

RECEIVED

JUL 11 2011

STATE OF WASHINGTON  
GAMBLING COMMISSION

GAMBLING COMMISSION  
COMM & LEGAL DIVISION

In the Matter of the Suspension of the Licenses )  
to Conduct Gambling Activities of: ) NO. CR 2011-00140  
) )  
The Royal Club, LLC, )  
d/b/a Roman Casino, ) **SETTLEMENT ORDER**  
Seattle, Washington )  
) )  
Licensee. )  
\_\_\_\_\_ )

This Settlement Order is entered into between the Washington State Gambling Commission and The Royal Club, d/b/a Roman Casino. The Gambling Commission is represented by H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Lead Staff Attorney. The licensee is represented by Dave Malone of Miller Malone & Tellefson.

I.

The Washington State Gambling Commission issued The Royal Club, d/b/a Roman Casino, organization number 00-17613, the following licenses:

Number 67-00057, authorizing Class "15" House-Banked Card Room activity; and  
Number 05-09639, authorizing Class "F" Punchboard/Pull-Tab activity.

The licenses expire on March 31, 2012, and were issued subject to the licensee's compliance with state gambling laws and regulations.

II.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on April 14, 2011. On May 9, 2011, Commission staff received the licensee's request for a hearing

III.

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

- 1) From February 2010 to August 2010, Roman Casino operated Progressive Four Card Poker (PFCP) and deposited the player funds collected for the progressive jackpot into Roman Casino's general fund bank account. By depositing progressive jackpot prize funds into the general fund bank account rather than a separate bank account, Roman Casino violated WAC 230-15-720(1).
- 2) In August 2010, Roman Casino discontinued PFCP and the progressive jackpot funds remained in Roman Casino's general fund bank account. By keeping progressive jackpot funds in the general fund bank account rather than appropriately distributing the funds, Roman Casino violated WAC 230-15-710(2).

3) Therefore, under RCW 9.46.075(1) and WAC 230-03-085(1) grounds exist to suspend Roman Casino's licenses.

4) In February 2011, Roman Casino distributed the progressive jackpot prize funds from PFCP in accordance with WAC 230-15-710.

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

The commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsection applies.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

**WAC 230-03-085 Denying, suspending, or revoking an application, license or permit**

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization: (The following subsection applies.)

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

**WAC 230-15-720 Deposit and reconciliation requirements for progressive jackpot prizes.**

(The following subsection applies.)

(1) House-banked card game licensees must deposit all progressive jackpot funds in a separate bank account at least weekly.

**WAC 230-15-710 Permanently removing a progressive jackpot or a portion of a progressive jackpot from play.**

(1) Players have a vested interest in the posted or advertised progressive jackpot prize.

(2) Licensees must:

(a) Submit a detailed distribution plan to us in writing and receive written approval before removing any progressive jackpot prizes from play; and

(b) Prominently post a notice and the distribution plan, including if they plan to close the business, at least ten days before they begin the process of removing the jackpot and distributing the funds; and

(c) Distribute the funds in one or more of the following ways:

(i) Offering the prize on a different house-banked game; or

(ii) Offering the prize in an approved free tournament in which funds must be distributed within sixty days from the date of approval; or

(iii) Donating the money to the Washington State Council on Problem Gambling.

#### IV.

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

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

1) The licensee agrees that Roman Casino's license is hereby suspended for a period of **ten (10) days**, provided that:

a) **Nine (9) days of the suspension shall not be currently served, but shall be deferred** for a period of one year from the date of entry of this Settlement Order, subject to the following: The licensee agrees not to violate any of Washington's gambling statutes or regulations during the one (1) year term. If the licensee violates these statutes or regulations and if the violation is the type that warrants the filing of administrative or criminal charges, then the Director may impose the nine-day suspension of the current gambling license(s) and any subsequently acquired gambling licenses.

b) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this agreement, has discretion to determine whether the licensee has violated any term of this agreement. In the event the Director determines that a violation of this section has occurred, he may suspend the license(s) issued to the licensee, and any subsequently acquired licenses, for up to nine days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. This suspension shall be in addition to any consequences of the new violation. The licensee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.

c) Pursuant to RCW 9.46.077, the licensee has chosen to vacate the remaining **one (1) day** of this suspension by paying a monetary penalty of **nine thousand, nine hundred and ten dollars (\$9,910)** which represents fifty percent of the licensee's net gambling receipts for one day, based on information reported by the licensee on its activity reports. The licensee also agrees to reimburse the Commission for its investigative and administrative costs in the amount of **nine hundred thirty-six dollars (\$936)**. The total amount that the licensee agrees to pay to the Commission is **ten thousand, eight hundred and forty-six dollars (\$10,846)**.

d) The payment shall be made in three installments:

1. The first installment of **\$3,616** shall be received by Commission staff on or before **July 8, 2011**.
2. The second installment of **\$3,615** shall be received by Commission staff on or before **August 8, 2011**.
3. The third installment of **\$3,615** shall be received by Commission staff on or before **September 8, 2011**.

- e) **The signed order and first payment must be received by Commission staff on or before Friday, July 8, 2011.** The order must be mailed to Commission Headquarters at the following address:

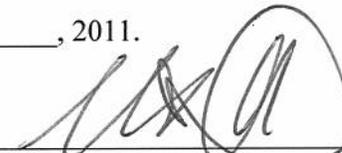
Washington State Gambling Commission  
Attention: Communications and Legal Division  
P.O. Box 42400  
Olympia, WA 98504-2400

or delivered (in person or via private courier) to the following address:

Washington State Gambling Commission  
Attention: Communications and Legal Division  
4565 7<sup>th</sup> Avenue SE; Fourth Floor  
Lacey, WA 98503

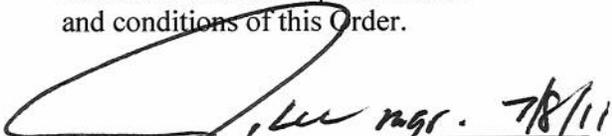
- 4) If the licensee makes its payments as agreed, this matter will be deemed closed. However, if the licensee fails to timely make its payment, the Director may impose an additional **two (2)** day suspension for each late payment. Serving the suspension would not, however, relieve the licensee of its obligation to pay its fine.

DATED this 8 day of July, 2011.

  
Administrative Law Judge  
CHARLES F. BUGANT II July 22, 2011  
APPROVED AS TO FORM:

APPROVED FOR ENTRY:

By the signature below, the licensee understands and accepts the terms and conditions of this Order.

  
James Routes, Chief Executive Officer (Date)  
Roman Casino

  
David Malone, WSBA #23435 (Date)  
Attorney Representing Roman Casino

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

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