

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of ) No. CR 2013-01630  
the Licenses to Conduct Gambling Activities of: )  
)  
Tin Hat ) **SETTLEMENT ORDER**  
Kennewick, Washington, )  
)  
Licensee. )  
\_\_\_\_\_ )

The Washington State Gambling Commission and the licensee, Tin Hat, enter into this Settlement Order to resolve the administrative charges issued against the licensee. Gregory J. Rosen, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Gambling Commission. Tin Hat is represented by its owner, Shanna Atwood.

I.

The Washington State Gambling Commission issued Tin Hat, organization number 00-21828, the following licenses:

- Number 65-07259, Authorizing Class "D" Public Card Room activity; and
- Number 05-20798, Authorizing Class "C" Punchboard/Pull-Tab activity.

The licenses expire on March 31, 2014, 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 September 9, 2013. On September 20, 2013, the Director issued an Amended Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee. The licensee received the Notice, and on October 7, 2013, Commission staff received the licensee's request for hearing. On January 3, 2014, the Director issued a Second Amended Notice of Administrative Charges and Opportunity for an Adjudicative Hearing.

III.

The following summary of facts and violations were alleged in the Second Amended Notice of Charges:

**SUMMARY:**

The licensee did not submit its punchboard/pull-tab activity report for the first and second quarters of 2013 until November 22, 2013; it was due by July 30, 2013. This is the fourth time in

the last five reporting periods that the licensee has not timely submitted their required activity reports. This is also a settlement order violation. The licensee failed to pay the second half payment for its gambling license, which was due by September 30, 2013, and operated until December 31, 2013, with an invalid license.

**VIOLATIONS:**

**1) RCW 9.46.075 Denying, suspending, or revoking of a license, or permit**

Provides that 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.

**2) WAC 230-03-085 Denying, suspending, or revoking a license or permit**

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(The following subsections apply.)

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

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.

(7) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within thirty days after receiving a written request from us.

**3) WAC 230-14-284 Activity reports for punch board and pull-tab licensees.**

Punch boards and pull-tab licensees must submit an activity report to the commission. Licensees must complete the report in the format we require and must:

(The following subsections apply.)

(1) Cover the periods: (a) January 1 through June 30; and (b) July 1 through December 31; and

(2) Be received at our administrative office or postmarked no later than thirty days following the end of the reporting period.

**4) WAC 230-05-015 Two-part payment plan for license fees.**

(1) If you are renewing an annual license or applying for an additional license, you may pay the license fee in two payments if:

(a) You elect to participate; and

(b) The license fee is at least eight hundred dollars; and

(c) You pay an administrative processing fee as set out in WAC 230-05-020 or 230-05-030, plus one-half of the annual license fees at the time of application or renewal.

(2) We issue licenses under the two-part payment plan with an expiration date of not more than one year and a second-half payment due date.

(a) If we receive your second-half payment on or before the due date, the license will remain in effect until the expiration date.

(b) If you do not submit the second-half payment on or before the due date, the license expires and gambling activities must stop. You must pay us the second-half payment regardless if you stop operating the gambling activity, close your business, surrender your license, or your license is revoked. If you do not pay the second-half payment, we may take action against other licenses you hold or refer the debt to collections, or both.

The licensee's failure to timely submit its activity reports and failure to pay the second half payment when due demonstrate its willful disregard for complying with WAC 230-14-284 and WAC 230-05-015. Therefore, grounds exist to suspend or revoke Tin Hat's licenses under RCW 9.46.075(1), WAC 230-03-085(1), (3) and (7), and WAC 230-05-015.

IV.

On October 7, 2013, Commission staff received the licensee's request for a hearing. The licensee has now submitted its delinquent Quarterly Activity Report, and paid its second half license fees. The licensee waives its right to a hearing, and the parties agree to settle this matter under the following terms:

The licensee's gambling licenses are hereby suspended for a period of thirty (30) days, provided that:

- a) **Ten (10) days of the suspension shall not be currently served, but shall be deferred for a period of two years from the date of entry of this Settlement Order, subject to the following:**
- The licensee must not violate the terms of this Settlement Order, or Washington's gambling statutes and/or regulations during the two (2) year term, including failing to submit future activity reports when due.
  - If the licensee violates the terms of this order, gambling statutes, or regulations, and if the violation is the type that warrants the filing of administrative or criminal charges, then the Director may impose the ten (10) day suspension of the current gambling licenses and any subsequently acquired gambling license(s).

- 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.
- c) In the event the Director determines that a violation of this section or any other type of violation has occurred, he may suspend the license(s) issued to Tin Hat, by mailing or delivering a Notice of Administrative Charges to the licensee. The suspension shall be in addition to the 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.
- d) The licensee has chosen to serve the remaining twenty (20) days of the suspension, and will serve an additional three (3) days from a previous settlement order signed on January 11, 2013. For a total of a twenty-three (23) day suspension.
- i. The suspension period begins at 8:00 a.m. on Monday, January 27, 2014, and runs through Tuesday, February 18, 2014.
  - ii. During this period of suspension, no gambling activities shall take place at the licensed premises.
  - iii. The licensee may resume its gambling activities at 8:00 a.m. on Wednesday, February 19, 2014.

The signed Settlement Order must be received by Commission staff on or before January 14, 2014, and mailed to Commission Headquarters at the following address:

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

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

Washington State Gambling Commission  
Communications and Legal Division  
4565 7<sup>th</sup> Avenue SE;  
Third Floor Reception  
Lacey, Washington

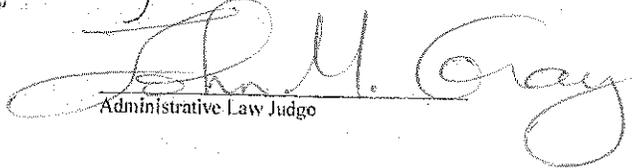
The licensee agrees to submit its activity reports within 30 days following the end of the reporting period. Failure to do so may cause filing administrative charges for the revocation of Tin Hat's licenses to conduct gambling activities.

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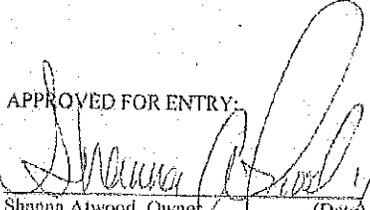
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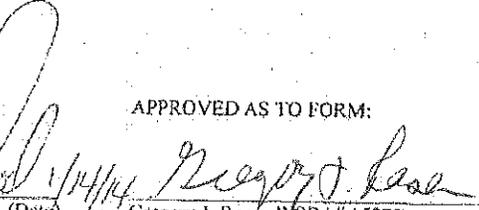
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DATED this <sup>15<sup>th</sup></sup> ~~14~~ day of January, 2014.

  
Administrative Law Judge

By her signature, the Licensee understands and accepts the terms and conditions of this Order.

APPROVED FOR ENTRY:  
  
Shanna Atwood, Owner  
Tin Hat

APPROVED AS TO FORM:  
  
Gregory J. Rosen WSBA# 15870  
Assistant Attorney General  
Representing the Washington State  
Gambling Commission

  
Melinda Froud, WSBA #26792 / AMY B. HUNTER  
Staff Attorney  
Washington State Gambling Commission #23773