

**WASHINGTON STATE  
GAMBLING COMMISSION MEETING  
THURSDAY, MAY 14, 2009  
APPROVED MINUTES**

**Chair Peggy Ann Bierbaum** called the meeting to order at 1:40 p.m. at the Pasco Red Lion Hotel and introduced the members present:

**MEMBERS PRESENT:**     **Commission Chair Peggy Ann Bierbaum**, Quilcene  
                                  **Commissioner John Ellis**, Seattle  
                                  **Commissioner Keven Rojecki**, Tacoma  
                                  **Commissioner Mike Amos**, Selah  
                                  **Senator Margarita Prentice**, Seattle  
                                  **Senator Jerome Delvin**, Richland  
                                  **Representative Gary Alexander**, Olympia  
                                  **Representative Geoff Simpson**, Covington

**STAFF:**                     **Rick Day**, Director  
                                  **Mark Harris**, Assistant Director – Field Operations  
                                  **David Trujillo**, Assistant Director – Licensing Operations  
                                  **Amy Hunter**, Administrator – Communications & Legal  
                                  **Jerry Ackerman**, Senior Counsel, Attorney General’s Office  
                                  **Gail Grate**, Executive Assistant

**Director Rick Day** and **Chair Bierbaum** recognized Special Agent Supervisor Tom Young who is retiring after devoting more than 43 years to public service, including over 23 years with the Gambling Commission, 17 years with the Ellensburg Police Department, and 3 years as Sheriff of Kittitas County. Director Day read a letter addressed to Tom Young from Governor Gregoire.

**1. Agenda Review/Director’s Report:**

**Director Rick Day** reviewed the agenda and last minute inserts, noting there were no staff requested changes to the agenda.

Quarterly Budget Update

**Director Day** explained the memo from Terry Westhoff and Lisa Benavidez, our Human Resources Division Administrator, was in response to the Governor’s freeze. That freeze was ultimately lifted by the Governor and reimposed by the Legislature and expires on June 30, 2009, except for the prohibition on raises. Director Day briefly reviewed the information provided in the memorandum, which covers FTEs, fuel usage, travel, equipment purchasing, and personal services contracts. Director Day pointed out the charts showing budget performance, number of licenses, and revenue sources. Also included is a memorandum from Victor Moore, OFM Budget Director, advising of the changes in the legislative and post-freezes.

**Commissioner John Ellis** noted that on the chart for Estimated and Actual Revolving Fund Revenues by Source, the very last item above the total shows a \$100,000 increase in All Other and asked if there was any particular source that contributed to that pleasant \$100,000 increase. **Director Day** replied he did not know the answer but would find out before the next meeting. **Commissioner Ellis** felt sure that if the increase was for more than just an accumulation of small increases and numerous sub-items, Director Day would have known the answer.

**Chair Bierbaum** asked if Director Day was going to address the Criminal History Audit Summary that preceded the Quarterly Budget Update. **Director Day** explained the certification was for an audit of the agency's Criminal History Background Investigation Program operated through Assistant Director Trujillo. It was included to verify for the Commission that the Washington State Patrol (WSP) certified the Gambling Commission had no compliance issues. There are a lot of confidentiality restrictions and restrictions about how to inquire and who is authorized to inquire and whether it is an open case. It is quite a time consuming process and the agency has to have security officers responsible for access to the information. Director Day thanked Assistant Director Trujillo's shop for administering that program effectively and ensuring there are no compliance issues.

#### Legislative Update

**Director Day** thanked Senator Delvin and Representative Wood for their work in successfully shepherding the underage gambling penalty bill through the Legislature. This was the third try to get a bill through the Legislature and it will be significant to our enforcement program. Director Day thanked Representative Simpson for sponsoring House Bill 1217 and his help in getting the bill through the Legislature. Director Day thanked both Senator Prentice and Representative Alexander for watching over our gambling revolving fund, noting there were no transfers from that fund this year.

**Ms. Amy Hunter** reported the session ended on Sunday, April 26. Ms. Hunter reviewed various legislative bills:

- SSB 5040 passed, which will allow agents to issue civil infractions to underage gamblers and impose a \$125 fine. The Governor signed the bill last week and it will be effective July 26. This bill will require rule making in at least two areas: the in-house controlled purchase programs, and the identification and detention of those who are under 18 who commit civil infractions. If an agency does civil infractions under RCW 7.80, they are required to adopt rules about identification and detention. It is important to note that persons can only be detained long enough to identify them for purposes of issuing the civil infraction – there is no other long detention that is allowed.
- The Governor signed House Bill 1217 allowing the Commission to set amusement game locations. Staff does not anticipate needing any new rules as a result of that bill.
- The Governor signed Engrossed House Bill 1053 increasing the price that raffle tickets can be sold from \$25 to \$100. A couple of rules may need to be changed to strike \$25 and add \$100, which will have to be presented before the Commission.

- House Bill 1273 will allow local governments to do raffles as long as the net receipts are used for community activities or tourism promotion activities. Since the last meeting, the Senate passed the bill 40-8, and the Governor has also signed it.
- Engrossed Substitute Senate Bill 5321 deals with a local tax credit and annexation for house-banked card rooms. The bill passed the Senate 37-11 and the House 54-41. The bill was delivered to the Governor on April 26 but has not been signed. Ms. Hunter had not heard anything that made her think the Governor was not going to sign the bill.
- ESHB 1244 is the State Budget bill, which includes a study to look at consolidating or transferring activities of four agencies (the Lottery Commission, Horse Racing Commission, Liquor Control Board, and Gambling Commission), in order to achieve cost savings or regulatory efficiencies. The study would be conducted by the Office of Financial Management (OFM) and would include an advisory group of at least representatives of the affected businesses, state agencies, local governments, and stakeholder groups. The study is to be completed and a report provided to the legislative fiscal committees by November 15, 2009.
- SHB 1552 deals with public access at open public meetings. The Senate passed the bill and the Governor has signed it.
- HB 2355, SB 6152, and SB 6103 were all introduced to redefine gambling. There was a hearing on SB 6152 but it did not make it out of committee. The house bill was not scheduled for a hearing. Since those bills were only in year one of the two-year legislative cycle, they will continue on in the 2010 session.
- Commissioner Ellis was confirmed on April 24. Ms. Hunter thanked Senator Delvin for his help in getting the confirmation voted on during those last few days of session.

Ms. Hunter thanked the Ex-Officios and the Commissioners for their support and patience as she has gone through these bills over the past several months.

**Representative Gary Alexander** asked if Ms. Hunter was aware of any actions to the Governor's office for potential veto or concerns on the consolidation study. **Ms. Hunter** was not aware of any.

**Director Day** responded to Commissioner Ellis' earlier question about All Other sources, explaining the number was for miscellaneous licenses, which includes raffles and manufacturers. In the past years, staff has noticed that raffles revenue and manufacturer licenses have been fairly strong.

#### Monthly Update Reports & News Articles

**Director Day** reported that over the preceding months agents have seized a number of slot machine style games, primarily in the Tacoma/Seattle area – that investigation is continuing. The primary commercial company in the state internet forfeiture case withdrew their claim of ownership, as has the attorney for the primary defendant. That process is moving forward.

The Federal Update reports on three pieces of legislation that have been introduced. Two of the three bills were introduced by Representative Barney Frank who is the Chairman of the Financial Services Committee of the House. One of those is HB 2266 which is essentially a bill that would delay the financial enforcement provisions of the Unlawful Internet Gambling Act for one year. After a long writing process, they are schedule to go into effect in December of this year. That was referred to Representative Frank's committee. The second bill is HB 2267 which would set up a federal regulatory structure for internet gambling. Also included is a related news article that gives a brief summary of some of the parties pro and con, and identifies the Poker Players Alliance as a significant force that will be lobbying on behalf of those pieces of legislation. A significant opposition is expected to come from the National Football League, which is opposed to any possibility of sports gambling. The third bill is HB 2268 that was introduced by Representative McDermott, who has introduced similar bills before. That bill sets up more of a tax structure rather than an extensive regulation structure. Staff has not yet gone through the bills in detail, but will continue to follow the process of these bills and related discussions, and will update the Commission regarding any possibility of a position in the future that would be appropriate.

### **Comments from the Pubic Regarding the Director's Report**

**Chair Bierbaum** called for public comment on the Director's Report; there was none.

## **2. New Licenses and Class III Certifications**

**Commissioner Ellis** made a motion seconded by **Commissioners Rojecki** to approve the list of new licenses Class III certifications as listed on pages 1-17. *Vote taken; the motion passed unanimously.*

## **3. Petition for Review – Nosratollah Moradi**

**Assistant Attorney General Bruce Marvin** was present for the State. **Mr. Nosratollah Moradi** represented himself. Mr. Moradi and Mr. Marvin provided their testimony in the matter for review. A recording and transcript of the hearing is available upon request.

**AAG Marvin** asked the Commission to make it clear when issuing their final order that Mr. Moradi did make full restitution of the amount that was owed. However, when he initially introduced evidence and argument at the Administrative Law Judge (ALJ) hearing, it appeared Mr. Moradi was arguing that he only owed \$200 and that he had not, in fact, stolen \$1,900, which was minimizing the damage he had done. The ALJ made findings that \$200 had not been paid. In AAG Marvin's brief, he raised the issue and asked that there be a redrafting of the language in the initial order to clarify that the \$200 was not paid immediately, but at some later date Mr. Moradi did make full restitution.

At the conclusion of the testimony (2:50 p.m.), **Chair Bierbaum** asked if there were any questions and called for an executive session to deliberate the matter; she recalled the public meeting at 3:00 p.m.

**Chair Bierbaum** indicated that, without exception, the Commissioners expressed great admiration for how Mr. Moradi handled the situation by immediately going to his boss to report what had gone on and by immediately making restitution, plus what Mr. Moradi has done in the ensuing seven years, including getting an education and making the restitution and pretty laudatory steps that he has taken since this occurred. The decision would be different, except for the fact that the Commission operates in a highly regulated environment: the gambling industry. While each of the Commissioners expressed the opinion that Mr. Moradi appeared very trustworthy and they would feel good about his working for any one of them, the Commission is constrained within the Gambling Commission because the gambling industry is so highly regulated. For that reason, the Commission did not feel they could make any decision other than to uphold the decision of the Administrative Law Judge (ALJ). The Commission wished Mr. Moradi well in any industry different from the gambling industry and suspected he would do well in the following years, particularly if he continues on the path he has demonstrated in the past seven years. It is with regret that the Commission is going to uphold the opinion, the findings, and conclusions of law of the ALJ with AAG Marvin's recommended changes.

Commissioner Ellis made a motion seconded by Commissioner Amos that the Commission enter an order affirming the findings, conclusions, and order of the Administrative Law Judge with the revision identified by AAG Marvin as being appropriate. Vote taken; the motion passed unanimously.

**Chair Bierbaum** called for a break at 3:05 p.m.

#### **4. Petition for Reconsideration – Robert L. Ramelow**

**Assistant Attorney General Bruce Marvin** was present for the State. **Mr. Robert Ramelow** represented himself. Mr. Ramelow and Mr. Marvin provided their testimony in the matter for reconsideration. A recording and transcript of the hearing is available upon request.

At the conclusion of the testimony (3:40 p.m.), **Chair Bierbaum** asked if there were any questions and called for an executive session to deliberate the matter; she recalled the public meeting at 3:50 p.m.

**Commissioner Ellis** explained that none of the Commissioners could recall an instance where they had allowed something other than revocation of a license for a card room employee who stole while on the job. That also applied to instances where the amount of money was significantly less than the amount that Mr. Ramelow stole. The Commission did not feel they had the latitude to give Mr. Ramelow a second chance. To the extent that it makes a difference to Mr. Ramelow, he can be assured that based on what was presented today, it would not have made any difference in the Commission's decision if Mr. Ramelow had attended the previous hearing. Mr. Ramelow is not losing his license because he failed to understand that he had to attend the previous hearing; the Commission would have made the same decision at that time.

Commissioner Ellis made a motion seconded by Commissioner Amos that the Commission deny the Petition for Reconsideration and affirm the Commission's previous Final Order on the Petition for Review with the exception of correcting the typographical errors in the ALJ's initial order that were noted. Vote taken; the motion passed unanimously.

**Mr. Ramelow** asked if this was the end result, like a death sentence, and if he would never be able to deal in Washington, or if there was a matter of time he should let go by.

**Assistant Director David Trujillo** responded that it was not a death sentence; that Mr. Ramelow could reapply at a later date; although, he would be up against a couple of administrative dispositions that will automatically remove his license application from a normal license flow. Mr. Ramelow has a conviction of theft in the third degree, which would also kick his application out of the normal license flow. At that point it would become Mr. Ramelow's responsibility to prove by clear and convincing evidence that he deserves to be issued a gambling license. Several years without any future convictions would help, but if Mr. Ramelow were to come back a year from now, staff would probably refer back to this hearing and say not enough time had passed and would recommend denial.

## 5. Defaults:

### a) **Maceo L. Williams**, Card Room Employee, Revocation

**Ms. Hunter** reported that Mr. Maceo Williams has not worked in the card room industry since September of 2008. Staff is requesting that Mr. Williams' card room employee license be revoked based on his December 2008 felony conviction for residential burglary/domestic violence. The Director issued charges, which were sent by certified mail and regular mail. The certified mail was unclaimed and returned to staff, but the one sent by regular mail was not returned. The legal secretary made a courtesy call to Mr. Williams and left him a voice mail reminding him of the deadline to request a hearing. He did not respond, so Mr. Williams has waived his right to a hearing, and the Commission may enter an order in default. So we are requesting a default order be entered revoking his card room employee license. Ms. Hunter pointed out a small typo on the top of page 1 on the proposed Order, which should say "revocation" rather than "suspension." The document before the Commission for signature is correct.

**Chair Bierbaum** asked if Maceo Williams was present or someone appearing on his behalf; no one stepped forward.

Commissioner Ellis made a motion seconded by Commissioner Rojecki to enter an order revoking Maceo Williams' license to conduct card room employee activities, as presented by staff. Vote taken; the motion passed unanimously.

### b) **Shanelle A. Sodimu**, Card Room Employee, Revocation

**Ms. Hunter** reported that Shanelle Sodimu while working as a surveillance employee allowed her boyfriend, an unauthorized person, to be in the surveillance room and left him unattended in the room on approximately seven occasions. Ms. Sodimu is required to keep a

surveillance sign-in log and misrepresented her entries and exits into the room. The card room terminated Ms. Sodimu. The Director issued charges by certified mail and regular mail. Ms. Sodimu signed the certified mail receipt. The legal secretary spoke with Ms. Sodimu and reminded her of the deadline to request a hearing. Ms. Sodimu did not respond to the charges, and so waived her right to a hearing. Staff is requesting the Commission enter a default order revoking her card room employee license.

**Chair Bierbaum** asked if Ms. Shanelle Sodimu was present or someone on her behalf; no one stepped forward.

**Commissioner Ellis** made a motion seconded by **Commissioner Rojecki** to enter an order revoking Shanelle Sodimu's license to conduct card room employee activities, as presented by staff. *Vote taken; the motion passed unanimously.*

### **Election of Officers – Effective July 1, 2009 to June 30, 2010**

**Chair Bierbaum** called for a motion for the Chair position.

**Commissioner Amos** made a motion seconded by **Commissioner Ellis** nominating and electing Commissioner Keven Rojecki as Chair of the Commission for the period July 1, 2009, through June 30, 2010. *Vote taken; the motion passed unanimously.*

**Chair Bierbaum** called for a motion for the Vice-Chair position.

**Commissioner Rojecki** made a motion seconded by **Commissioner Amos** nominating and electing Commissioner John Ellis as Vice-Chair of the Commission for the period July 1, 2009, through June 30, 2010. *Vote taken; the motion passed unanimously.*

### **Other Business/General Discussion/Comments from the Public**

**Chair Bierbaum** congratulated Chris Kealy on being elected President of the Recreational Gaming Association (RGA). Chair Bierbaum then opened the meeting for public comments; there were none.

### **Executive Session to Discuss Pending Investigations, Tribal Negotiations and Litigation and Adjournment**

At 4:00 p.m., **Chair Baubaum** called for an Executive Session to discuss pending investigations, tribal negotiations, and litigations. At 5:00 p.m. Chair Bierbaum called the meeting back to order and immediately adjourned.

**WASHINGTON STATE  
GAMBLING COMMISSION MEETING  
FRIDAY, MAY 15, 2009  
APPROVED MINUTES**

**Chair Peggy Ann Bierbaum** called the meeting to order at 9:05 a.m. at the Pasco Red Lion Hotel and introduced the members present:

**MEMBERS PRESENT:**     **Commission Chair Peggy Ann Bierbaum**, Quilcene  
                                  **Commissioner John Ellis**, Seattle  
                                  **Commissioner Keven Rojecki**, Tacoma  
                                  **Commissioner Mike Amos**, Selah  
                                  **Senator Margarita Prentice**, Seattle  
                                  **Senator Jerome Delvin**, Richland  
                                  **Representative Gary Alexander**, Olympia  
                                  **Representative Geoff Simpson**, Covington

**STAFF:**                     **Rick Day**, Director  
                                  **Mark Harris**, Assistant Director – Field Operations  
                                  **David Trujillo**, Assistant Director – Licensing Operations  
                                  **Amy Hunter**, Administrator – Communications & Legal  
                                  **Jerry Ackerman**, Senior Counsel, Attorney General’s Office  
                                  **Gail Grate**, Executive Assistant

**Commissioner Amos** explained that today, May 15, the National Peace Officer’s Memorial Service goes on in Washington, DC. They started the roll call at noon on the west lawn at the Capitol building and are memorializing 136 peace officers that were killed last year. The National Peace Officer’s Day was actually signed into law by President Kennedy, but nothing was ever done with it until 28 years ago when the National Fraternal Order of Police (FOP) picked up the ceremony. Commissioner Amos said he has been there for the past seven years, but because of more pressing issues with the Gambling Commission, he is here today. Governor Gregoire sent a memorandum to all state agencies to lower the flags to half staff until the end of business day today. There was a huge ceremony in 2002 after the 9/11 incident. It is impressive to see anywhere from 15 to 20,000 uniforms show up to give their final thoughts and prayers to the officers that were killed. Commissioner Amos asked for a moment of silence to honor the 136 officers that lost their lives last year.

**Chair Bierbaum** took a few minutes, on behalf of the Commission, to formally recognize and thank the Commission’s Ex-Officio Legislators for their work during the legislative session:

- Senator Jerome Delvin for sponsoring Substitute Senate Bill 5040. The Commission really appreciated his efforts in getting that bill passed and also for helping get Commissioner Ellis confirmed.

- Senator Margarita Prentice for her support of the Commission’s agency request legislation and her sponsorship of Senate Bill 6103 and 6152. The Commission is pleased that both the agency request bills were passed, thanks to Senator Prentice’s leadership.
- Representative Geoff Simpson for his assistance during the legislative session, and particularly for his sponsorship of House Bills 1217 and 2355. Chair Bierbaum stated the Commission looked forward to seeing him at future Commission meetings.
- Representative Gary Alexander for signing the Commission’s agency request legislation, Substitute House Bill 1040 and Substitute Senate Bill 5040, and also for helping with the exemption to allow the Commission to hire special agents.

Chair Bierbaum stated the Commission probably has the best set of Ex-Officio members of any other committee or commission.

**6. Approval of Minutes – April 9-10, 2009, Regular Meeting**

**Commissioner Amos** pointed out a typo that needs correction on page 25 where he made the motion for the rule change proposed by staff. Where it says \$500 maximum or all in on Texas Hold’em, it should read “for” all in on Texas Hold’em instead of “or” all in on Texas Hold’em.

**Commissioner Amos** made a motion seconded by **Commissioner Ellis** to approve the minutes of the April 9 and 10, 2009, regular commission meeting with the indicated change. Vote taken; the motion passed unanimously.

**RULES UP FOR FINAL ACTION**

**7. Petition for Rule Change – Allowing Poker Supervisors to Receive Tips**

- a) **Amendatory Section WAC 230-15-475** – Tips from players and patrons to card room employees

**Assistant Director Mark Harris** reported the petitioner originally requested that poker managers at house-banked card rooms be prohibited from receiving tips by players. However, WAC 230-15-475 already prohibited house-banked card room employees directly concerned with the management, supervision, accounting, and security or surveillance from receiving tips. The petitioner then clarified that her intent was to allow poker supervisors to receive tips only. In the past there were no rules governing nonhouse-banked card games and poker supervisors or managers for receiving tips. The rule interpretation in place prior to the Rules Simplification Project (RSP) clarified that poker supervisors could receive tips, but the rule interpretation was inadvertently left out of the process. Also during the RSP process, the term house-banked card game licensees was used in the rule, which would incorporate nonhouse-banked games into the requirement for supervisors to not receive tips. Washington State tribal casinos do not allow poker managers to receive tips, but they do allow tips for supervisors. Several e-mails, letters, and signature lists have been received supporting and opposing the rule change. The petitioner has requested an effective date of July 1, 2009, which staff also recommends. The petitioner was not present.

**Commissioner Ellis** indicated the e-mails, petitions, and letters that have been received seem to either obscure the issue or to address the wrong issue. Many of the comments that have been received address the question of whether managers should be able to receive tips. Commissioner Ellis thought it was clear from what AD Harris reported that currently the WAC prohibits poker floor managers from receiving tips, but inadvertently it prohibits the supervisors from receiving tips. Commissioner Ellis clarified the purpose of this rule change was only to permit supervisors to receive tips. **Assistant Director Harris** affirmed that was correct. The petitioner's intent, which caused a lot of those letters, was to not allow managers to receive tips, which the rule currently says. **Commissioner Ellis** asked if, once the Commission takes action on this proposed rule change, it would be possible to get the word out to the card room employees, particularly the supervisors and managers, exactly what the Commission has done and what the proposed rule change was and was not, to make it clear to those people who think the Commission is dealing with a rule to prohibit managers from receiving tips that that was not the issue. **Assistant Director Harris** responded that if the petition goes forward, the agents who regulate the card rooms will go out and inform them of the decision and the reasoning behind it and what the original petition was.

**Chair Bierbaum** asked what the difference was between a floor supervisor and a floor manager and what they do differently. **Assistant Director Harris** replied that, for the most part, it is just a title. For poker, prior to the house-banked card rooms (HBCR), there was no position of poker manager; they were all floor supervisors or card room supervisors. When the HBCRs came into place and poker was allowed in them, some of the HBCRs created positions for a poker manager, which is not defined anywhere in the WACs or the RCWs – it is just a position that the HBCRs created that did not exist before.

**Chair Bierbaum** called for public comment; there was none.

**Commissioner Ellis** made a motion seconded by **Commissioner Amos** that the Commission approve the proposed amendment to WAC 230-15-475, with an effective date of July 1, 2009. *Vote taken; the motion passed unanimously.*

**8. Petition for Rule Change – Recreational Gaming Association: Verifying Winning Jackpots**

a) **Amendatory Section WAC 230-15-230** – Surveillance room requirements for house-banked card game licensees

**Assistant Director Harris** reported the petitioner is requesting an amendment to increase the winning payout verification limit from \$1,000 to \$3,000 for house-banked card rooms (HBCR). In January the wager limit went from \$200 to \$300 for house-banked card games and required that HBCRs use a pan-tilt-zoom (PTZ) camera to verify winning payouts greater than \$1,000. The petitioner states that since the wager limits were increased, the workload for surveillance observers will increase if they have to verify prize payouts at \$1,000, based on the odds of the payouts. With higher payouts, they will be verifying the payouts more frequently. Agents rarely see wagers at the \$300 limit; most of the wagers are about \$2 to \$5. When agents go out and do compliance checks, they have to verify so many

prize payouts over \$1,000 and usually have a hard time finding a sufficient number to verify. The petitioner provided information where there has been a spurt over a period of time where a customer has wagered at the higher limits and the surveillance observer had to verify repeated jackpot payouts over that duration of time, which takes away from other duties. Increasing the limit to \$3,000 would make the rule more consistent with WAC 230-15-319, which requires card rooms to retain recordings of jackpot payouts of \$3,000 for 30 days. If the limit was increased, staff would lose the ability to verify payouts between \$1,000 and \$3,000 because the card room would no longer have to verify the payouts. If there was a complaint about a jackpot in the \$1,000 to \$3,000 range, staff would not have the ability to verify it, and if there is no video evidence to support the complaint, WAC rule states that staff will side with the player. The petitioner did not indicate an effective date, but if adopted, staff would recommend an effective date of July 1, 2009. The petitioner is present.

**Commissioner Ellis** noted that under the current rule card rooms must use a camera to create a record of winning payouts greater than \$1,000 and asked how long they have to retain it. **Assistant Director Harris** replied they would be required to retain the records for seven days for payouts between \$1,000 and \$3,000. If it is over \$3,000 they currently have to retain it for 30 days.

**Chair Bierbaum** called for public comment.

**Mr. David Fretz**, Great American Gaming Corporation and the Recreational Gaming Association (RGA), thanked staff for working with them on this rule change. Mr. Fretz explained it was a game protection issue. With the \$100 limits that were in place, this occurrence did not happen as often, but with \$300 limits it is a frequent, common occurrence in his locations with a routine payout of 4 to 1. It takes away time for his surveillance and the supervisors who have to verify the payouts. It takes their eyes off other things they should be looking at when they have to verify a routine payout. Mr. Fretz asked the Commission to support this rule change.

**Commissioner Ellis** asked if it was basically correct that Mr. Fretz was running into payouts that exceed \$1,000 primarily when a player came into the casino and bet the maximum amounts and if that would frequently result in a series of payouts greater than \$1,000. **Mr. Fretz** replied he could not say it happens a hundred times a day, but when somebody is betting \$300 limits, at those limits it will happen about ten times in an hour, or five times in fifteen minutes. It is frequent when they are betting at that level.

**Commissioner Ellis** noted that they can be losing a ton of money on the hands that they lose between those payouts. **Mr. Fretz** affirmed. **Commissioner Ellis** thought that even if they win less than 50 percent of the time, they are still going to win a lot of payouts that are more than \$1,000. He assumed Mr. Fretz would need to have his camera person sitting right there and recording the number of payouts that exceed \$1,000 during the course of that hour. **Mr. Fretz** replied his surveillance would typically focus in on those tables where there was a lot of action. However, what happens is the floor supervisor would be called over and then would have to go back to the phone to make sure surveillance had verified it, which takes

time and takes the attention away from surveillance of other games. **Commissioner Ellis** asked if the camera that was recording this was just part of Mr. Fretz's security system and they just zoom in on the table. **Mr. Fretz** replied that current WAC requires the PTZ to zoom in and verify the payout. Mr. Fretz currently has at least one fixed camera over every table – the PTZ actually comes in as a supplement to the fixed camera. With technology these days, the camera is pretty good.

**Chair Bierbaum** asked what staff recommended. **Assistant Director Harris** replied it would be up to the Commissioners to decide whether they are comfortable with the limit going up for verification of jackpots. If the video documentation is not there and there is a complaint, the agents would side with the customer and require the licensee to pay. **Chair Bierbaum** thought that if someone was going to complain, they would complain within seven days of the incident and the videotape would still be available. **Assistant Director Harris** affirmed, adding that it would probably be a fixed camera view over the table, which may or may not have enough detail to see the cards depending on location to location. And if there was a dispute the agent would require the card room to pay the player.

**Commissioner Ellis** asked Mr. Fretz what the industry's attitude was towards being in a posture where if the Commission is not able to see the cards on the camera, the Commission would be siding with the player and the card room may end up having to make more payouts than it would otherwise. **Mr. Fretz** responded that he would assume that if the player was not paid up correctly it would take seven seconds, as opposed to seven days, for that to happen. The player would be raising his hand saying a mistake was made and it would be corrected immediately. However, the rules state that if it is not captured on camera and there is a dispute, the card room would have to pay it out – it would not have a choice, it would just have to be done. **Commissioner Ellis** said that the tape would have to be checked in the surveillance room to find out what the camera showed. **Mr. Fretz** affirmed.

**Ms. Angela Bakunowicz**, Island Casinos, explained her concern was that it takes longer for the customer to get paid if they have to wait for surveillance to go up and review the tape, which may irritate the customer.

**Commissioner Ellis** made a motion seconded by **Commissioner Amos** that the Commission approve the proposed amendment to WAC 230-15-320, with an effective date of July 1, 2009. Vote taken; the motion passed unanimously.

9. **Allowing Amusement Games at Family Sports Complexes**

- a) **Amendatory Section WAC 230-13-150** – Amusement game locations
- b) **Amendatory Section WAC 230-13-080** – Operating coin or token activated amusement games
- c) **Amendatory Section WAC 230-13-135** – Maximum wagers and prize limitations at certain amusement game locations

**Chair Bierbaum** announced final action on the proposed amendments in this section would be held over to the July meeting.

**10. Staff Proposed Changes:**

- a) **Amendatory Section WAC 230-03-185** – Applying for a manufacturer license
- b) **Amendatory Section WAC 230-09-131** – Poker tournaments authorized
- c) **Amendatory Section WAC 230-15-115** – Standards for cards
- d) **New Section WAC 230-15-158** – Ensuring card room employees meet license requirements

**Assistant Director Harris** reported that WAC 230-03-185 adds back into the rules current agency practice for staff to conduct an onsite review of a manufacturer’s process and that manufacturer must comply with quality control restrictions. WAC 230-09-131 puts back into the rule the option for cash to be paid out as a prize for poker tournaments authorized at an FRE, which was allowed prior to the RSP process. WAC 230-15-115 removes the requirement for logo cards for nonhouse-banked card games operated at a house-banked card room, which was not required prior to the RSP process. In the RSP process the term “house-banked card game licensees” was used, which drew the nonhouse-banked games back into the requirement for logo cards. WAC 230-15-158 was left out during the RSP process because staff felt the RCW was sufficient. However, it has been determined that the rule is important because it clarifies that card room operators are responsible to ensure their employees are licensed properly prior to allowing them to work. This would put that requirement back into WAC rule. If adopted, staff recommends an effective date of July 1, 2009.

**Chair Bierbaum** called for public comment; there was none.

**Commissioner Rojecki** made a motion seconded by **Commissioner Amos** that the Commission approve the proposed amendments to WAC 230-03-185, WAC 230-09-131, WAC 230-15-115, and new section WAC 230-15-158, with an effective date of July 1, 2009. *Vote taken; the motion passed unanimously.*

**RULES UP FOR DISCUSSION AND POSSIBLE FILING**

**11. Staff Proposed Rule Change – Housekeeping – Administrative Hearings**

- a) **Amendatory Section WAC 230-17-137** – Guidelines for imposing penalties in disciplinary actions

**Ms. Amy Hunter** reported the Commission passed this rule at the February meeting, but when staff went back to begin implementing the rule, they realized that section 1 (l) should have said “presiding officer” instead of “commissioners” to be consistent with the rest of the rule. Staff would recommend filing for further discussion. Ms. Hunter mentioned that she did talk with Mr. Malone about this as soon as it was discovered and he was fine with the language being changed to “presiding officer.”

**Chair Bierbaum** called for public comment; there was none.

Commissioner Ellis made a motion seconded by Commissioner Rojecki to accept for filing and further discussion the proposed amendment to WAC 230-17-137, as presented by staff. *Vote taken; the motion passed unanimously.*

**12. Petition for Rule Change – Galaxy Gaming: Card Games**

**a) Amendatory Section WAC 230-15-040 – Requirements for authorized card games**

**Assistant Director Trujillo** reported the petitioner, Rob Saucier of Galaxy Gaming, is proposing to increase the maximum number of games allowed within a single hand of cards from three to six. Staff understands the purpose of the change is to allow an existing approved game called Emperor's Challenge to be played as four games within a single hand instead of three. Tribal gaming operations do not have a restriction on the number of games allowed within a single hand. AD Trujillo reviewed the information provided in the Rule Summary. Tribal gaming operations do not have a restriction on the number of games allowed within a single hand. The petitioner is present and would like to share his PowerPoint presentation, which includes examples of how wagers may be placed.

**Chair Bierbaum** thought it was about a year ago that the Commission addressed this same issue; when the limit was changed from two to three games. Now, 15 months later, there is a request to go from three to six games. **Assistant Director Trujillo** affirmed.

**Commissioner Ellis** noted that in the material presented, the tribal casinos have a game that has been approved for play but is not currently in play that would offer 13 separate wagers in a single hand. Commissioner Ellis asked what the largest number of games was that are being played at tribal casinos within a single hand. **Assistant Director Trujillo** believed it was somewhere around four to five, adding that the game that is authorized right now for 13 is not in play within the state. **Commissioner Ellis** wondered how serious the problem it would be for dealers to be able to keep track, to spot cheating, and to administer to a table with that many bets going on from potentially numerous players. **Assistant Director Trujillo** replied that, while it is a possibility, Julie Lies, Assistant Director for the Tribal Gaming and Technical Division, was not aware of any significant problems associated with more games within a single hand. That may be due to the fact there is an onsite regulatory body during all hours of operation.

**Chair Bierbaum** asked the petitioner if he would like to give his presentation.

**Mr. Robert Saucier**, CEO of Galaxy Gaming, presented a PowerPoint. Mr. Saucier said he was not seeking approval of a new type of card game with the Commission, but is actually seeking an amendment for two existing games that are approved. The requested rule change will not be required for those changes and Mr. Saucier wanted to clarify that he is not actually intending on introducing something new. The game that was mentioned was Emperor's Challenge, which is found on approximately 200 tables in Washington State and is actually approved for four wagers in this state and in many instances has four different wagers. However players in non-tribal casinos must select which three of the four they can play. There are a number of games in the state where there are more than three wagers, but depending on the type of wager can determine the number of wagers that a person can place.

If that is confusing, it may get more confusing with the presentation. The intent of this rule change is to try to take away some of that confusion. The current rule says there must be no more than three separate games, which Mr. Saucier is requesting be changed to six. Originally his petition was to eliminate the number of games within a hand of cards because the marketplace does a pretty good job of regulating that. Staff acknowledged it was unaware of any other jurisdiction that has a limit on the number of types of wagers in front of a player. Mr. Saucier was not aware of any either. A good example of a state where the market dictated was in Colorado, which until recently had a maximum wager of \$5. The casinos there were more incentive than anybody to allow as many wagers in front of a player as possible, and Mr. Saucier was not aware of any game that had more than four. Mr. Saucier explained a few different games:

- Ultimate Texas Hold'em is a game that is approved in Washington State and has four different wager possibilities. The one that says ante and has an equal sign to the blind are required to be equal amounts, but are not actually considered the same wager. The ante and the play bet below it are considered the same wager. So in Washington State, even though there are four potential wager possibilities, it is technically counted as three.
- Let It Ride Bonus with 3 Card Bonus has five wagers on the table, but the three wagers on the bottom – the \$, the 2, and the 1 – are considered to be one wager by the Commission.
- Spanish 21 has four wagers, but in Washington State the insurance wager is exempted, so technically it would only be three wagers.
- Texas Hold'em Bonus is another game approved in the state, which is actually five wagers that are counted as two: Four green circles and a star above that says BONUS. Technically this game could have another wager if the game manufacturer requested it.

**Commissioner Ellis** asked if, where there are “x” number of wagers that are technically counted as a fewer number, that meant that a player could only place bets on the lower number or if it meant that players can place five bets, but technically they are only viewed as having placed three bets. **Mr. Saucier** replied that the players could have placed wagers on every possibility; the full five or whatever could have been done on every possibility, but it would have only counted as three because wagers can be connected. One of the most common examples of that is an ante wager. A person puts up an ante, receives cards, they like their cards, they can then increase their wager by putting a play wager on it. The ante and the play are considered two wagers connected because it is based on the same outcome. If it is based on a different outcome, then it would be considered a different wager.

- Emperor's Challenge has four wager opportunities, but each of the four wagers are based on different outcomes – they are similar, but nonetheless different. So currently what happens in Washington State is when this game is played in a non-tribal card room, players may only wager on any three of the four, but not all four. In tribal card rooms players can wager on all four.

**Mr. Saucier** pointed out that dealer errors are going to exist just because of the different types of wagers that are out there. A variation of blackjack was approved by the Commission on April 9, 2009, that actually has ten separate wagers on it, including the insurance wager which is exempt. It has a total of nine separate wagers; however, players will only be able to wager on three of them unless it can be considered that two or more of the wagers are based on the same outcome. Mr. Saucier was not aware if the game was being played in this state. It becomes very confusing. Mr. Saucier pointed out that it was certainly not the intent of the petitioner to try to increase the wager limits from the \$900 to the \$1,800. Mr. Saucier said he would certainly be willing to amend his petition to where there was some cap in terms of the total amount of wagers that are on a table in front of a player. Once the players get beyond a few wagers, the additional wagers are usually limited to \$1. The bonus jackpot wager shown on the top of the slide for the Emperor's Challenge game is limited to \$1. Mr. Saucier repeated that the intent of the petition was not to increase the total amount of the wagers.

**Commissioner Rojecki** asked about Mr. Saucier's statement that there might be five opportunities for wagers, but some of the insurance wagers do not count as a wager in Washington State. Commissioner Rojecki wondered why in the game of Emperor's Challenge that would not count within that bigger picture. **Assistant Director Harris** responded that the insurance wager was exempted for blackjack only in the WAC rule. **Commissioner Rojecki** thanked AD Harris for answering his question.

**Chair Bierbaum** asked how many games there were in Texas Hold'em. **Assistant Director Harris** replied that Texas Hold'em was a nonhouse-banked game, so this rule would not affect that game.

**Commissioner Amos** made a motion seconded by **Commissioner Ellis** to accept for filing and further discussion the proposed amendment to WAC 230-15-040.

**Commissioner Ellis** asked if staff had any reaction to Mr. Saucier's suggestion that the petition is susceptible of being modified to make it clearer that the total number of wagers in a game should not be affected by the petition. Commissioner Ellis wondered if that seemed like a good change to AD Trujillo and if it would be staff's view that it would be appropriate. **Assistant Director Trujillo** affirmed.

**Commissioner Ellis** asked AAG Ackerman if there would be any difficulty in accepting this petition for filing and discussion with the expectation that the Commission would make that type of a change to the petition during the process without a new petition being filed. **AAG Ackerman** replied he would not view that as a substantive change as defined in the APA.

**Chair Bierbaum** asked if Commissioner Ellis was seconding the motion with the proviso that staff work with the petitioner to include language to make it clear that this is not increasing the total dollar amount. **Commissioner Ellis** replied that was correct, if it was acceptable to Commissioner Amos. **Commissioner Amos** said the proviso was acceptable. *The vote was taken and the motion passed unanimously.*

**13. Petition for Rule Change – Galaxy Gaming: Progressive Pull-Tab Dispensers**

- a) **Amendatory Section WAC 230-14-160** – Progressive jackpot dispensers with a bank system
- b) **Amendatory Section WAC 230-14-165** – Additional operating requirements for progressive jackpot pull-tab series
- c) **Amendatory Section WAC 230-14-175** – Removing progressive jackpot pull-tab series from play

**Assistant Director Trujillo** reported the petitioner is Rob Saucier of Galaxy Gaming. All three petitions came in separately, but since they were related, staff bundled them together. Specifically, the petitioner is seeking to: 1) remove the limit on the maximum number of pull-tab dispensers allowed in a bank of jackpot dispensers; 2) alternatively have a counter displaying the number of remaining pull-tabs in a series; 3) remove the requirement to have an owner or licensed commercial or charitable/nonprofit gambling manager on the premises at all times when progressive jackpot pull-tabs are operated; 4) remove the prohibition on merchandise prizes; and 5) remove a series from play at the beginning or end of a business day. The petitioner is requesting to amend these rules in anticipation of introducing a mechanical progressive jackpot pull-tab dispenser that would have an electronic flare, and has advised staff that there are additional changes forthcoming. There is an error on the last page of the summary where staff indicated it was an electronic pull-tab dispenser, but it is actually mechanical. As the Commission watches the presentation and considers this petition, they should know that the purpose for the rule change will not actually enter the market until a later date. The petitioner has a presentation that he would like to present to the Commission.

**Chair Bierbaum** asked if she had heard AD Trujillo say that staff anticipated further changes to these rules. **Assistant Director Trujillo** affirmed, explaining these three changes will not completely accomplish the petitioner's intent. The petitioner had said there may be nine or ten additional rule changes that may be needed in order for his product to be deployed. **Chair Bierbaum** thought it would be better for the Commission to look at all the rules at one time. **Assistant Director Trujillo** explained that when the petitioner initially approached staff about how to proceed with the protocols for his petition, staff suggested he present a few at a time or in batches. This would be the first batch of those proposals. AD Trujillo agreed it would make sense to have them all at the same time; however, under staff's guidance, the petitioner did not do that.

**Commissioner Ellis** asked if it was correct that staff has not actually seen the machine that is the subject of the proposed changes. **Assistant Director Trujillo** affirmed; the actual machine is still in the conceptual stages. One of the items the petitioner will address is whether the Commission is open to making these rule changes. AD Trujillo understood there would be significant research and development costs that would go into production.

**Chair Bierbaum** asked if Mr. Saucier would like to speak about his petition and show his PowerPoint presentation.

**Mr. Saucier** passed around some pull-tabs, explaining that sometimes people forget what pull-tabs are. Mr. Saucier then presented a PowerPoint. Pull-tabs came in with the 1973 Act of the Legislature, and have been around the state for a very long time. Essentially, when the legislature defined pull-tabs, they kind of punted the definition to the Gambling Commission, with the definition that just said punchboards and pull-tabs as used in this Chapter shall be given their usual and ordinary meaning as of July 16, 1973. Someone with a good memory who was around on July 16, 1973 would know what the Legislature was trying to define. Then the Commission defined a pull-tab as a single folded tab. Essentially what the Commission has before them is a traditional pull-tab. There have been attempts to try to define them electronically, and there was an opinion from the Attorney General's office a number of years ago that said that really was not the intent of the Legislature.

**Mr. Saucier** explained that a progressive pull-tab series is something that is dispensed out of a mechanical device – some sort of machine. A percentage of every pull-tab dispensed goes to a meter that progresses, so as each ticket has been purchased, a predetermined amount goes onto a jackpot meter until some person gets the lucky ticket and is awarded that jackpot. In terms of the types of dispensers that are in the state, the most common types are the manual dispensing systems, which is just a clear box with pull-tabs. The advantage is they are very inexpensive for a restaurant to buy one of these devices, throw the pull-tabs in, and dispense them. The disadvantage is employee theft, which is why many people have gone to some sort of machine dispensers as a way to secure the pull-tab. They are not as popular among players as the manual dispensers, mainly because there is a little more interaction between the player and the bartender giving them the pull-tabs. Mr. Saucier talked about some significant law and rule changes affecting pull-tabs going back to the 1973 Act, pointing out that punchboards and pull-tabs are the original commercial stimulant for businesses. A lot of the card games came along much later, but it was really punchboards and pull-tabs that the restaurants, the bars, and taverns lobbied for because they helped their business. 1996 is when this Commission authorized a progressive jackpot pull-tab. At the time, progressive pull-tabs had a 50,000 ticket count limit, and the ticket count for other games had just increased to 10,000. There was an unlimited prize payout of progressive pull-tabs, because the theory was that the jackpot would keep increasing until some person was selected. Since 1996, a number of progressive pull-tab devices came out throughout the State – both in charitable and non-charitable facilities and also in the tribal casinos until they switched over to their tribal lottery terminals. There are no progressive pull-tab machines operating in Washington State today that Mr. Saucier was aware of. The Commission had heard mention that there was a number of rule changes that were going to be required for Galaxy Gaming to do what it would like to do with progressive pull-tab devices. Ms. Saucier explained that he had gone to staff early in the year with their plan of what they would like to do, the security aspects of their plan, and what WAC rules they thought would need to be changed. Initially it was Galaxy Gaming's intent to bring all of the rules forward to the Commission, but as AD Trujillo explained, they were advised to bring it forward in smaller groups and allow the Commission to move a lot slower on this. Mr. Saucier did not expect an introduction of their device until late 2010 or early 2011, so there is time to go through each of these issues. Mr. Saucier thought it was important the Commission understand not only what Galaxy Gaming is asking to have changed, but what

they are asking not to have changed. They are not asking the Commission to redefine a pull-tab, to change WAC 230-14-047 having to do with video pull-tab dispensers, or to change the definition of a progressive jackpot pull-tab series. Galaxy Gaming is attempting to simply increase the security of a pull-tab and increase the recordability of the pull-tabs and the winners to give confidence to be able to eventually offer larger jackpot prizes.

**Mr. Saucier** reviewed information showing the past ten-year trends for punchboards and pull-tabs and commercial, charitable, and nonprofit food and beverage businesses. Galaxy Gaming is seeking these rule changes because they believe the concept of a progressively growing jackpot will help stimulate pull-tab sales. Restaurants in Washington State desperately need something like that. Galaxy Gaming thought that the rules that came out in 1996, and have not been changed, could be opened up because of new technology that exists. Galaxy Gaming intends to introduce that new technology to the Commission to give them the feeling that this should be expanded and regulated because currently no progressive pull-tab systems exist.

**Director Day** asked if Mr. Saucier could explain why he feels the changes with WAC 230-14-160 and WAC 230-14-175 are necessary. One proposes to remove the limitation of the number of pull-tab dispensers in a progressive jackpot series, but the other removes the prohibition that would not allow an operator to remove a series in the middle of the day.

**Mr. Saucier** responded it was not that it cannot be done in the middle of the day, the rule says it must be done at the end of the business day. An establishment that is open for 24 hours would never have the end of a business day, so there would be no way for them to be able to do that. The licensee could not remove something at the end of the business day if the establishment was open 24 hours. In the alternative what Mr. Saucier did not want was for a player to be actively engaged in playing the device and then all of a sudden have it turned off on them. They discussed having some sort of warning period that would say the operator was going to turn the device off in four hours, or two hours, or something along those lines – twenty-four hours was not important. But it just cannot be done at the end of the business day if establishments are open 24 hours. **Director Day** asked about the limitation on the number of pull-tab dispensers in a progressive jackpot series. **Mr. Saucier** recalled when the limitation came out and the rationale for it. It was actually Frank Miller, at the time that put the limitation on. At the same time there was a limitation as to how many banked systems you could have. There was a limitation as to how many of these devices a commercial operator and a charitable and nonprofit could have, because the thought back in 1996 was that this thing was going to take over the state and the Commission was just not going to be able to keep up with it. That was why there was a limitation in terms of the number of banks and the number of machines in the bank. Subsequent to that, the number of bank system limitation was removed, but the ten machines per bank limitation was never removed, and had not even been discussed. **Director Day** asked why, in Galaxy Gaming's concept, they needed that limitation removed in order to enable their concept. **Mr. Saucier** replied it was just to be able to have the ticket counts. The physical devices can only hold so many machines, so if the number of tickets is going to be increased, either the size of these machines has to be increased or more machines need to be allowed to get the same number of ticket count. There needs to be larger ticket counts to

make the progressive jackpots attractive, but if limited to ten machines, those machines would have to be gigantic – the size of automobiles – which would not be practical. There is no limit on the number of machines; there is a limit of ten machines per bank. So, theoretically, if somebody wanted to have 300 of these things, they would have 30 banks.

**Chair Bierbaum** thought that procedurally it seemed that if these rules were being changed to achieve a specific objective, it did not make sense to take them up a couple at a time. If the Commission approves these three proposals, then approves three more, and then in the last round there is one the Commission does not like and does not approve it, that means that whatever device Galaxy Gaming is proposing does not get approved, and the Commission has changed all these rules for no reason. **Director Day** stated it was unfortunate where staff is with the communication, but agreed it was important for the Commissioners to see the entire rule package. But one of the problems – and this goes toward the staff’s recommendation in this case – was that without seeing the actual product the petitioner views to be enabled by these changes it would make it difficult to see from the Commission’s perspective where they were going anyway, even if all the rules were before the Commission at once. Director Day knew it has always been a concern about whether the Commission was approving something they really did not want to approve. That is why this is difficult. Director Day understood the research and development problem, but it is really hard to be able to act on a series of rules without seeing where they are going in the end. **Chair Bierbaum** added that, even worse was that the Commission could make all these rule changes but it still would not necessarily mean that when Galaxy Gaming submits its device, the Commission would approve it. So all these changes may be made and Mr. Saucier still may not achieve his objective. Chair Bierbaum asked if Mr. Saucier already has a machine. **Mr. Saucier** replied that he thought what Chair Bierbaum suggested was actually the safeguard the Commission has; if the rule changes are made, the Commission can still say that unless this machine complies with Commission standards, they are not going to allow it to dispense these pull-tabs. So, whatever the device is, it has to go to the staff and they have to approve it. Mr. Saucier understood the dilemma and some of the discussions he has had with staff in terms of how to resolve that. Mr. Saucier suggested that if these rules are filed today for discussion, then at the July meeting he would present an operational schematic of his machine and bring in some of the technology that is being used. In answer to whether Galaxy Gaming is developing this machine, the technology is being developed on a parallel project, some that are being used in Washington State today. While working on that, they looked at it and said “you know what? The technology that we’re using could help benefit progressive pull-tabs in the state of Washington.” The device they are planning is specific to this jurisdiction and Mr. Saucier thought it could help the operators. It is a big thing because when looking at the approximately 80 card rooms in the state, there are 12,500 restaurants that could benefit from this and it would have a helping impact on a lot of those small businesses. Galaxy Gaming is asking the Commission to accept the petition on these for filing, and then at the July meeting Mr. Saucier will do a presentation to show some of the technology and an overall schematic so the Commission can see the whole picture and understand the other rules. When Galaxy Gaming originally went to Commission staff, they went with a whole package. Mr. Saucier took it in a logical order; for example, the three rules that are being proposed today have nothing to do with technology or with the machine

itself and is not going to have any impact in the state right now because there are not any of these devices out there. But it offers the Commission the opportunity to step through it slowly a piece at a time and along the way Mr. Saucier will be displaying the methodology behind this.

**AAG Ackerman** understood Mr. Saucier's desire to present additional information in July. AAG Ackerman did not know what the device would look like, but did not want anybody to misunderstand the legal position of the Commission. If the Commission approves a series of WACs – possibly ten would be necessary to implement a device – they will then be required to make a decision whether or not to allow the device based upon the WACs that were approved. They are not disconnected concepts. The Commission cannot approve a series of WACs, then have Mr. Saucier present the device that meets the requirements in those WACs, and then say “yes, but we still don't like it.” The Commission is aware of current litigation that we are in and some of the positions that are being advanced with regard to that. So the Commission does not have carte blanche to not approve a device that otherwise meets the requirement of the WACs that they have approved. AAG Ackerman did not want the Commission to misunderstand that ultimately they can look at the device and say, yeah but they are not going to approve it.

**Chair Bierbaum** asked why not just table this until the July meeting when the Commission will see the whole presentation.

**Commissioner Rojecki** said he was in an even different position because the burden of proof is on the petitioner when there is no game that is currently in play, and the Commission is looking at something that potentially is going to be in the future, in 2010-2011. Commissioner Rojecki thought the Commission should deal with it then and have Galaxy Gaming work with staff in the progression and development of this device. He thought that would probably be a much better position. Commissioner Rojecki suspected that the Commission would come back in 2010 and change these three rules, and then change the other 9 or 10, because the potential prototype today may be different than what it actually is at the end. It does not make sense to file these or approve them at this given time.

**Director Day** clarified that what Mr. Saucier described about when the Commission made some of these changes originally, there really was nothing that was successful. Also, there is nothing that guarantees that, in the end, Mr. Saucier will bring forward a prototype of his particular device and someone may actually think it authorizes something else and will bring that forward to the Commission. It is a very difficult struggle. But the concept of being able to actually see a prototype and, at the same time, look at the rule changes the petitioner thinks would authorize the prototype is very critical to the decision making process.

**Commissioner Rojecki** agreed it was a hard hurdle to balance.

**Chair Bierbaum** said she has great sympathy for Mr. Saucier's position, and she understood he did not know what to design without having the rule changes in place. It is like a chicken and egg thing. But the Commission's position is the same; to change rules not knowing what it is the Commission is going to be authorizing, because in the abstract the Commission would not make these rule changes.

**Representative Simpson** said it seemed that if the WACs that need to be changed have already been identified, then Galaxy Gaming already has a product in mind. Representative Simpson did not understand Mr. Saucier's reluctance to just tell the Commission what the product would do, where Galaxy Gaming is headed, and why they need these changes made in order to implement this device. Representative Simpson said he hated to be a conspiracy theorist, but it sounded like Mr. Saucier did not want to reveal the product until the changes had been made in the WACs. He did not understand how Galaxy Gaming could have identified the changes that need to be made and which WACs needed to be addressed, without having a product already in mind. **Mr. Saucier** agreed that was an excellent point and explained that when he first went to staff, it was discussed in detail what the product was, as well as what the rule changes were. In the interest of brevity today, Mr. Saucier did not want to do this presentation and go into the detail of the product today – that was what he was looking to do in July – but he could give a brief overview if that would be helpful.

**Chair Bierbaum** did not know if an overview would be helpful at this point. Chair Bierbaum said the Commissioners were saying, almost without exception, that they want to know a great deal more about whatever the machine or device is, not just an overview, before they start thinking about changing rules. Chair Bierbaum asked if the Commissioners thought that was a fair assessment. The Commissioners all agreed. **Mr. Saucier** replied that he could certainly present with fairly good detail an overview of documentation that would show what Galaxy Gaming's intent is for the device. He had intended to do that at the July meeting, and if this needs to be refiled for the July meeting or if it can be continued to the July meeting, either way, he can do that. He was planning on presenting documentation at the July meeting, which is different than actually wheeling in a physical device. It requires an extensive amount of R&D to bring in a prototype. **Chair Bierbaum** told Mr. Saucier that he had the option, at this point, to withdraw his petition today and refile it at a later date, or have the Commission take a vote on it. That is the decision Mr. Saucier has to make based on the comments he has heard from the Commissioners. **Mr. Saucier** asked for some direction from the Commission as to whether if Galaxy Gaming was to withdraw their petition today and refile it later, the Commission would want to do it in batches or whether they would like to look at all of the rules simultaneously.

**Commissioner Rojecki** asked Director Day how a manufacturer who goes through the process to build a device that they did not think had the regulatory foresight in the current WACs would go about doing that. **Director Day** asked for clarification. **Commissioner Rojecki** described a manufacturer building something they thought was outside the scope of the WAC or outside the scope of the law and the WAC would have to be changed by the Commission. What would be the process that staff goes through to help that manufacturer look at WACs to identify possible issues? Commissioner Rojecki wondered if the petitioner was putting the cart before the horse. **Director Day** replied it would depend on the kind of equipment or device. The Commission has a new type of a seal card pull-tab game request coming up next, with a series of changes in the WACs in order to allow it, but it is something that in many formats is still legal in the state. So in that fashion, the manufacturer and the staff worked on the concept, with a full slate of rules that are there for that change. But pull-tabs are authorized. As AAG Ackerman described, part of the

problem is that on one hand there are changes in the pull-tab series and then there is another approval process for the device itself. That defaults to the Director, so once the pull-tab changes are approved, then the device is submitted to the agency and the Director makes an approval based on those changes. Because two different things are being discussed, Director Day thought that, from his perspective, the Commission should see the device itself that the petitioner believes the pull-tabs are going to work with in order to move forward. Otherwise the Director is sitting with the responsibility to approve a device that the Commission has never seen. It is difficult, because in a number of the cases the Commission has seen in the recent past, they have actually looked at the device and the rule changes at the same time, which seems to be in the best interest of the Commission's decision making, and the Director's if he is called upon to look at a device once it has been formally submitted.

**Commissioner Rojecki** noted that when looking at the whole list of rules necessary just to make the device play, they do not include the gambling equipment approval process, which could take much longer.

**Chair Bierbaum** indicated that went back to what AAG Ackerman said that once the rules are changed and the machine is submitted .... **Mr. Saucier** stated that if, for example, he did show up with a device and said here it is and these rules have to comply to the device, at that point it is a marrying of the device and the rules. But that would not prevent somebody else from coming up with a different device that would operate in a separate manner. Mr. Saucier's focus on the rules had been on how to get the Commission to give him a little more liberty in terms of number of tickets, or size of prizes, or things such as that, and how does he return to the Commission stricter regulatory controls, better accounting, those sorts of things. That is what Mr. Saucier was trying to reach. Galaxy Gaming thought that if they could make this a lot stricter and tighter regulation in terms of what these can do, then they were then seeking expansion. Mr. Saucier also mentioned they were not in a hurry, so if withdrawing the petition was the best thing to do, he would do that with the understanding that Galaxy Gaming would like to resubmit. Mr. Saucier would just like to understand the best way to do it because so far everything Galaxy Gaming has done has been based on working with staff, who have been great. It was staff's recommendation on how to go forward with this, and that was what Mr. Saucier followed. **Director Day** clarified the problem was the different issues; for example, the Commission can recall when the Recreational Gaming Association made a very lengthy series of rule changes, but different stand-alone ideas for the most part, each of them needed a lot of discussion and time. Because of the timing requirements of petitions, that put pressure on the Commission's schedule and made it difficult to fully consider and give due attention to each one. With this concept, all the changes are needed to move forward with the device, which is where the confusion came up. In this concept, Director Day's advice to Mr. Saucier and the Commission is that all the rules need to be seen at one time. **Mr. Saucier** agreed, noting he was certainly not opposed to that because originally he did present all of them to staff for discussion. If Mr. Saucier understood the dialogue that has gone on, it would seem appropriate then for Galaxy Gaming to withdraw its petition and refile it for the July meeting. At that meeting all of the rule changes they are seeking will be included and the detail of the device that Galaxy Gaming is seeking to comply with those new rules.

**Chair Bierbaum** agreed with Representative Simpson's thoughts that everybody was going to be wary of approving rule changes unless the Commission actually sees with some specificity what the end product is going to be.

**Mr. Saucier** agreed and withdrew his petition at this time.

**Chair Bierbaum** called for a break at 10:35 a.m. and reconvened the meeting at 10:50 a.m.

**14. Petition for Rule Change – Clyde Bock, Bingo Manager: Bingo Adjusted Cash Flow**

**a) Amendatory Section WAC 230-10-380 – Relief reduction for minimum annual adjusted cash flow**

**Ms. Hunter** reported the petitioner is requesting that licensees get a credit for their gambling taxes if their cash flow requirements would be out of compliance without it. The cash flow requirement that charitable organizations have to meet determines how much bingo operations need to give back to their stated purposes. Obviously, the purpose of gambling is that the charitable organization gets money back to those purposes. This particular rule deals with how local gambling taxes fit into that equation. Some licensees are very close together but in different jurisdictions, so there may be a licensee that does not pay any local gambling tax and one a few miles away that pays a local gambling tax, or their rates may differ. Currently local gambling taxes are not considered when staff looks at the cash flow requirement, so the licensees who pay local gambling taxes do not get any type of a credit for paying them. Ms. Hunter reviewed the information provided in the Rules Summary, pointing out a request for a housekeeping change from "license" year to "calendar" year. The rule included in the agenda packets did not indicate that change. Staff would recommend filing for further discussion.

**Chair Bierbaum** asked if Mr. Clyde Bock wanted to speak on behalf of his petition.

**Mr. Clyde Bock**, bingo manager of Ruth Dykeman Children Center, stated he had been involved in the bingo industry in the state of Washington for over 35 years and a bingo manager in this state for over 30 of those years and has participated in the development of these requirements from step 1/day 1. Mr. Bock is asking for help for some bingo games that are generating significant revenue –there are two games on the bubble right now. In Mr. Bock's case, his bingo generated \$127,000 for the charity, but should have generated \$135,000, so they used the 25 percent rule. There are two areas in this state this applies to: Yakima that has two games; and those in Renton and Tukwila that are within three or four miles of each other. The tax rates in those two areas are vastly different, which has created a competitive situation that Mr. Bock is trying to address. There are only 14 bingo games left in this state that fall underneath this rule. At one time there were in excess of 60. Mr. Bock is trying to create an additional safety net in advance of when it would be needed to protect a game that generates significant revenue. But who wants to be the one that says \$120,000 should be \$130,000. Mr. Bock requested the Commission file the petition to start the discussion. It keeps the compliance rule in place and does not modify it, but it does give a mechanism whereby games can at least take into consideration some of the local taxes that are paid.

**Commissioner Rojecki** was curious about Mr. Bock's statement where he referred to the tax rates; King County being a little bit higher, and asked what those rates were. **Mr. Bock** replied the tax rates in Tukwila (the Seattle Jaycees, who is his competitive game) is 0 for bingo and 0 for pull-tabs. The tax rate in Renton is 10 percent of the gross net on pull-tabs and 2.5 percent of the gross net on bingo. Mr. Bock's taxes each quarter run about \$20,000, and that is after a recent 50 percent reduction in the bingo tax rate – taxes went from roughly \$28,000 to about \$24,000 per quarter. Mr. Bock is still competing with a game that has 0 percent taxes. He said he could compete with games that have no rent or low rent; that is the competitive advantage of when a facility opens. But what is very difficult to compete with is when the tax rates within a community change. Another one that comes into play is the difference between Yakima and Union Gap. There are only three areas in the state that have competitive games left: Tacoma/Lakewood area has 0 percent tax, which applies to the two games left in that area; Tri Cities had three games at one time, but now has one; Spokane had five, but now has one; Vancouver had three, but now has one. Most of those games are in noncompetitive situations. A lot of what has happened in the bingo industry is not so much what has happened to bingo but, as mentioned previously, what has happened to their pull-tab operations. Since November, Mr. Bock's pull-tab operation is down about 25 percent, which in real terms is about \$12,000 a month difference. Mr. Bock is just asking for this to be filed to open the discussion, and then go from there.

**Chair Bierbaum** called for public comment; there was none.

**Commissioner Rojecki** made a motion seconded by **Commissioner Ellis** to accept for filing and further discussion Amendatory WAC 230-10-380, with proposed staff changes to subsections (1) and (3) to replace "license" with calendar." *Vote taken; the motion passed unanimously.*

**15. Petition for Rule Change – Bonanza Press: Cumulative Prize Pool Pull-Tab Series**

- a) **Amendatory Section WAC 230-05-030** – Fees for other businesses
- b) **Amendatory Section WAC 230-14-065** – One flare per punchboard or pull-tab series
- c) **Amendatory Section WAC 230-14-080** – Prize limits and percentage of winners required
- d) **Amendatory Section WAC 230-14-265** – Retention requirements for punchboards and pull-tab series
- e) **New Section WAC 230-14-320** – Defining a cumulative prize pool pull-tab game
- f) **New Section WAC 230-14-325** – Defining a cumulative prize pool pull-tab board
- g) **New Section WAC 230-14-330** – Defining a cumulative prize pool pull-tab series
- h) **New Section WAC 230-14-335** – Operating requirements for cumulative prize pool pull-tab series
- i) **Amendatory Section WAC 230-16-052** – Standards for flares
- j) **New Section WAC 230-16-102** – Cumulative prize pool pull-tab games
- k) **New Section WAC 230-16-104** – Cumulative prize pool pull-tab series flare

**Assistant Director Harris** reported the petitioner is requesting the Commission authorize a new type of pull-tab game called a cumulative prize pool pull-tab game, which is basically two or more separate games packaged together, each with a unique series number. Each

separate game awards one chance to open a seal on the cumulative prize board or a flare. The petitioner has been working with staff since about August 2008 on developing the rules to make sure they meet the petitioner's intent and that they are worded consistently with other WAC rules in the manual. AD Harris reviewed the information provided in the Rules Summary. The staff recommends filing for further discussion. The petitioner is present and ready to demonstrate how the game operates.

**Chair Bierbaum** invited Mr. Richard Norris to present his demonstration.

**Mr. Richard Norris**, Bonanza Press, thanked staff for their patience in looking at his proposal and figuring out how it fits into the Washington WAC – it is a little bit different than what has been seen in Washington. Mr. Norris explained the product is manufactured all together and shipped in one case – self-contained and has all the product in one box. . Mr. Norris showed a prize pool board, which would be a board with a number of windows on it that are equal to the number of sets in the game. Each individual set is basically just a seal card game. Mr. Norris explained the game is played with a number of tickets in it with instant winners and hold tickets. If players receive a hold ticket, they sign up on the line. Once the series is sold out, a window is opened and the hold number is revealed. That holder would normally win a dollar amount. The new type of play is the players now go to this board and get to pick a window that will determine their prize. The organization would then take the tab and the seal card, along with all the holders and all the winners, and they have a nice audit trail for how this game was played. Then the organization would simply get another game out and play again. That game continues until they play for all 20 windows and then the game is complete. Mr. Norris showed a sample of the flare, which has a plastic laminated board so that it is secure. On the back of the cumulative prize board are all the series numbers that are in play that relate to that particular game.

**Commissioner Rojecki** asked if Mr. Norris expected the game was going to be played in one day. When looking at the prize board that has the lines for names, he wondered what would happen if the player leaves before the game is played. **Mr. Norris** replied that these games are typically running between 200 to 300 tickets and the total series for the entire group averages in the 4,000 to 4,500 range. Because of the very short ticket count, they typically are playing several games in a day. **Assistant Director Harris** noted there are also rules included that apply to seal card games that are similar, and the new rules were written with the same requirements as a seal card game. There is a rule included regarding what happens if somebody is not there, how long the organization has to hold it, and what they have to do if nobody collects it.

**Representative Simpson** asked if he went into a tavern and bought a dozen of these and won something on one of them if that win then gave him the opportunity to sign one of those lines. **Mr. Norris** explained there would be a ticket in the game that would say something like hold number 14 and that would allow the player to sign up on line number 14.

**Representative Simpson** understood, and asked if eventually all 19 lines would get filled up and then somebody would open the seal. **Mr. Norris** replied that was correct.

**Representative Simpson** asked if the operator has contact information for those people.

**Mr. Norris** replied that, much the same as a seal card game, the operators are required to have contact information so if that person is not present they can come back and pick a window. **Representative Simpson** asked what happens if the operator cannot get a hold of the player. **Mr. Norris** explained there are currently rules in place that say if the operator cannot get a hold of the player they have to provide a mechanism, as in any other seal card game, on how a winner will be determined. **Representative Simpson** asked if one option would be to draw a different one, and then that person, whichever number, gets to pull off one. **Mr. Norris** affirmed that person would get to pick from the large prize pool board.

**Commissioner Rojecki** asked if Mr. Norris has been asked by other businesses for this game. **Mr. Norris** replied his company has shown it to quite a number of distributors and operators. He also has three more letters of intent, as well as what was previously sent to staff. Basically all the big distributors in Washington have expressed an interest in this product. Mr. Norris informed the Commission that Bonanza Press is not the only manufacturer of this type of product. Their competitors all make variations of the same thing for other jurisdictions, so Bonanza Press was not attempting to be the only one in the state that carries this product; they were just looking for something to give the distributors and operators a new item to sell to the public.

**Chair Bierbaum** called for public comment; there was none.

**Commissioner Rojecki** made a motion seconded by **Commissioner Amos** to accept for filing and further discussion amendments to WAC 230-05-030, WAC 230-14-065, WAC 230-14-080, WAC 230-14-265, and WAC 230-16-052, and new sections WAC 230-14-320, WAC 230-14-325, WAC 230-14-330, WAC 230-14-335, WAC 230-16-102 and WAC 230-16-104 as presented by staff. *Vote taken; the motion passed unanimously.*

**16. Petition for Rule Change – ZDI Gaming, Inc.: Electronic Video Pull-tab Dispensers**

**a) Amendatory Section WAC 230-14-047 – Standards for electronic video pull-tab dispensers**

**Assistant Director Trujillo** reported the petitioner was asking to amend WAC 230-14-047, to allow for a bundled pull-tab after all plays have been completed. AD Trujillo explained there were two versions in the agenda packet. Staff had reviewed the original proposed amendment and was unclear as to the intent, so Mr. Gerow was invited to appear before the rules team. After that meeting, the proposed amendment was updated and is included the agenda packet. The language specifically says a bundled pull-tab may be dispensed after all plays have been completed. The WAC currently allows for bundled pull-tabs up to \$20. An operator can rubber-band pull-tabs together and sell them from a clear container or a fish bowl. At bingo facilities a customer can buy the bundled tickets very easily. Electronic video pull-tab dispensers do not have rubber-banded pull-tabs. At the creation of the electronic video pull-tab dispenser standard rule, Mr. Gerow came before the Commission with his electronic video pull-tab dispenser, which had a paper pull-tab ticket. That paper pull-tab may have had five pull-tabs with four break open windows on them. If that pull-tab for use in the electronic video pull-tab dispenser provided by Mr. Gerow was a \$5 pull-tab, that pull-tab would then be similar to a stack of paper pull-tabs that a customer would crack

open and break open the windows. What the electronic video pull-tab dispenser will do is release the pull-tab, which will be read by a barcode that will initialize the electronic video display. Currently the pull-tab is dispensed at that moment and the player has the option to play the paper pull-tab or press the buttons on the electronic video display. The electronic video display is for entertainment purposes. The petitioner is requesting that when the bundled pull-tab is read by the electronic barcode reader, the pull-tab is not dispensed at that moment, but is held in the dispenser until the player plays the entertainment. Once the entertainment is completed, then the dispenser will release the pull-tab. In the end there is a paper pull-tab; the difference is when the paper pull-tab is dispensed. The policy consideration the Commission has is whether they are okay with requiring a player to play through the entertainment first or having the option of playing the paper pull-tab before playing the entertainment.

**Commissioner Rojecki** asked for clarification – is it a pull-tab dispenser that does not dispense the paper pull-tab until the player has the entertainment value? **Assistant Director Trujillo** replied that currently the paper pull-tab is dispensed at the same time the dispenser initializes the electronic video pull-tab display. Once that is initialized, the paper pull-tab is dispensed and a player can play the paper pull-tab and then choose to play the entertainment. This proposal holds the dispensing of the paper pull-tab until the play is completed on the electronic video screen. **Commissioner Rojecki** asked if this impacts any of the WACs on gambling equipment. **Assistant Director Trujillo** replied it does not; the change being proposed would take care of that question.

**Chair Bierbaum** asked if Mr. Gerow wanted to speak about his petition.

**Mr. Jay Gerow**, ZDI Gaming, testified they brought this forward to clarify WAC 230-14-047 because it becomes a matter of interpretation. The equipment has been in the lab for almost a year and staff told Mr. Gerow they would not approve the equipment as is without ZDI Gaming either going before an ALJ or asking for a rule change. That is why ZDI Gaming brought this forward to clarify. They already have the equipment; they have the ticket; it has been a bundled ticket ever since the inception. Mr. Gerow brought this forward so that it would be possible to move forward with what ZDI Gaming already has, and asked the Commission to file it.

**Representative Simpson** said he was trying to understand the reason for the change. If he put \$5 in the dispenser and it gave him the opportunity to play the video series of video screens, but then if he did not win and just got up and left, the ticket would still be there. **Mr. Gerow** affirmed, adding that could happen with the way the machine operates currently. If players decide they want to just do the entertainment value, they can just leave the pull-tab sitting there; not just with ZDI Gaming's machine but with another machine like the Gold Crown machine that is out there as well. **Representative Simpson** asked if there was a psychological reason for wanting to have someone play this video thing rather than a pull-tab. **Mr. Gerow** explained the reason ZDI Gaming brought this forward to begin with was that in surveying the actual customers and players, a lot of them while enjoying the entertainment value were disappointed there was no mystery as to whether they had a

winner or not if the ticket was sitting right there in the tray. They are the ones that asked if there was a way to do this so that they do not know what they have until the play is completed. **Representative Simpson** asked if the ticket was dispensed at the same time, as the WAC requires, then it is readily apparent by looking down at it that it is a winner. **Mr. Gerow** replied it could be. And actually if a person reads the WAC carefully, it does not actually say that. What the WAC says is the machine has to read the correct cash amount of each ticket. When reading a bundled group, you actually do not get the total until the end anyway, which is another reason ZDI Gaming brought this forward. It helps clarify the rule.

**Commissioner Ellis** asked if the player prefers the mystery of not knowing whether they are a winner until the play of the machine is completed, can't they simply look at the screen in front of them and ignore the fact there is a ticket sitting down in the dispenser. **Mr. Gerow** replied they could, but the dispenser dispenses the ticket right at the time and the player can look at the ticket and see – so it takes the fun out of it. It is strictly a psychological thing.

**Commissioner Rojecki** asked regarding the reference about the gambling lab and if this proposal has actually been something the gambling lab has been addressing or looking at. **Assistant Director Trujillo** affirmed the equipment Mr. Gerow was talking about has been in the lab for quite some time and it does have this delay function. The lab did not approve it primarily because of the delay function, which this rule would take care of.

**AAG Ackerman** asked for clarification on this proposal for bundled pull-tabs compared to the paper pull-tabs that are bundled together in the traditional manner. The player would put \$5 into the machine, and if it is \$1 pull-tabs, they would basically be purchasing five pull-tabs. Would the device then play five times – would the player see a video display five times? **Mr. Gerow** replied that was correct; it would display however many number of plays are on that ticket. **AAG Ackerman** asked if it was correct that the player does not have the option to get the paper pull-tab until after the display has run its course, and then the dispenser drops the pull-tab. So the difference would be that currently the player gets the paper pull-tab and then has the choice of whether to push the button and watch the video display, or read the paper pull-tab. And the proposal would require the video display to be run and the winner revealed before the player could get the paper pull-tab? **Mr. Gerow** affirmed that was correct. **Chair Bierbaum** asked if that was only in bundled situations. **Mr. Gerow** affirmed.

**Chair Bierbaum** called for public comment; there was none.

**Commissioner Ellis** made a motion seconded by **Commissioner Amos** to accept for filing and further discussion proposed amendment to WAC 230-14-047, as presented by staff. *Vote taken; the motion passed with three aye votes (Commissioner Rojecki voted nay).*

### **Other Business/General Discussion/Comments From the Public/Adjournment**

**Chair Bierbaum** called for public comment.

**Mr. Max Faulkner**, Vice President of Roxbury Lanes, reported they had hoped to get the local option bill, Senate Bill 5321, passed where cities would have a right to decide how many card rooms they would allow, but that did not go through. Senator Prentice allowed an amendment to go through on her bill that gave the cities a right to grandfather in a card room if it was annexed, which could possibly affect six to eight card rooms. If Roxbury Lanes would have been annexed the first of the year by the City of Seattle, the city would have had no choice but to put Roxbury Lanes out of business. By getting this clause through, as soon as it is signed by the Governor, it could save almost 1,000 jobs and millions of dollars of tax money. Mr. Faulkner thanked Senator Prentice for allowing the amendment on her bill, joking that if any of the other ex-officios did not vote for it, then shame. As Vice President of the RGA, Mr. Faulkner congratulated Commissioner Rojecki on his election to the Chair. He thanked Chair Bierbaum for her contributions, adding that he knew the pressures and workload of being the Commission Chair put strains on her legal practice. The RGA really appreciated her service, joking that she earned every dollar the Commission paid her. The RGA tried to make things interesting for her and hopefully succeeded. **Chair Bierbaum** affirmed they had indeed succeeded.

**Senator Margarita Prentice** agreed Chair Bierbaum was worth every penny. Senator Prentice expressed how when there is a tough issue like this – this was a lot tougher on the annexation bill – just the fact that the Ex-Officio members are able to speak very frankly was a huge help. And some of that is just based on the friendships developed here. There was real anguish at the thought of putting somebody that Senator Prentice knew out of business with all the jobs. Senator Prentice thanked Jerry Ackerman for helping her construct this, noting she was always leery of anything that might loosen things up, so they made it tight enough so that people genuinely seemed to be satisfied that it worked out fairly. She thanked Mr. Faulkner, but wanted to share the thanks over here. **AAG Ackerman** Thanked Senator Prentice.

**Commissioner Amos** commented that, being the new guy on the Commission, he was invited last month to attend the New Agent Training. He was able to attend about a day-and-a-half of the training at the Great Wolf Lodge. The instructors were phenomenal: Jim Greene, Rick Schulte, and Kelly Main. Commissioner Amos had no idea there were so many ways a person could cheat as they had on the videos – it was unbelievable. Of course, the half day was on report writing, which being a street cop he knew how to do. But the cheating training was great. Commissioner Amos suggested that if any of the Commissioners had not been to any of those trainings, another one was going to be held in Spokane in September. Commissioner Amos asked Director Day to pass his comments on to staff.

**Director Day** thanked Commissioner Amos for attending and said he would be happy to pass on Commissioner Amos' comments, noting it was very important for staff to hear.

With no further business, **Chair Bierbaum** adjourned the meeting at 11:35 a.m. The next meeting will be held in July at the Heathman Lodge in Vancouver.

Minutes prepared by:  
Gail Grate, Executive Assistant