required.

7) **WAC 230-03-085(8)** provides that the Commission may suspend or revoke any and all licenses of any holder, when the holder, or any other person with any interest in the holder, poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by **(a)** Prior activities.

8) **RCW 9.46.160** provides that any person who conducts any activity for which a license is required by this chapter, or by rule of the Commission, without the required license issued by the Commission shall be guilty of a class B felony. If any corporation conducts any activity for which a license is required by this chapter, or by rule of the Commission, without the required license issued by the Commission, it may be punished by forfeiture of its corporate charter, in addition to the other penalties set forth in this section.

9) **RCW 9.46.180** provides that any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any provision of this chapter shall be guilty of a class B felony subject to the penalty in RCW 9A.20.021.

10) **RCW 9.46.185** provides that any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any rule or regulation adopted pursuant to this chapter shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021.

11) **WAC 230-15-158** provides that card game licensees must not allow any person to perform the duties of a card room employee until they have met our licensing requirements.

Rick Faoro, while managing and/or operating Parker's without Commission staff's authorization, allowed Sam Wright, an unlicensed person, to play poker as a "propositional player," violating **WAC 230-15-158**. In addition, Mr. Faoro directed Parker's Accounting Manager to pay Mr. Wright wages that were coded as "maintenance." By directing Parker's Accounting Manager to pay an unlicensed card room employee, Mr. Faoro knowingly caused others to violate **RCW 9.46.160** and **WAC 230-15-158**, which in turn, violated **RCW 9.46.180** and **RCW 9.46.185**.

Mr. Iszley and Mr. Faoro have been owners and/or substantial interest holders of at least 18 licensees since 2001, and have had enforcement actions taken repeatedly based on the same types of violations, including causing others to violate rules and laws, willfully disregarding Commission rules, and failing to comply with licensing requirements for card room employees. Tim Iszley and Rick Faoro have demonstrated willful disregard for complying with Commission rules and laws. In addition, the licensee poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by Mr. Iszley's and Mr. Faoro's prior activities.

Mr. Iszley and Mr. Faoro are owners and/or substantial interest holders of the licensee; therefore, grounds exist to suspend or revoke Card Room Management's license under **RCW 9.46.075(1)** and **(8)** and **WAC 230-03-085(1), (3), (7) and (8)**.

11) **WAC 230-03-210(1)** provides that you must apply for a gambling service supplier license if you perform any of the following gambling-related services for compensation: **(a)** Consulting or advisory services regarding gambling activities; or **(b)** Gambling management services; or …**(h)** Providing any other service or activity where influence may be exerted over any gambling activity licensed by the Commission.

12) A substantial interest holder is defined in **WAC 230-03-045(1)** as "a person who has actual or potential influence over the management or operation of any organization, association, or other business entity." **WAC 230-03-045(2)** provides that evidence of substantial interest may include, but is not limited to: (a) directly or indirectly owning, operating, managing, or controlling an entity or any part of an entity.

13) **WAC 230-06-080 (1)** provides that a licensee must notify the Commission in writing if any information filed with the application changes in any way within thirty days of the change; and **(2)(b)** requires licensees to submit any new or updated documents and information, including the following: (b) All oral or written contracts and agreements which relate to gambling activities or alter the organizational structure of the licensee's organization or business activities in Washington.

Rick Faoro conducted unauthorized and unlicensed service supplier activity at Parker's during the pending sale of Parker's to Seven Diamonds. Mr. Faoro was licensed as a card room employee at Parker's, but was not paid card room employee wages. In addition, Mr. Faoro failed to disclose his unauthorized substantial interest in, and management of, Parker's.

The following facts demonstrate that Rick Faoro acted as an unauthorized and unlicensed service supplier, and/or as an unauthorized and undisclosed substantial interest holder for Parker's during the pending sale of Parker's to Tim Iszley, through the entity Seven Diamonds:

a) Rick Faoro, said that while licensed as a card room employee at Parker's, "I played poker three days a week; that's all I did." Mr. Faoro added, "I was linked there [at Parker's] so I could go everywhere and do anything." Mr. Faoro said he entered Parker's cage, "one time because there was a Sonoma problem." Mr. Faoro was not listed in Parker's internal controls as an employee authorized to enter the cage.

~~b) Parker's General Manager, Michael McCarthy, relied on Rick Faoro to provide answers to the agent's questions about Parker's use of propositional players.~~

~~c) Parker's then General Manager, Mike McCarthy, notified Rick Faoro that he had resigned.~~

b) ~~Nancy Christopherson said Rick Faoro had ordered her to code Sam Wright as "maintenance," for payroll purposes, despite Mr. Wright's role at Parker's as a "propositional player." When Ms. Christopherson asked Mr. Faoro why she should code Mr. Wright as maintenance, Mr. Faoro replied, "Just do it."~~ Ms. Christopherson said, "I do whatever Rick tells me to do." Ms. Christopherson said Mr. Faoro's role at Parker's was "above the General Manager," and that Mr. Faoro was the "middle man" between Parker's and Tim Iszley.

c) Nancy Christopherson, Parker's Accounting Manager, said Rick Faoro had ordered her to code a person named Sam Wright as "maintenance" for payroll purposes, ~~despite the fact that Mr. Wright played poker at Parker's. as a "propositional player."~~ *Ms. Christopherson said Mr. Faoro "had me hire Sam Wright as a maintenance worker which I saw Sam never do any maintenance work at all; always playing poker."* Mr. Wright never "clocks in; he's just cut a check." She said Mr. Wright was not a licensed card room employee, and she was not aware that "propositional players" needed to be licensed.

d) Ms. Christopherson said Mr. Wright played poker "all the time." When she asked Mr. Faoro why she should code Mr. Wright as maintenance, Mr. Faoro replied, "Just do it."

e) *Ms. Christopherson said whenever he [Mr. Faoro] asked me to do stuff I would do whatever he asked of me." She always thought of Mr. Faoro as her superior at Parker's. Ms. Christopherson said she was hired to do the accounting at Parker's, to oversee the accounting person at Goldie's, and to help their accounting staff and cashiers get up and running when Mr. Iszley purchased new properties. Ms. Christopherson was paid by Parker's, and not Seven Diamonds, although Seven Diamonds listed her as an employee of Seven Diamonds for a brief period.*

f) *Ms. Christopherson said Mr. Faoro told her how to structure Mail Mai's, then General Manager at Parker's, bonus payments that were based on the card room's profits. Ms. Christopherson said Mr. Faoro also told her how to structure bonus payments to poker managers, Charlie Li and "Nathan."*

g) *Ms. Christopherson said she knew "Geordie" was the owner of Parker's, but she "didn't take orders from him," and she thought it "was odd that the buyers were calling all of the shots."*

h) *"I took my directions from the GM and Rick was above the GM," Ms. Christopherson stated. Ms. Christopherson said that after the investigation on Mr. Faoro began, Mr. Faoro came to her and said, "You don't take direction from me, right?" Ms. Christopherson said she did not respond to Mr. Faoro's question.*

~~e) Mark Jones, Parker's Finance Manager, also relied on Rick Faoro to provide answers about Parker's use of propositional players.~~

i) Craig Schweigert, a former General Manager for Parker's, said that while he worked as General Manager at Parker's, Rick Faoro was, "at least the head of the poker room," and all poker managers reported to Mr. Faoro.

j) Mail Mai, a former General Manager for Parker's, said Rick Faoro was the Parker's "clandestine GM."

k) During a meeting, Mr. Mai asked Tim Iszley who he (Mr. Mai) reported to, and Mr. Iszley said he reported to, and should direct all questions to, Keven Baumann. But when Mr. Mai contacted Mr. Baumann about an operational issue, Mr. Faoro told Mr. Mai, "You need to talk to me." Mr. Mai told Mr. Faoro that he had been instructed to report to Mr. Baumann, but Mr. Faoro replied that Mr. Mai must always report to him, and not to Mr. Baumann.

l) Mr. Mai said Parker's held monthly or weekly management team meetings, and Rick Faoro, Tim Iszley, Cory Coyle, and Keven Baumann usually attended. Mr. Mai was

under the impression that Keven Baumann and Rick Faoro directly managed the card room.

m) Qiang Li, Parker's poker supervisor, said that Rick Faoro "has a lot of pull," that Mr. Faoro advised Parker's poker room staff, that Mr. Faoro participated in "budget counseling, including PSJ schemes," and that once in a while, Mr. Faoro attended Parker's management meetings, "to get a general feeling of the games and the floor."

n) Steven Keyes, Parker's poker floor supervisor, said Rick Faoro was a "consultant with [Parker's] jackpot payout system, and he discusses payouts for high hand schemes."

~~o) Mr. Faoro said Parker's employed propositional players, and there were no unlicensed, paid poker players on Parker's payroll.~~

p) Mr. Faoro said, "I did attend a few [Parker's management] meetings," and "offered suggestions for Monte Carlo and PSJ [player supported jackpot] distributions."

q) Rick Faoro was not listed in the management structure of Parker's internal control documents.

r) Parker's did not have any payroll records showing Mr. Faoro was paid for card room employee duties.

s) Parker's paid $3,003 to reimburse Mr. Faoro for 780 miles of travel per month, which represented about three trips per week to Parker's over a seven-month period.

Tim Iszley knew that Rick Faoro was conducting unauthorized and unlicensed service supplier activities while Mr. Faoro had only a card room employee's license at Parker's, violating **RCW 9.46.160** and **WAC 230-03-210(1)**. In addition, Rick Faoro with Tim Iszley's knowledge, had actual or potential influence over the management or operation of Parker's card room activity, making Mr. Faoro an unauthorized and undisclosed substantial interest holder, as defined by **WAC 230-03-045(1)**. This conduct violated the disclosure requirements of **WAC 230-06-080(1)** and **(2)(b)**.

Mr. Iszley ~~and Mr. Faoro have been owners and/or substantial interest holders~~ *has been an owner and/or substantial interest holder* of at least 18 licensees since 2001, and have had enforcement actions taken repeatedly based on failing to comply with licensing requirements for service suppliers. *Rick Faoro was a substantial interest holder in one of the licensees, Gaming Consultants, Inc., between February 21, 2002, and June 10, 2003, and two enforcement actions were taken against Gaming Consultants, Inc. during this time.* Tim Iszley and Rick Faoro have demonstrated willful disregard for complying with Commission rules and laws. In addition, the licensee poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by Mr. Iszley's and Mr. Faoro's prior activities.

Mr. Iszley and Mr. Faoro are owners and/or substantial interest holders of the licensee; therefore, grounds exist to suspend or revoke Card Room Management's license under **RCW 9.46.075(1), (7), (8)** and **WAC 230-03-085(1), (3), (7) and (8)**.

14) **RCW 9.46.075(7)** provides that the Commission may suspend or revoke any license for any reason it deems to be in the public interest, including when the licensee makes a misrepresentation of, or fails to disclose, a material fact to the Commission.

15) **RCW 9.46.190(2)** provides that any person or association or organization operating any gambling activity who or which, directly or indirectly, shall in the course of such operation, make any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made not misleading, in the light of the circumstances under which said statement is made, shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021.

16) **RCW 9.46.170** provides that whoever, in any application for a license or in any book or record required to be maintained by the Commission or in any report required to be submitted to the Commission, shall make any false or misleading statement, or make any false or misleading entry or willfully fail to maintain or make any entry required to be maintained or made, or who willfully refuses to produce for inspection by the commission, or its designee, any book, record, or document required to be maintained or made by federal or state law, shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021.

The following facts demonstrate that Rick Faoro and Tim Iszley made false, misleading, or untrue statements of material fact:

a) ~~Rick Faoro told agents that Parker's never used "propositional players," and then later told agents that Parker's did use such players.~~

b) Rick Faoro invoked the attorney-client privilege ~~when asked about Parker's use of "propositional players;"~~ however, at least one person said he had never sought legal advice from Mr. Faoro, and that Mr. Faoro had never served as his attorney.

c) The agent found ~~about $201,577~~ *$87,096.99* ~~of undisclosed income~~, *of unreported income for the period between October 1, 2009, and September 30, 2010,* by comparing deposits for the relevant time period listed on Mr. Faoro's bank statements, with the total income disclosed on Mr. Faoro's financial statement. *Alternately, the agent found $48,712.37 in unreported income for the period between January 1 and December 8, 2010.*

d) ~~When the agent asked Mr. Faoro for copies of checks from one of Mr. Faoro's accounts in order to verify source of funds and disclosures, Mr. Faoro submitted redacted checks, citing to the attorney-client privilege. However, when the agent asked Mr. Faoro to establish the existence of an attorney-client privilege related to the redacted checks, Mr. Faoro ultimately provided un-redacted checks. One of the un-redacted checks showed that Mr. Iszley paid Mr. Faoro $2,000 for legal services in~~

~~February 2010, despite Mr. Iszley's written statement in January 2011, that, "If I ever need legal advice, he [Mr. Faoro] gladly provides it for free."~~

e) *Rick Faoro told agents, "I played poker three days a week; that's all I did [at Parker's]," and "I was there [at Parker's] on behalf of Tim Iszley, the buyer," and "Anything I did, I did at the direction of Tim." Mr. Faoro also told agents that no one at Parker's reported to him. Tim Iszley wrote to an FIU agent that Mr. Faoro was linked as a card room employee at Parker's so that "He could make operational recommendations and not be in violation of commission rules for acting as an unlicensed service provider." Parker's Accounting Manager at the time, told agents that Mr. Faoro told her how to structure Mail Mai's, then General Manager at Parker's, bonus payments that were based on the card room's profits. Ms. Christopherson said Mr. Faoro also told her how to structure bonus payments to poker managers, Charlie Li and "Nathan." Furthermore, Ms. Christopherson said "I took my directions from the GM and Rick was above the GM," Ms. Christopherson said that after the investigation on Mr. Faoro began, Mr. Faoro came to her and said, "You don't take direction from me, right?" Ms. Christopherson said she did not respond to Mr. Faoro's question.*

Rick Faoro and Tim Iszley made false, misleading, or untrue statements of material fact, violating **RCW 9.46.190(2)** and **RCW 9.46.170**. Mr. Iszley ~~and Mr. Faoro have~~ *has* ~~been owners and/or substantial interest holders~~ *has been an owner and/or substantial interest holder* of at least 18 licensees since 2001, and has had enforcement actions taken repeatedly based on making false, misleading, or untrue statements of material fact. *Rick Faoro was a substantial interest holder in one of the licensees, Gaming Consultants, Inc., between February 21, 2002, and June 10, 2003, and two enforcement actions were taken against Gaming Consultants, Inc. during this time.* Tim Iszley and Rick Faoro have demonstrated willful disregard for complying with Commission rules and laws. In addition, the licensee poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by Mr. Iszley's and Mr. Faoro's prior activities.

Mr. Iszley and Mr. Faoro are owners and/or substantial interest holders of the licensee; therefore, grounds exist to suspend or revoke Card Room Management's license under **RCW 9.46.075(1), (7), (8)** and **WAC 230-03-085(1), (3), (7) and (8)**.

17) **WAC 230-06-090(1)** requires licensees to report to the Commission in writing, within 30 days, all civil and administrative actions that are filed by or against any manager of the licensed gambling activity, the business organization, or any person holding a substantial interest in the business organization. Actions include, but are not limited to: (a) Divorces; and (b) Bankruptcy; (c) Tax liens; and (d) Business dissolutions. (3) The report must consist of a complete copy of the original documents filed. Licensees must notify the commission of the final disposition of the case and include a copy of the final documents filed including, but not limited to, settlement agreements.

Rick Faoro failed to timely disclose a lawsuit filed against him personally, and against his law firm. The lawsuit against Mr. Faoro and his law firm was filed on March 15, 2011. Mr. Faoro did not provide documents related to the lawsuit until May 25, 2011. Mr. Faoro's conduct violated **WAC 230-06-090(1)**.

Mr. Iszley ~~and Mr. Faoro have been owners and/or substantial interest holders~~ *has been an owner and/or substantial interest holder* of at least 18 licensees since 2001, and has had enforcement actions taken repeatedly based on failing to timely disclose required information. *Rick Faoro was a substantial interest holder in one of the licensees, Gaming Consultants, Inc., between February 21, 2002, and June 10, 2003, and two enforcement actions were taken against Gaming Consultants, Inc. during this time.* Tim Iszley and Rick Faoro have demonstrated willful disregard for complying with Commission rules and laws. In addition, the licensee poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by Mr. Iszley's and Mr. Faoro's prior activities.

Mr. Iszley and Mr. Faoro are owners and/or substantial interest holders of the licensee; therefore, grounds, exist to suspend or revoke Card Room Management's license under **RCW 9.46.075(1), (7), (8)** and **WAC 230-03-085(1), (3), (7) and (8)**.

~~18) **WAC 230-06-105(1)** and **(2)** provide licensees must report in writing changes made to their organization's management, directors, officers, or any other position that makes management decisions directly affecting the operation of their licensed gambling activity. We provide the forms to report these changes; and commercial business licensees must report within thirty days.~~

~~While Tim Iszley and Rick Faoro held a substantial interest in Riverside Casino,[16] a licensed house-banked card room, Mr. Faoro was appointed Vice-President; however, this appointment was not timely disclosed to Commission staff. Rick Faoro and Tim Iszley failed to timely disclose a change to Riverside Casino's management or other position directly affecting the operation of licensed gambling activity, violating **WAC 230-06-105(1)** and **(2)**.~~

~~Mr. Iszley and Mr. Faoro have been owners and/or substantial interest holders of at least 18 licensees since 2001, and have had enforcement actions taken repeatedly based on failing to timely disclose required information. Tim Iszley and Rick Faoro have demonstrated willful disregard for complying with Commission rules and laws. In addition, the licensee poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by Mr. Iszley's and Mr. Faoro's prior activities.~~

~~[16] This Riverside Casino is a different entity, is located across the street from the applicant, and is currently licensed as a house-banked card room.~~

~~Mr. Iszley and Mr. Faoro are owners and/or substantial interest holders of the licensee; therefore, grounds, exist to suspend or revoke Card Room Management's license under **RCW 9.46.075(1), (7), (8)** and **WAC 230-03-085(1), (3), (7) and (8)**.~~

19) **WAC 230-06-005(1)** provides that licensees may accept a check in the place of cash from a player for authorized gambling activities if the check is fully negotiable when it is accepted; and **(2)(b)** provides that licensees must not accept checks from a player who owes the licensee money from a previous returned personal check; and **(3)** provides if licensees accept a check in violation of the provisions of this section, they are violating the rules against extending credit.

20) **WAC 230-15-155(2)(b)** provides if card game licensees choose not to use their guarantee service to pre-approve a particular check, licensees must prohibit persons who submitted NSF checks from submitting additional checks until the person pays the amount owed in full.

While Tim Iszley and Rick Faoro managed and/or operated Parker's, without authorization, Parker's repeatedly extended credit to patrons by cashing patrons' checks that were not fully negotiable when accepted, and when such patrons owed Parker's money from previously returned personal checks. This conduct violated **WAC 230-06-005(1), (2)(b)** and **(3)**. The licensee caused Parker's to violate **WAC 230-15-155(2)(b)** by choosing not to use their check guarantee service, and failing to prohibit patrons who submitted NSF checks from submitting additional checks until the patrons paid the amount in full.

Mr. Iszley ~~and Mr. Faoro have been owners and/or substantial interest holders~~ *has been an owner and/or substantial interest holder* of at least 18 licensees since 2001, and has had enforcement actions taken repeatedly based on extending credit. *Rick Faoro was a substantial interest holder in one of the licensees, Gaming Consultants, Inc., between February 21, 2002, and June 10, 2003, and two enforcement actions were taken against Gaming Consultants, Inc. during this time.* Tim Iszley and Rick Faoro have demonstrated willful disregard for complying with Commission rules and laws. In addition, the licensee poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by Mr. Iszley's and Mr. Faoro's prior activities.

Mr. Iszley and Mr. Faoro are owners and/or substantial interest holders of the licensee; therefore, grounds, exist to suspend or revoke Card Room Management's license under **RCW 9.46.075(1), (7), (8)** and **WAC 230-03-085(1), (3), (7) and (8)**.

21) **WAC 230-15-730(1)** provides that house-banked card game licensees must keep and maintain a complete set of accounting records which we have approved before licensure. These records must include all receipts and disbursements of the licensee, including, at least, those related to gambling activities; and **(2)** provides licensees must keep legible, accurate, and complete records of all transactions relating to the revenues, costs, and expenses of the gambling operation. Licensees must keep these records in a format that ensures consistency, comparability, and effective disclosure of financial information.

While Tim Iszley and Rick Faoro managed and/or operated Parker's without authorization, Parker's repeatedly failed to keep complete records of all transactions relating to gambling expenses. The agent found cage paid in and out slips that failed to show what was paid, why cash was paid out, and whether cash was actually paid in or out of the cage. This conduct violated **WAC 230-15-730**.

Mr. Iszley ~~and Mr. Faoro have been owners and/or substantial interest holders~~ *has been an owner and/or substantial interest holder* of at least 18 licensees since 2001, and has had enforcement actions taken repeatedly based on failing to maintain complete records required by Commission rules. *Rick Faoro was a substantial interest holder in one of the licensees, Gaming Consultants, Inc., between February 21, 2002, and June 10, 2003, and two enforcement actions were taken against Gaming Consultants, Inc. during this time.* Tim Iszley and Rick Faoro have demonstrated willful disregard for complying with Commission rules and laws. In addition, the licensee poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by Mr. Iszley's and Mr. Faoro's prior activities.

Mr. Iszley and Mr. Faoro are owners and/or substantial interest holders of the licensee; therefore, grounds, exist to suspend or revoke Card Room Management's license under **RCW 9.46.075(1), (7), (8)** and **WAC 230-03-085(1), (3), (7) and (8)**.

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V.

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 a request for hearing 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 *Amended* 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 16 day of March, 2012.

Maureen Pretell

NOTARY PUBLIC in and for the State of Washington residing at Thurston County

My Commission expires on December 2, 2012

MAUREEN PRETELL
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
DEC. 2, 2015

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.

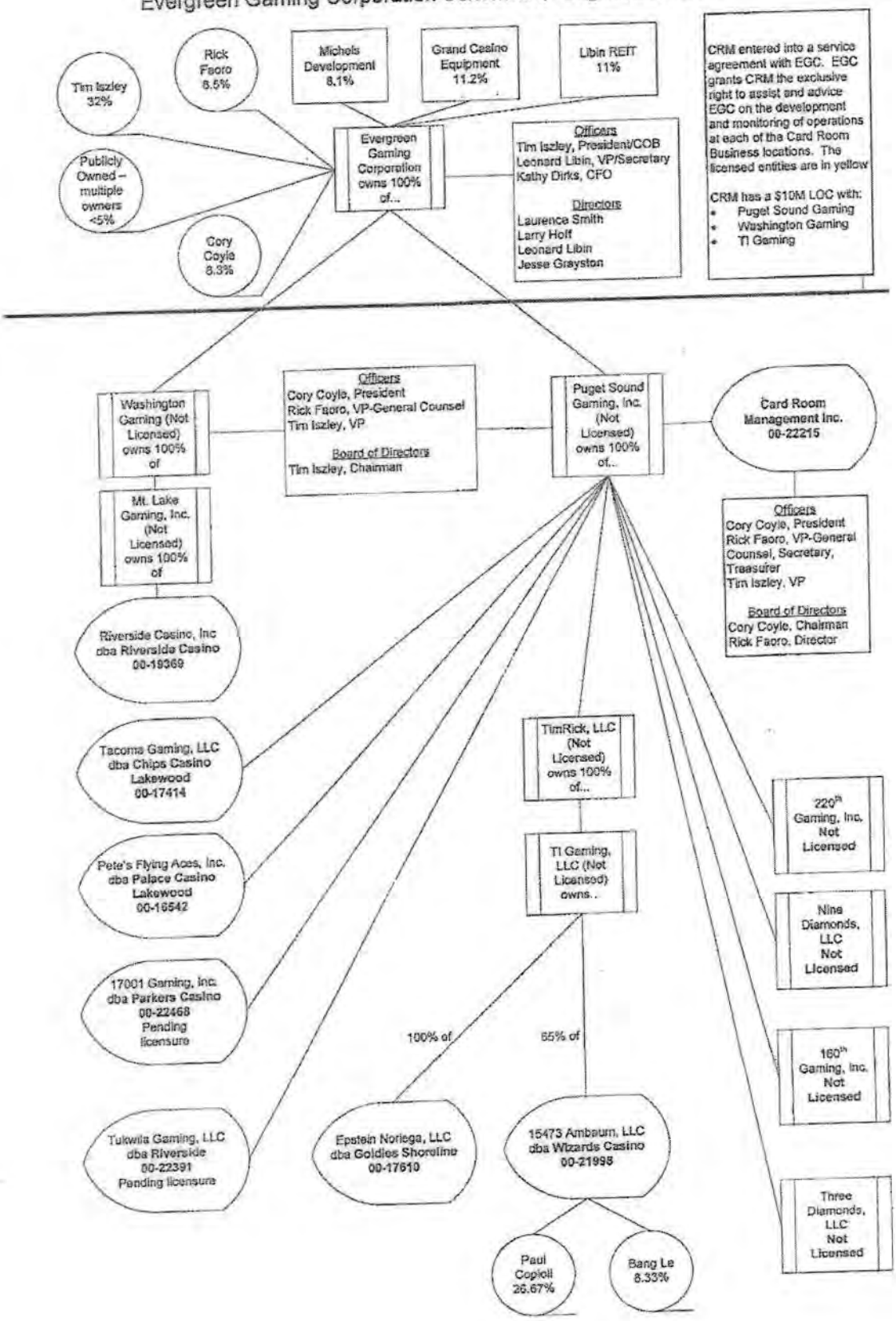
Dated at Olympia, Washington this 19 day of March 2012

Maureen Pretell

Communications and Legal Department
Washington State Gambling Commission

Attachment "A"

Evergreen Gaming Corporation Schematic, August 20, 2011



Attachment "B"

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of Denial of the Application for a License to Conduct Gambling Activities of:	No. CR 2010-00790
Seven Diamonds,	**SETTLEMENT IN LIEU OF ADMINISTRATIVE CHARGES**
Applicant.	

I.

The applicant, Seven Diamonds, and the Washington State Gambling Commission enter into this Settlement in Lieu of Administrative Charges to resolve the administrative charges currently pending against the applicant, but not yet issued. Rick Day, Director, and Arlene Dennistoun, Staff Attorney, represent the Gambling Commission. Tim Iszley, Manager, and Monty Harmon, Harmon Consulting Inc., represent the applicant.

II.

Seven Diamonds, 17001 Aurora Avenue N., Shoreline, Organization Number 00-22024, has applied for the following licenses:

Number 67-00297, Authorizing Class "15" House-Banked Card Room Activity; and
Number 05-20900, Authorizing Class "E" Punchboard/Pull-Tab Activity.

The applicant was subject to compliance with state gambling laws and regulations when it submitted its application.

III.

There are sufficient grounds for the Gambling Commission to deny Seven Diamonds' application based on the following:

SUMMARY:

The applicant failed to timely disclose several changes to its application, and failed to disclose the material fact of the applicant's status as a substantial interest holder of Parker's Casino.

FACTS:

1) Seven Diamonds applied for a 15-table, house-banked card room, and class "E" punchboard/pull-tab license on March 22, 2010. Tim Iszley wholly owns TI Gaming, LLC, which in turn, wholly owns the applicant, Seven Diamonds.

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2) Mr. Iszley entered into a purchase and sale agreement to buy Parker's Casino in October 2009. Geordie Sze owns Slam Dunk Entertainment (Slam Dunk), which wholly owns 17001, Inc. 17001, Inc. does business as Parker's Casino.

3) While reviewing Seven Diamonds' application, a Commission Special Agent (agent) from the Financial Investigations Unit found the applicant had failed to timely disclose[1] an employment agreement made between the applicant and Slam Dunk. The applicant did not disclose the agreement, dated January 20, 2010, to the agent until April 15, 2010.

4) The terms and conditions of the employment agreement between Mr. Iszley and Slam Dunk altered Mr. Iszley's status from that of a buyer, to a substantial interest holder of Parker's Casino. A substantial interest holder is defined in WAC 230-03-045(1) as "a person who has actual or potential influence over the management or operation of any organization, association, or other business entity." The employment agreement between Mr. Iszley and Slam Dunk contained in part, the following recitals, terms and conditions, which are evidence that the applicant holds a substantial interest in Parker's Casino:

a) Mr. Iszley is designated an "Officer," who "shall perform all services hereunder as an employee."

b) "Slam Dunk desires to retain Officer to oversee management and operate Parker's Casino until the date Slam Dunk sells Parker's Casino…"

c) "Officer shall be responsible for operating Parker's Casino on behalf of Slam Dunk."

d) Mr. Iszley is responsible for all expenses associated with the day-to-day operations, including, but not limited to:

   i) Employee wages and salaries, rents, insurance and vendor contracts, and maintenance of the building.

   ii) All expenses accruing under leases, taxes, casino winnings, leases and any other expense of Parker's Casino set forth on the casino's profit and loss statement.

e) Mr. Iszley shall be entitled to retain all other income generated by Parker's Casino, with all cash flow losses added to the note in the purchase and sales agreement between Mr. Iszley and Parker's Casino.

5) Further evidence of the applicant's substantial interest in Parker's Casino includes the following:

a) The applicant did not disclose an agreement, dated March 23, 2010, until June 25, 2010. The agreement states that Mr. Iszley is to pay Mr. Sze's $50,000 loan to Parker's Casino, back to Mr. Sze, at closing, and that Mr. Iszley will pay any taxes incurred by Parker's Casino from January 1, 2010, at closing.

[1] WAC 230-230-03-055 requires applicants to report all changes to information required on the application, within 10 days of the change.

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b) The applicant did not disclose a second amendment to the applicant's employment agreement, dated April 8, 2010, until April 29, 2010. The amendment states that Mr. Iszley, "agrees to provide $25,000 in non-refundable monies towards his obligations under the employment agreement, to be credited as required in said agreement at closing."

c) The applicant timely disclosed a third amendment to the employment agreement, dated April 9, 2010. The amendment states that Mr. Iszley must pay Mr. Sze's $25,000 loan to Parker's Casino back to Mr. Sze at closing.

d) A fourth amendment to the applicant's employment agreement, dated June 1, 2010, states that, "when calculating cash flow losses otherwise owed by Iszley under the Agreement, the base rent for the premises from January 1, 2010 through May 31, 2010 shall be deemed to be $11,000 per month (in addition to triple net expenses)..."

The amendment also states that Mr. Iszley agrees to pay half of Parker's Casino's tax liabilities, and that Mr. Iszley agrees to pay $250,000 to Mr. Sze, "which shall be applied to the obligations of Iszley under the Agreement..."

6) The agent verified that Mr. Iszley paid $250,000 from his personal bank account to settle Parker's Casino's unpaid taxes on June 4 and June 15, 2010. When the agent asked Mr. Iszley how Parker's Casino accounted for this in Parker's financial statements, Mr. Iszley did not provide an answer, but acknowledged that such a cash payment would typically be recorded in the accounting system both as a payment of taxes and a capital contribution by the owner.

7) The agent reviewed Parker's Casino's records and observed that as of June 30, 2010, Mr. Sze, owner of the casino, contributed $1,000 into the casino's capital account, which was 250 times less than contributed by Mr. Iszley.

8) Mr. Iszley and Mr. Sze acknowledged to the agent on June 22 and June 30, 2010, that the employment agreement appeared to be more of an ownership agreement than an employer-employee agreement.

GROUNDS FOR DENIAL/VIOLATIONS:

1) RCW 9.46.075(1) provides the Commission may deny an application if the applicant has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by Chapter 9.46 RCW or any rules adopted by the Commission pursuant thereto.

2) WAC 230-03-085(1) provides the Commission may deny an application for a license when the applicant commits any act that constitutes grounds under RCW 9.46.075 for denying an application or commits any other act that the Commission determines constitutes a sufficient reason in the public interest for suspending licenses or permits.

3) RCW 9.46.075(7) provides the Commission may deny an application for a license when the applicant makes a misrepresentation of, or fails to disclose, a material fact to the Commission.

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4) WAC 230-03-085(7) provides that the Commission may deny an application for a license when the applicant fails to provide us with any information required under Commission rules within the time required.

5) WAC 230-03-055 provides that applicants and licensees must notify us if any information required on the application changes or becomes inaccurate in any way within ten days of the change.

The applicant, Seven Diamonds, failed to timely disclose an employment agreement between Mr. Iszley and Slam Dunk. The employment agreement, dated January 20, 2010, altered Seven Diamonds' application, and contained evidence that Tim Iszley is a substantial interest holder of Parker's Casino. Seven Diamonds applied for a house-banked card room and punchboard/pull-tab license on March 22, 2010, but the applicant did not disclose the employment agreement to Commission staff until April 15, 2010, violating WAC 230-03-055.

The applicant also failed to timely disclose subsequent amendments to the employment agreement, which changed its application, further violating WAC 230-03-055. The amendments contained more evidence of Tim Iszley's substantial interest in Parker's Casino.

A substantial interest holder is defined in WAC 230-03-045(1) as "a person who has actual or potential influence over the management or operation of any organization, association, or other business entity." WAC 230-03-045(2) provides that evidence of substantial interest may include, but is not limited to:

(a) Directly or indirectly owning, operating, managing, or controlling an entity or any part of an entity; or

(b) Directly or indirectly profiting from an entity or assuming liability for debts or expenditures of the entity; or

(c) Being an officer or director or managing member of an entity; or

(d) Owning ten percent or more of any class of stock in a privately or closely held corporation; or

(e) Owning five percent or more of any class of stock in a publicly traded corporation; or

(f) Owning ten percent or more of the membership shares/units in a privately or closely held limited liability company; or

(g) Owning five percent or more of the membership shares/units in a publicly traded limited liability company; or

(h) Providing ten percent or more of cash, goods, or services for the start up of operations or the continuing operation of the business during any calendar year or fiscal year. To calculate ten percent of cash, goods, or services, take the operational expenses of the business over the past

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calendar or fiscal year, less depreciation and amortization expenses, and multiply that number by ten percent; or

(i) Receiving, directly or indirectly, a salary, commission, royalties, or other form of compensation based on the gambling receipts.

Because the applicant failed to timely disclose changes to its application, violating WAC 230-03-055, and failed to disclose the material fact of being a substantial interest holder of Parker's Casino, grounds exist to deny Seven Diamonds' application under RCW 9.46.075(1) and (7), and WAC 230-03-085(1) and (7).

IV.

The applicant, Seven Diamonds, acknowledges that it violated Commission rules, and has indicated its willingness to comply with gambling rules and regulations. In lieu of formal proceedings the parties agree to settle this matter under the following terms:

1) The applicant acknowledges that its house-banked card room, and punchboard/pull-tab license is pending final approval by the Commission.

2) The parties agree that after obtaining licensure, Seven Diamonds' license is suspended for a period of **fifteen (15) days**, provided that:

a) **Ten (10) days** of the suspension shall not be currently served, but shall be deferred for a period of one (1) year from the date of entry of this Settlement, subject to the following: Seven Diamonds must not violate Washington's gambling statutes or rules during the one (1) year term. If the applicant violates such statutes or rules, and if the violation is the type that warrants the filing of administrative charges, then the Director may impose up to **ten (10) days** of the deferred suspension on the current gambling licenses, and any subsequently acquired gambling licenses.

b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this Settlement, has sole discretion to determine whether the licensee has violated any term of this Settlement. In the event the Director determines a violation has occurred, he may suspend the licenses issued to Seven Diamonds by mailing or delivering a Notice of Order of Administrative Charges to the licensee. In addition to the consequences of the new violation, the licensee shall serve all, or part of the deferred sentence. The licensee shall have the opportunity to request an adjudicative proceeding, which includes a hearing on the alleged violations.

c) Pursuant to RCW 9.46.077, the applicant shall vacate the remaining **five (5) days** of the suspension by paying a penalty of **$1,500 (one thousand, five hundred dollars)**. The applicant also agrees to reimburse the Commission for its investigative and administrative costs of **$6,009 (six thousand, and nine dollars)**, for a total penalty of **$7,509 (seven thousand, five hundred and nine dollars).** The applicant shall pay this

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total penalty no later than **August 16, 2010**, by **mailing** payment to Commission Headquarters at the following address:

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

or **delivering** (in person or via private courier) payment to Commission Headquarters at the following address:

Washington State Gambling Commission
Attn: Communications and Legal Division
4656 7th Avenue SE
Lacey, WA 98503

2) If the applicant makes its payment by the date agreed to in this settlement, this matter will be deemed closed. If the applicant fails to timely make its payment, staff will not recommend approval of the license application, and Seven Diamonds' application will not be forwarded to the Commission for approval.

DATED this 13 day of August, 2010.

AGREED TO BY:

Tim Iszley, Manager

Rick Day, Director
Washington State Gambling Commission

#28760
Arlene K. Dennistoun, Staff Attorney
Washington State Gambling Commission

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Attachment C

CR No.	Violations	Outcome	Licensee
2000-00213	• Failed to comply with the licensing requirements for public card room employees, violating WAC 230-04-140(4). [1] • Failed to comply with count room requirements, violating WAC 230-40-880(2)(c)(3)(a). • Failed to comply with signature requirements, violating WAC 230-40-890(2). • Failed to post pictures with card room employee licenses, violating WAC 230-40-450.	Warning letter	Silver Dollar Casino/Tukwila
2000-01185	• Failed to disclose a loan and stock purchase option, violating RCW 9.46.075(7). • Failed to provide a complete listing of their bank accounts when requested in violation of WAC 230-04-020(3)(a)(b).	Warning letter	Silver Dollar Casino/Mt. Lake Terrace
2001-01156	• Willful disregard of Commission rules in violation of WAC 230-04-400(3). • Conducted service supplier activity without a license in violation of WAC 230-04-119(1). • Failed to disclose a loan and lease in violation of WAC 230-12-305(3) and (4). • Failed to maintain general accounting records in violation of former WAC 230-08-027(2), (3)(d).	Administrative charges for suspension or revocation issued. Agreed Order entered: 30-day suspension; 27 days deferred for 1 year; 3 days vacated by payment of a $254,200 fine. The Agreed Order settled administrative charges issued in six other cases: CR 2001-01544, 2001-01545, 2001-01159, 2001-01565, 2001-01566, and 2001-01567.	Silver Dollar Casino/Tukwila
2001-01159	• Failed to maintain accounting records in violation of WAC 230-08-027(2)(3)(d). • Made loans to other house-banked card room operators without the required service supplier license in violation of WAC 230-04-119(1) and RCW 9.46.160.	Administrative charges for suspension or revocation issued. Agreed Order entered: See outcome listed under 2001-01156.	Silver Dollar Casino/SeaTac

[1] The agency re-wrote all of its rules between approximately 2005 and 2007. The substance of most of the rules remained unchanged. However, all of the rules were renumbered in new chapters. Therefore, any references to WAC violations in the chart of past cases prior to January 2008 refer to the WAC numbers prior to the re-write.

Attachment C

CR No.	Violations	Outcome	Licensee
2001-01544	• Complaint about the establishment violating liquor laws which would infringe on their gambling license.	Administrative charges for suspension or revocation issued. Agreed Order entered: See outcome listed under 2001-01156.	Silver Dollar Casino/Mt. Lake Terrace
2001-01545	• Willful disregard of Commission rules in violation of WAC 230-04-400(3). • Failed to disclose loans received from sources other than recognized financial institution in violation of WAC 230-12-305(4).	Administrative charges for suspension or revocation issued. Agreed Order entered: See outcome listed under 2001-01156.	Silver Dollar Casino/Tacoma
2001-01565	• Failed to prove it was qualified for licensure in accordance with RCW 9.46.153(1).	Administrative charges for denial of licenses issued. Agreed Order entered: See outcome listed under 2001-01156.	Hideaway
2001-01566	• Knowingly caused others to violate Commission rules (RCW 9.46.075(2)). • Willful disregard of Commission rules (WAC 230-04-400(3)). • Knowingly received financing from an unlicensed service supplier in violation of WAC 230-04-119(1). • Misrepresented or failed to disclose a material fact in violation (RCW 9.46.075(7)). • Failed to receive prior approval of a financing agreement in violation of WAC 230-04-022(5).	Administrative charges for denial of licenses issued. Agreed Order entered: See outcome listed under 2001-01156.	Golden Nugget, Shoreline
2001-01567	• Willful disregard of Commission laws and rules (WAC 230-04-400(3)). • Knowingly caused two licensed entities to violate Commission rules (RCW 9.46.075(2)). • Failed to obtain the proper license prior to providing gambling related services in violation of WAC 230-04-119(1). • Provided financing services without prior approval by the Commission in violation of WAC 230-04-02(5).	Administrative charges for denial of licenses issued. Agreed Order entered: See outcome listed under 2001-01156.	TBI Land

Attachment C

CR No.	Violations	Outcome	Licensee
2001-01745	• Failed to maintain accurate card inventory daily records in violation of WAC 230-40-052(1).	Warning letter	Silver Dollar Casino/Mt. Lake Terrace
2002-00501	• Failed to obtain distributor's license prior to supplying gambling equipment (chips) & conducted activities without the proper license, violating WAC 230-04-120 & WAC 230-04-070.	Warning letter	Gaming Consultants
2002-00504	• Failed to obtain distributor's license prior to supplying gambling equipment (chips) & conducted activities without the proper licensee, violating WAC 230-04-120 and WAC 230-04-070.	See outcome in 2002-00501.	Silver Dollar Casino/Tukwila
2002-0481	• Failed to obtain authorization prior to possessing gambling equipment (chips) & failed to buy chips from a licensed distributor, violating WAC 230-335(1).	See outcome in 2002-00501.	Golden Nugget, Shoreline
2002-00785	• Allowed an employee to perform the duties of a service supplier representative without obtaining a license in violation of WAC 230-04-124. • Allowed a person to conduct gambling activity without being licensed in violation of WAC 230-04-070.	Administrative charges for suspension issued. Agreed Order entered: 2-day suspension; 1 day deferred for 1 year; 1 day vacated by a fine of $3,430.	Gaming Consultants
2002-01557	• Failed to deposit weekly amounts accrued on Progressive Jackpot Games in violation of WAC 230-40-808(2).	Warning letter	Golden Nugget/Tukwila

Attachment C

CR No.	Violations	Outcome	Licensee
2003-00142	• Failed to maintain a sales journal and sales invoices in violation of WAC 230-08-026(1)(a)(b).	Settlement In Lieu of Charges (for the suspension of licenses): • The licensee agreed to reimburse the Commission for its investigative and administrative costs in the amount of $7,537. • The licensee further agreed to pay the costs incurred in conducting a follow up inspection of the licensee's operating procedures within the next six months at the cost of $75 per hour.	Gaming Consultants
2003-00896	• Failed to provide records within forty-eight hours in violation of WAC 230-40-052(6).	Warning letter	Gaming Consultants
2003-00987	• Failed to provide a financing agreement prior to execution in violation of WAC 230-04-022(5).	Warning letter	Gaming Consultants
2003-01606	• Provided gambling equipment to an unlicensed dealer school in violation of WAC 230-12-335.	Administrative charges for suspension issued. Agreed Order entered: 2-day suspension; 1 day deferred for one year; 1 day vacated by a fine of $2,000.	Silver Dollar Casino/Mt. Lake Terrace
2003-01608	• Failed to maintain an accurate NSF check log in violation of WAC 230-40-845(6)(d)(e).	Warning letter	Silver Dollar/Mill Creek- formerly known as - BC Macdonald's
2003-01676	• Failed to maintain accurate inventory records in violation of WAC 230-40-821(3)(e).	Warning letter	Golden Nugget/Tukwila

Attachment C

CR No.	Violations	Outcome	Licensee
2004-05243	• Demonstrated willful disregard in conduct of failing to closely monitor the use of a closed circuit television system, violating WAC 230-04-400(3). • Knowingly caused another to violate Commission rules, violating RCW 9.46.185.	Administrative charges for suspension issued. Agreed Order entered: 14-day suspension; 9 days deferred for 1 year; 5 days vacated by a fine of $7,175.	Gaming Consultants
2004-00041	• Failed to maintain an adequate closed circuit television system in violation of WAC 230-40-825(8)(a). • The licensee failed to maintain a surveillance room employee sign-in log in violation of WAC 230-40-825(10).	Administrative charges for suspension issued. Agreed Order entered: 5-day suspension; 4 days deferred for 1 year; 1 day vacated by a fine of $3,367.	Silver Dollar/Mill Creek- formerly known as - BC Macdonald's
2004-01070	• Failed to reconcile the account balance per the bank statement to the player-supported jackpot (PSJ) fund balances in violation of WAC 230-40-608(6). • Failed to maintain accurate PSJ records in violation of WAC 230-40-052. • Failed to limit administrative fees to 10% in violation of WAC 230-40-610(3). • Failed to get prior approval to operate a new PSJ game and failed to post the rules of the game in the poker room in violation of WAC 230-40-610(11). • Allowed an employee to transfer funds from the PSJ account who did not have authority to make such transfers in violation of WAC 230-40-610(4).	Administrative charges for suspension issued. Agreed Order entered: 15-day suspension; 14 days deferred for one year; 1 day vacated by fine of $10,635.	Silver Dollar Casino/SeaTac
2004-01202	• Failed to distribute triplicate copy of table inventory slip to accounting department in violation of WAC 230-40-875(5)(c). • Reported inaccurate gambling receipts on the quarterly activity report in violation of WAC 230-08-160(5)(a).	Warning letter	Silver Dollar Casino/Mt. Lake Terrace

Attachment C

CR No.	Violations	Outcome	Licensee
2004-02478	• Failed to safeguard cards used in gaming operations in violation of WAC 230-40-070 (4).	Warning letter	JR's Sports Bar – formerly known as - Silver Dollar/Everett
2005-00503	• Failed to have camera permanently programmed for player identification in violation of WAC 230-40-825(2)(b). • The licensee failed to ensure surveillance staff had knowledge of systems and procedures of the department in violation of WAC 230-40-815(3)(a)(viii)(A).	Warning letter	Riverside Casino
2008-00978	• Failed to timely submit a card room's financial statements in violation of WAC 230-15-740. The licensee was a service supplier for Westside Lanes, a card room.	Administrative charges for suspension issued. Agreed Order entered: 15-day suspension.	Bottom Set Inc.
2008-01086	• Knowingly caused another (Westside Lanes) to violate Commission rules in violation of RCW 9.46.185, by failing to correct previous surveillance violations.	Warning letter	Bottom Set Inc.
2010-00790	• Failed to timely disclose an employment agreement and subsequent amendments between applicant and seller (Geordie Sze) in violation of WAC 230-03-085(1)(7). • Failed to notify Commission when information required on the application changed or became inaccurate within 10 days in violation of WAC 230-03-055. • Failed to disclose the material fact of being a substantial interest holder in the seller's business in violation of WAC 230-03-045(1)(2)	Settlement in Lieu of administrative Charges: • The applicant agreed that after obtaining licensure, its license would be suspended for fifteen days, ten days deferred for one year, and five days vacated by a fine of $7,509. • The applicant voluntarily withdrew their application on September 8, 2010.	Seven Diamonds
2010-00899	• Failed to safeguard all house-banked playing cards in violation of WAC 230-15-115(1)(b). • Failed to maintain a detailed, accurate card destruction log in violation of WAC 230-15-730(4)(d).	Warning letter	Goldie's Shoreline Casino

Attachment C

CR No.	Violations	Outcome	Licensee
2010-01104	• Failed to report a change in ownership in violation of WAC 230-06-107.	Warning letter	Riverside Casino
2011-00072	• Submitted false or misleading financial statements to the Commission in violation of RCW 9.46.075(7).	Warning letter	Palace Casino/Chips Casino - Lakewood
2011-00416	• Allowed an intoxicated player to gamble in violation of WAC 230-06-015.	Warning letter	Riverside Casino

Attachment D

CR No.	Violations	Outcome	Licensee
2005-02034	• WAC 230-04-140[1] - failed to prevent an unlicensed CRE from performing duties for which a license is required.	NOI	Silver Dollar Casino/Renton
2004-02327	• WAC 230-04-070- employed an unlicensed card room employee.	NOI	Golden Nugget Casino/Shoreline
2004-02084	• WAC 230-04-140 - employed an unlicensed card room employee.	NOVAS	Silver Dollar Casino/Mill Creek – Formerly known as BC Macdonalds
2004-01022	• WAC 230-04-140 - allowed an unlicensed employee to work in the capacity of a poker employee.	NOI	Silver Dollar Casino/Mountlake Terrace
2002-01153	• WAC 230-04-140 - allowed an employee to work with an expired license.	Warning Letter	Hideaway/Shoreline
2001-01335	• WAC 230-04-140(4) allowed an employee to work with an expired license.	Verbal warning	Silver Dollar Casino/Mountlake Terrace
2003-00803	• WAC 230-40-815(3)(d)(iii) - failed to have the accounting department maintain control of unused inventory forms. • WAC 230-40-815(4) - failed to obtain Commission approval prior to changing internal controls. • WAC 230-40-895(1)(d) - failed to label keys per their internal controls.	Verbal Warning	Silver Dollar Casino/SeaTac
2004-01103	• WAC 230-40-625 - failed to have adequate surveillance coverage of poker PSJ tables.	NOVAS for $200	Hideaway/Shoreline

[1] The agency re-wrote all of its rules between approximately 2005 and 2007. The substance of most of the rules remained unchanged. However, all of the rules were renumbered in new chapters. Therefore, any references to WAC violations in the chart of past cases prior to January 2008 refer to the WAC numbers prior to the re-write.

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CR No.	Violations	Outcome	Licensee
2004-01686	• WAC 230-40-052 - failed to accurately maintain the casino's PSJ records while acting in the capacity as the service supplier to Silver Dollar Casino SeaTac. • WAC 230-40-610(4) - improperly transferred funds from the casino's player-supported jackpot account to the casino's general account while acting as the service supplier to Silver Dollar Casino SeaTac. • WAC 230-40-608(6) - failed to reconcile the casino's PSJ jackpot fund balance with its bank statements while acting as the service supplier to Silver Dollar Casino SeaTac. • WAC 230-40-610(3) - failed to limit administrative fees to 10% while acting as the service supplier to Silver Dollar Casino SeaTac.	Statement of Charges settled by Agreed Order: the licensee agreed to a 25-day suspension, with 5 days deferred for one year and 20 days vacated by a fine of $12,000.	Gaming Consultants
2004-02222	• WAC 230-40-610(4) - allowed its representative to transfer funds from the casino's player-supported jackpot (PSJ) while acting as the service supplier to Golden Nugget Casino Tukwila. • WAC 230-40-608(6) - failed to reconcile the casino's PSJ account balance with its bank statements while acting as the service supplier to Golden Nugget Casino Tukwila.	Statement of Charges settled by Agreed Order – see outcome listed under 2004-01686	Gaming Consultants
2004-01210	• WAC 230-40-052 - failed to properly maintain accurate and complete prize fund accrual	Statement of Charges settled by Agreed Order: the licensee	Golden Nugget Casino/Tukwila

CR No.	Violations	Outcome	Licensee
	records; failed to deposit PSJ funds into the proper account; failed to report the prize payouts on the prize fund accrual records; failed to record the correct cumulative balances; failed to accurately complete the daily card room summary; and failed to utilize the required form to record PSJ transactions. • WAC 230-40-610(3)(4)(5) - had a debit to its PSJ account which they failed to reimburse and took administrative fees in excess of 10%. • WAC 230-40-610(4) - violated their own internal controls by allowing a person other than the designated prize fund custodian to transfer funds from the PSJ account. • WAC 230-40-610(5) - paid a cash prize in excess of the $500 allowed. • WAC 230-40-608(6) - failed to reconcile its PSJ account balance. • WAC 230-40-600(2) - failed to submit internal control changes to Commission staff for approval prior to operating a PSJ scheme.	agreed to a 15-day suspension, with 13 days deferred for one year and 2 days vacated by fine of $20,500.	
2004-01418	• WAC 230-40-608(6) - failed to reconcile the account balance with the bank statement and the player-supported jackpot fund balances. • WAC 230-40-052 - failed to accurately complete Prize Fund Accrual Records and failed to	NOVAS for $200	Silver Dollar Casino/Tukwila

CR No.	Violations	Outcome	Licensee
	open count and record the funds collected for one drop box. • WAC 230-40-610(3) - charged a service fee beyond the 10% administrative fee allowed.		
2005-01569	• Failed to pay the PSJ High Hand Winner.	Verbal Warning	JD's Wild West Saloon (formerly known as Silver Dollar Casino/Tacoma
2005-01543	• WAC 230-40-052(2)(h) - ailed to record the drop on the PSJ daily log.	Verbal Warning	Silver Dollar Casino/Mountlake Terrace
2005-00490	• WAC 230-04-610(5)(b) - failed to record PSJ prizes over $100.	Warning Letter	JD's Wild West Saloon (formerly known as Silver Dollar Casino/Tacoma
2009-00562	• WAC 230-15-190 - failed to maintain PSJ records in the prescribed format. • WAC 230-15-400 - failed to properly reconcile the PSJ account.	Warning Letter	Aces Casino & Sports Bar
2009-01133	• WAC 230-15-400(4) - failed to deposit PSJ funds within two banking days. • WAC 230-15-370(2) - failed to have a licensed individual as the prize fund custodian.	NOI	Aces Casino & Sports Bar
2004-01557	• WAC 230-40-821(3)(e) - failed to maintain adequate records for card inventory.	NOI	Golden Nugget Casino/Tukwila
2004-00502	• WAC 230-40-855 - comingled dealer tip chips with house chip inventory.	Verbal Warning	Hideaway/Shoreline
2005-02101	• WAC 230-40-860(4)(d) - failed to notify the Commission of table inventory discrepancies greater than $200. • WAC 230-40-860 - failed to safeguard card inventory.	Verbal Warning	Golden Nugget Casino/Shoreline

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CR No.	Violations	Outcome	Licensee
2005-01542	• WAC 230-40-815 - licensee failed to maintain adequate control of card inventory.	Verbal Warning	Silver Dollar Casino/Mountlake Terrace
2005-00626	• WAC 230-40-821(3)(e) - failed to maintain adequate records to record card inventory.	NOVAS	Golden Nugget Casino/Tukwila
2005-01542	• WAC 230-40-815 - failed to maintain adequate control of card inventory.	Verbal Warning	Silver Dollar Casino/Mountlake Terrace
2005-01968	• WAC 230-04-450 - failed to provide the license of each card room employee. • WAC 230-40-610(3) - failed to receive prior approval to discontinue the PSJ and failed to award and/or account for all the PSJ funds as prizes. • WAC 230-40-610(5)(b)(c) - failed to review winning hand; failed to review or secure the other cards from the winning deck; failed to retain the winning hand and deck with the daily card room records. • WAC 230-40-610(10)(c) - failed to post a sign stating how the PSJ money would be distributed. • WAC 230-12-050 - extended credit to employees that enabled them to gamble. • WAC 230-40-625(6)(a) - failed to have adequate surveillance of the card room. • WAC 230-40-450 - failed to provide passport style pictures of each card room employee.	Decline to file administrative charges because Hideaway's license lapsed	Hideaway/Shoreline
2005-01956	• WAC 230-40-800(1)(3) - failed to obtain prior approval before operating a house-	NOI	Golden Nugget Casino/Tukwila

CR No.	Violations	Outcome	Licensee
	banked card game.		
2005-01942	• WAC 230-40-895 - failed to maintain adequate key controls.	NOI	Silver Dollar Casino/Mill Creek Formerly known as BC Macdonalds
2004-01805	• WAC 230-40-815(3)(b)(i) - failed to have security properly control the cards including removing them from service and card destruction.	Verbal Warning	Silver Dollar Casino/SeaTac
2004-01804	• WAC 230-08-160 - failed to submit accurate card room Quarterly Activity Reports. • WAC 230-40-055(8) - failed to report tournament fees as gross receipts.	NOI	Gaming Consultants
2004-01809	• WAC 230-08-160 - failed to accurately complete its card room Quarterly Activity Report. • WAC 230-40-055(8) - failed to report tournament fees as gross gambling receipts.	NOI	Silver Dollar Casino/SeaTac
2004-01808	• WAC 230-08-160 - failed to accurately complete its Card Room QAR. • WAC 230-40-055(8) - failed to report its tournament fees on the Card Room QAR as gross receipts. • WAC 230-40-821(3)(e) - failed to maintain records which identify the destruction of all cards.	NOI	Silver Dollar Casino/Tukwila
2004-01748	• WAC 230-40-120 - exceeded the approved limit of two tables at the $200 maximum wagering limit.	Verbal Warning	Silver Dollar Casino/Mill Creek Formerly known as BC Macdonalds

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CR No.	Violations	Outcome	Licensee
2004-01728	• WAC 230-40-120 - while acting in the capacity as the service supplier to Golden Nugget Casino Shoreline exceeded the approved limit of two tables at the $200 maximum wagering limit.	Verbal Warning	Gaming Consultants
2004-01726	• WAC 230-04-400 - willful disregard for complying with administrative rules demonstrated by failure to complete the Currency Transaction Report required by the IRS. This was the second time in five weeks. • WAC 230-40-825 - failed to retain tapes of evidentiary value and failed to capture player faces at the cage in violation of.	NOVAS for $200 and Verbal Warning	Silver Dollar Casino/Mountlake Terrace
2005-01727	• WAC 230-40-815 - failed to maintain adequate controls of cards.	NOVAS for $200	Golden Nugget Casino/Shoreline
2004-01725	• WAC 230-40-120 - exceeded the approved limit of two tables at the $200 maximum wagering limit.	Verbal Warning	Golden Nugget Casino/Shoreline
2009-01707	• WAC 230-15-425(1)(c) - failed to follow internal controls for house banked card games.	Warning Letter	Goldie's Shoreline Casino
2005-01674	• WAC 230-40-815(3)(a)(v)(vi) - failed to notify Commission staff of illegal activity within 3 working days. • WAC 230-40-825(5) - failed to retain tapes of evidentiary value for 30 days.	NOI	Golden Nugget Casino/Tukwila
2002-01650	• WAC 230-21-053(1)(b) - accepted non-negotiable checks.	Verbal Warning	Hideaway/Shoreline

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CR No.	Violations	Outcome	Licensee
2005-01483	• WAC 230-40-815 - failed to maintain adequate controls of cards.	NOI	Silver Dollar Casino/Mill Creek Formerly known as BC Macdonalds
2004-01482	• WAC 230-40-885 - failed to follow count procedures. • WAC 230-40-815(5) - failed to follow internal controls.	NOI	Golden Nugget Casino/Tukwila
2001-01461	• Complaint received that a dealer was assisting players with their hands and assisting players with their decision of whether to stay or not. Dealer also failed to provide a reasonable amount of time for the players to make a decision on their hand.	Verbal Warning	Silver Dollar Casino/Mountlake Terrace
2001-01455	• Complaint received that the dealer forgot to deal cards to himself twice while playing Three Card Poker. Video showed that he forgot to deal cards to himself and was able to reconstruct the first hand properly. The second time he failed to deal cards to himself and used cards that were not his.	Verbal Warning.	Silver Dollar Casino/Mountlake Terrace
2004-01458	• WAC 230-40-055(8) - failed to accurately account for the entry in poker tournaments.	NOI	Silver Dollar Casino/Mountlake Terrace
2005-01426	• WAC 230-40-95(1)(d)(2)(e)(i) - failed to individually label gaming keys; maintained duplicate keys in the cashier's key box; failed to maintain current key control access lists. • WAC 230-40-840(2)(d) - failed to permanently label the drop box with the game name.		Silver Dollar Casino/Renton

CR No.	Violations	Outcome	Licensee
	• WAC 230-40-610(5)(b)(viii)(7)(a)(b)(c) - failed to consistently record the winner's and dealer's initials on the PSJ Winner's record and failed to require owners and on-duty employees to turn their cards face up at the end of each game. • WAC 230-40-505(2)(vi) - failed to post in the rules conditions which may affect the outcome of the game. • WAC 230-40-052 - failed to maintain accurate daily records. • WAC 230-40-885(5)(c)(e)(6)(a)(b) - failed to show the empty drop box to another count team member; failed to count cash in full view of the surveillance camera; failed to sign the master games report after verifying the soft count. • WAC 230-40-815(4) - failed to submit changes to the internal controls to Commission staff prior to implementation. • WAC 230-40-825(1)(a)(d)(vi)(3)(ii) - failed to have the CCTV adequately view gaming at each table; failed to have the CCTV adequately view all storage shelves; failed to display the time and date of the video recording on all of the monitors. • WAC 230-12-305(3) - failed		

CR No.	Violations	Outcome	Licensee
	to submit updated contracts which relate to gambling activities or alter the licensee's organizational structure of. • WAC 230-40-815(3)(b)(i) - failed to control and account for the disposition and destruction of cards.		
2009-01423	• WAC 230-15-550 - failed to keep records documenting cash disbursements. • WAC 230-06-080 - failed to notify Commission staff of an oral contract.	Verbal Warning	Silver Dollar Casino/Renton
2004-01418	• WAC 230-40-052 - failed to accurately complete Prize Fund Accrual Records and failed to open count and record the funds collected for one drop box. • WAC 230-40-608(6) - failed to reconcile the account balance per the bank statement to the Player Supported Jackpot (PSJ) fund balances. • WAC 230-40-610(3) - charged a service fee beyond the 10% administrative fee allowed.	NOVAS for $200	Silver Dollar Casino/Tukwila
2002-01408	• Accepted non-negotiable checks.	Warning Letter	Hideaway/Shoreline
2004-01117	• WAC 230-40-320 - allowed a minor to play cards.	Verbal Warning	JR's Sports Bar – Formerly known as Silver Dollar/Everett
2005-01373	• WAC 230-40-320 - allowed minors to play cards.	NOI	Silver Dollar Casino/Mill Creek – Formerly known as BC Macdonalds
2009-00583	• WAC 230-06-010 - allowed a minor to gamble.	NOVAS for $500	Silver Dollar Casino/Renton

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CR No.	Violations	Outcome	Licensee
2009-01289	• WAC 230-06-010 - allowed a minor to gamble.	Statement of Charges settled by Agreed Order: the licensee agreed to a 5-day suspension with 4 days deferred for one year and1day vacated by a fine of $4,269.	Silver Dollar Casino/Renton
2011-00682	• WAC 230-06-010 - allowed a minor to gamble.	NOVAS for $300	Chips Casino/Lakewood
2010-01371	• RCW 9.46.0356 - failed to properly conduct promotional contests of chance.	Verbal Warning	Wizards Casino
2004-01360	• WAC 230-04-400 - general manager was in violation of "structuring" according to the IRS. He informed customers who had won large amounts of money that they could avoid documentation if they cashed out less than $10,000 one night and rest on the next night.	NOI	Silver Dollar Casino/Mountlake Terrace
2004-01359	• WAC 230-40-815(2) - Failed to follow their own internal controls.	NOI	Silver Dollar Casino/Mountlake Terrace
2004-01358	• Allowed a customer to bet over state limits 17 times. Licensee self-reported, returned wagers to customer, and placed employees involved on unpaid leave.	Verbal Warning	JR's Sports Bar – Formerly known as Silver Dollar/Everett
2010-01335	• WAC 230-15-425(1)(c) - failed to follow internal controls at all times.	Verbal Warning	Goldie's Shoreline Casino
2001-01279	• WAC 230-08-160 - failed to maintain accurate quarterly activity reports.	Verbal Warning	Silver Dollar Casino/Mill Creek – Formerly known as BC Macdonalds
2005-01278	• WAC 230-40-855 - failed to accurately report tips.	NOI	Silver Dollar Casino/Mill Creek – Formerly known as

CR No.	Violations	Outcome	Licensee
	• WAC 230-12-050 - extended credit.		BC Macdonalds
2003-01257	• Discarded cards before they had been cancelled by security/surveillance.	Verbal Warning	Silver Dollar Casino/Mountlake Terrace
2004-01221	• WAC 230-40-821(3)(a) - failed to accurately reflect the time and date of the video recording.	NOI	Riverside Casino
2010-01142	• WAC 230-14-100 - failed to permanently and conspicuously delete prizes from the flare.	NOI	Wizards Casino
2010-01108	• WAC 230-15-425 - failed to follow internal controls.	NOI	Wizards Casino
2004-01079	• WAC 230-40-120(5) - allowed a single wager to exceed $100.	Verbal Warning	Golden Nugget Casino/Tukwila
2010-01076	• WAC 230-15-319 - failed to retain video recordings. • WAC 230-15-305 - failed to make a surveillance video copy of a cheating incident.	Statement of Charges settled by Agreed Order: licensee agreed to a 30-day suspension with 24 days deferred for one year and 6 days vacated by a fine of $30,000.	Wizards Casino
2009-01065	• WAC 230-15-430(5)(b)(6)(b) - failed to account for all decks of cards and failed to control dealing shoes. • WAC 230-15-745(4) - failed to maintain a copy of the signature cards in the cashier's cage. • WAC 230-15-170 - failed to have photographs for all licensed card room employees.	Warning Letter	Silver Dollar Casino/Renton
2004-00967	• WAC 230-40-250 - failed on two occasions to notify local law enforcement of cheating	NOI	Golden Nugget Casino/Tukwila

CR No.	Violations	Outcome	Licensee
	and failed to prevent cheating.		
2002-00940	• WAC 230-40-860(4)(d) - failed to maintain a notification of error log.	Verbal Warning	Silver Dollar Casino/SeaTac
2005-00904	• WAC 230-40-055(6) - failed to follow their poker tournament entry requirements as advertised.	Verbal Warning	Golden Nugget Casino/Tukwila
2004-00888	• WAC 230-40-890(1) - failed to maintain complete signature card records.	NOI	Silver Dollar Casino/Mill Creek – Formerly known as BC Macdonalds
2004-00887	• WAC 230-40-815(2)(a) - failed to follow their internal controls.	NOVAS	Golden Nugget Casino/Shoreline
2005-00883	• Allowed a card room employee to sort cards while playing in the game.	Verbal Warning	JR's Sports Bar – Formerly known as Silver Dollar/Everett
2004-00876	• WAC 230-40-815(1)(b) - failed to maintain adequate internal controls.	NOI	Silver Dollar Casino/Mill Creek – Formerly known as BC Macdonalds
2004-00874	• WAC 230-40-815 - failed to adequately monitor the gaming activities.	NOI	Silver Dollar Casino/Mountlake Terrace
2011-00867	• WAC 230-15-610(5) - failed to follow proper internal controls on removing cash from the count room while conducting a count.	NOI	Chips Casino/Lakewood
2003-00858	• WAC 230-40-845(6)(e) - failed to maintain an accurate NSF check log.	NOI	Golden Nugget Casino/Tukwila
2011-00833	• WAC 230-06-015 - failed to prevent intoxicated persons from gambling.	Verbal Warning	Chips Casino/Lakewood
2004-00805	• WAC 230-40-830 - failed to maintain an authorized access list to the cage and failed to	NOVAS	Golden Nugget Casino/Tukwila

CR No.	Violations	Outcome	Licensee
	maintain the sign-in log in the prescribed format.		
2009-00770	• WAC 230-03-085(3) - iolated federal law by not completing a Currency Transaction Report. • WAC 230-15-295(7) - failed to provide digital video that was readable by their computer equipment. • WAC 230-15-510(1) - failed to secure the transfer of gambling chips.	Warning Letter	Aces Casino & Sports Bar
2011-00769	• WAC 230-15-475 - complaint received that the poker manager was receiving a percentage of the dealer's tips.	Verbal Warning	Palace Casino/Lakewood
2005-00730	• WAC 230-40-821 - failed to maintain adequate employee records.	NOI	Silver Dollar Casino/Mill Creek – Formerly known as BC Macdonalds
2009-00710	• WAC 230-05-025 - operated more tables than it was licensed for. • WAC 230-15-020 - conducted gambling outside of the approved area.	NOVAS for $300	Aces Casino & Sports Bar
2009-00708	• WAC 230-15-115(1)(b) - failed to safeguard all cards. • WAC 230-15-430(5)(b) - failed to control new and used cards. • WAC 230-15-155(2)(b) - failed to prohibit a person who submitted NSF checks from submitting additional NSF checks. • WAC 230-15-280(1)(a)(b)(g)(h)(3)(c)(e)(4)(b) - failed to meet	Warning Letter	Aces Casino & Sports Bar

CR No.	Violations	Outcome	Licensee
	surveillance requirements. • WAC 230-15-440(1) - failed to update internal controls. • WAC 230-15-285(2)(e) - failed to have a surveillance system that monitors players and dealers at each gaming table. • WAC 230-15-725 - failed to complete house-banked records in the format required. • WAC 230-15-570(1) - failed to keep the cashier's cage on an imprest basis. • WAC 230-15-405(6) - failed to keep winning hand records and the remaining deck of a PSJ prize on the business premise for at least seven days. • WAC 230-15-319(2)(b)(i) - failed to keep recordings documenting jackpot pay outs for at least thirty days.		
2005-00689	• WAC 230-30-072 - failed to account for pull-tab games purchased and returned. • WAC 230-08-010(9) - ailed to record a pull-tab game the month it was removed from play.	NOI	Golden Nugget Casino/Tukwila
2002-00678	• Failed to use proper closing procedures.	Verbal Warning	Silver Dollar Casino/Mountlake Terrace
2003-00674	• Failed to follow tournament rules.	Verbal Warning	Golden Nugget Casino/Tukwila
2009-00634	• WAC 230-15-430(5) - failed to accurately account for all decks of cards.	NOI	Silver Dollar Casino/Renton
2000-00602	• WAC 230-08-090 - failed to keep accurate daily card room	Verbal Warning	Silver Dollar Casino/Tukwila

CR No.	Violations	Outcome	Licensee
	records. • WAC 230-08-010 - failed to keep accurate monthly records.		
2009-00563	• WAC 230-15-319 - failed to retain tapes of evidentiary value.	NOI	Aces Casino & Sports Bar
2004-00553	• WAC 230-40-800 - failed to follow operating rules for house-banked card games. • WAC 230-40-825(1)(a)(i)(ii)failed to have adequate camera coverage on the gaming tables.	Verbal Warning	Silver Dollar Casino/Mountlake Terrace
2009-00499	• WAC 230-15-115 - failed to account for house-banked cards.	NOI	Aces Casino & Sports Bar
2004-00483	• WAC 230-40-860(4)(d) - failed to notify the Commission of table inventory discrepancies greater than $200. • WAC 230-40-845(1)(a) - failed to restrictively endorse three checks received from a customer. • WAC 230-40-821(3)(e) - failed to maintain an accurate card destruction log.	Verbal Warning	Silver Dollar Casino/Tukwila
2004-00470	• WAC 230-40-821(3)(b)(i) - failed to have the security office control the disposition and/or destruction of cards when removed from service. • WAC 230-40-825(3)(a)(ii) - date/time generators used on the surveillance video recordings were not synchronized.	Verbal Warning	Silver Dollar Casino/Tukwila
2005-00460	• Failed to honor the match play coupons as advertised.	Verbal Warning	Silver Dollar Casino/Renton

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CR No.	Violations	Outcome	Licensee
2005-00431	• WAC 230-12-345 - failed to make timely lease payments.	Verbal Warning	Silver Dollar Casino/Renton
2004-00427	• WAC 230-12-345(5) - failed to make lease payments to a vendor in a timely manner.	NOVAS for $200	Silver Dollar Casino/Tukwila
2001-00422	• A complaint was made about violating liquor laws which could have impacted gambling licenses.	Verbal Warning	Silver Dollar Casino/Tukwila
2005-00384	• WAC 230-30-070 - failed to delete prizes from flares.	Verbal Warning	Golden Nugget Casino/Tukwila
2004-00376	• WAC 230-12-345(5) - failed to make lease payments to a vendor in a timely manner.	NOVAS	Golden Nugget Casino/Shoreline
2005-01748	• WAC 230-40-825(4)(a) - failed to record gaming activities during gaming hours	NOI	Silver Dollar Casino/Mountlake Terrace
2009-01572	• WAC 230-15-319(2)(a) - failed to retain video recording for seven days. • WAC 230-15-280(4)(a) - failed to record audio in the count room. • WAC 230-15-295(9) - failed to include the accurate time and date the video was originally recorded.	Warning Letter	Aces Casino & Sports Bar
2011-00348	• WAC 230-15-265 - failed to record video signals while operating gambling tables.	Verbal Warning	Wizards Casino
2002-00327	• Received a complaint that dealers were not following tournament rules.	Verbal Warning	Silver Dollar Casino/SeaTac
2009-00183	• WAC 230-15-210(5)(b) - failed to return all buy-ins to players in cash or merchandise prizes.	Verbal Warning	Silver Dollar Casino/Renton
2005-00124	• WAC 230-40-815 - failed to adhere to their dealing procedures.	Verbal Warning	Silver Dollar Casino/Mountlake Terrace

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CR No.	Violations	Outcome	Licensee
2003-00067	• WAC 230-40-865 - failed to accurately complete a fill slip.	Warning Letter	Silver Dollar Casino/Mill Creek – Formerly known as BC Macdonalds
2004-01436	• WAC 230-230-04-022(5) - allowed Gaming Consultants to act as its service supplier without prior contract approval. • WAC 230-08-010(1)(2)(4)(10) - failed to maintain complete and accurate accounting records. • WAC 230-12-305(4)(5) - failed to report loans in excess of $10,000. • WAC 230-40-805(1)(b)(iv)(3)(d)(i) - failed to safeguard the reliability of its financial records. • WAC 230-40-821(1)(2) - failed to maintain complete and accurate records of all transactions relating to the revenues and costs of the gaming operation.	Statement of Charges settled by Agreed Order: licensee agreed to a 10-day suspension vacated by a fine of $4,055.	Riverside Casino
2011-00070	• RCW 9.46.160 - conducted gambling activities without a license.	NOVAS for $300	Riverside Casino
2004-00054	• WAC 230-40-830 - failed to closely control all cash and chips and to properly maintain cage records.	Verbal Warning	Riverside Casino