

**WASHINGTON STATE
GAMBLING COMMISSION MEETING
THURSDAY, JANUARY 13, 2011
APPROVED MINUTES**

Chair John Ellis called the meeting to order at 1:05 p.m. at the State Investment Boardroom in Olympia and introduced the members present.

MEMBERS PRESENT: **Commission Chair John Ellis**, Seattle
 Commission Vice-Chair Keven Rojecki, Tacoma
 Commissioner Mike Amos, Selah
 Commissioner Michael Reichert, Maple Valley

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

Staff Accomplishment: Judy Pittelkau, 15 Years of State Service Recognition

Chair Ellis and Director Day presented Ms. Judy Pittelkau with a certificate for 15 years of Washington State service. Director Day reported that Ms. Pittelkau started with the Gambling Commission in 1999 as the Accounting Supervisor and was promoted in 2006 to Senior Budget and Accounting Analyst. She has joined Mr. Terry Westhoff in previous presentations of the budget to the Commissioners. Ms. Pittelkau has the lead role in the development of the budget and is responsible for doing most of the work that goes into the budget. She has also been responsible for coordinating the agency’s audit with the State Auditor’s office each year. The agency has gone nine consecutive years without any audit exceptions or problems, which gives an idea of the kind of employee Ms. Pittelkau is. She lives in Lacey, has four sons, two daughters-in-law, and seven grandchildren to keep her busy in her private time. Director Day congratulated Ms. Pittelkau on her 15 years with the state. **Chair Ellis** added that the certificate was impressive and noted that he has had the occasion to comment on the fact that when the Commissioners were given a budget presentation, they were impressed with the work that was done and relied on the numbers. The Commissioners appreciated that the issues were clearly presented.

Commissioner Amos requested a moment of silence for the untimely death of Chief Ralph Painter from Rainier, Oregon, and the six victims that were brutally murdered in Tucson.

1. Agenda Review

Director Day briefly reviewed the agenda, handouts, and material provided to the Commissioners. He noted that Item #9, the Petition for Rule Change, has been withdrawn

by the petitioner, Todd Marshall. Staff requests the Chair remove that item from the agenda. There may be interest from others on a similar topic, but they would need to file their own petition.

Chair Ellis asked if the petition that was requested to be withdrawn by Mr. Marshall was the petition relating to allowing managers and supervisors at house-banked card rooms to receive tips. He stated that petition would be deemed to be withdrawn.

2. Petitions for Review:

a) Steven D. Robinson, Card Room Employee, Revocation

Assistant Attorney General Bruce Marvin was present for the State, as well as **Petitioner Steven Robinson**, representing himself.

AAG Marvin and **Mr. Robinson** provided their arguments in the Petition for Review. A recording and transcript of the hearing is available upon request.

At the conclusion of the arguments, **Chair Ellis** asked if there were any questions and called for an executive session at 1:40 p.m. to deliberate the matter; he recalled the public meeting at 2:00 p.m.

Commissioner Rojecki made a motion seconded by **Commissioner Amos** to affirm the initial order of the ALJ, but that the revocation be deferred to December 31, 2011, on condition that full and complete payment of outstanding fees owed to the courts are paid and that Mr. Steven D. Robinson not violate any laws or Commission rules during that time period. It was further moved that Mr. Robinson's license be suspended immediately for seven days, provided that if Mr. Robinson complies with these conditions, the revocation will not be imposed. *Vote taken; the motion passed with four aye votes.*

Chair Ellis asked if Mr. Robinson understood the task ahead of him – to pay his obligations and to avoid any similar problems under the gambling laws. In which case, Mr. Robinson would not have a clean record at the end of all that, but he would not have a revocation of his license, other than the seven day suspension. **Mr. Robinson** affirmed he understood and thanked the Commissioners.

AAG Ackerman added as a point of clarification that the seven-day suspension would not actually run until Mr. Robinson received a written order from the Commission so that both Mr. Robinson and potential employers and staff would know what the Commission has ordered. He asked if that was consistent with the intent of the motion. **Commissioner Rojecki** affirmed. **AAG Ackerman** asked if Mr. Robinson understood his suspension would run when he was served the order. **Mr. Robinson** affirmed.

b) Sopha Noy, Card Room Employee, Revocation

Assistant Attorney General Bruce Marvin was present for the State, as well as **Petitioner Sopha Noy**, representing herself.

AAG Marvin and **Ms. Noy** provided their arguments in the Petition for Review. A recording and transcript of the hearing is available upon request.

At the conclusion of the arguments, **Chair Ellis** asked if there were any questions and called for an executive session at 2:25 p.m. to deliberate the matter; he recalled the public meeting at 3:10 p.m.

Commissioner Rojecki made a motion seconded by **Commissioner Reichert** to affirm the initial order of the ALJ and that the revocation be deferred for 12 months on condition that full and complete payment of outstanding fees owed to the courts are paid and that Ms. Sopha Noy not violate any laws or Commission rules during that time period. It was further moved that Ms. Noy's license be suspended for seven days once the order is received.

AAG Ackerman asked for clarification that Commissioner Rojecki's motion was that the initial order of the ALJ be affirmed; that the revocation of Ms. Noy's license be deferred for a period of one year from the signing and service of the Commission's order; that she pay all court ordered costs and fees in accordance with the payment agreement that she has entered into that is part of the Commission's record during that one year time; that she violate no gambling laws or regulations during that one year time; and that her license be suspended for a period of seven days effective upon service of the Commission's order in this matter; and that if she does comply with all those terms, then at the end of the year Ms. Noy's license would not be revoked.

Commissioner Rojecki affirmed that was the intent of his motion; **Commissioner Reichert** affirmed it was consistent with his second of the motion. *Vote taken; the motion passed with four aye votes.*

Chair Ellis asked Ms. Noy if she understood the restrictions that have been placed upon her, along with the fact that her license is not being revoked immediately. Those restrictions, as AAG Ackerman indicated, will be reflected in an order that will be served on Ms. Noy. The seven-day suspension of Ms. Noy's license will commence when that order is served. Chair Ellis added that Ms. Noy should also be aware that, just as happened to her in this case, when her license is up for renewal in the future, one of the aspects of the background check that will be conducted will be to determine whether she is out of compliance with any court orders requiring payments of fines and interest. If Ms. Noy is out of compliance in the future, she will be subject to non renewal at that time. **Ms. Noy** affirmed she understood and thanked the Commissioners.

Chair Ellis announced the Commission had a serious time constraint because two of the Commissioners had to leave in no more than 30 minutes. To ensure that the two Commissioners were present for matters requiring a vote, Chair Ellis thought they should proceed to both of the rules up for final action concerning amusement centers. **Director Day** pointed out that the defaults and approval of new licenses and class III certifications would also need the voting

group. **Chair Ellis** agreed that was a good point because the Commission did not want to leave those new licenses and class III certifications hanging for an additional month. Chair Ellis moved directly to Item #6.

6. New Licenses and Class III Certifications

Deputy Director David Trujillo explained that the Point After Casino listed on page 5 of the approval list was currently closed and recommended that the Commission not include that application in their vote. The owner opened the facility on a shoestring budget and the under-capitalizing impacted operations much sooner than the owner anticipated. Under-capitalization is not a disqualifying factor, and staff will continue to work with the owner for a period of time while he works through the financing issues. If the owner cannot fully work through those issues, staff may recommend denial of the application because there is no commercial business for which the gambling activity would be a stimulant. Staff is recommending approval of all new licenses and class III certifications listed on pages 1 through 22, except for the Point After Casino, which staff is asking to be removed from consideration this month.

Chair Ellis asked if there were any questions; there were none.

Commissioner Amos made a motion seconded by **Commissioner Rojecki** to approve all new licenses and Class III certifications listed on pages 1 through 22, except for the Point After Casino, which should be removed from consideration for this month. *Vote taken; the motion passed with four aye votes.*

RULES UP FOR FINAL ACTION

7. Petition from the Public – Funland Amusement Center – Removing wager and prize limitations from Amusement Centers

- a) **Amendatory Section WAC 230-13-135** – Maximum wagers and prize limitations at certain amusement game locations

Assistant Director Mark Harris reported it had been brought to his attention that Funland may wish to withdraw their petition.

Chair Ellis asked if the petitioner would like to speak on this petition.

Mr. Donald Epping explained his son, Curtis Epping, was actually the petitioner, and he and his son thought they would withdraw the petition in favor of Dave & Buster's to not take up so much of the Commission time. Mr. Donald Epping indicated the only thing they would like to see is the 31-day exception of what the Commission votes today, rather than July. **Mr. Curtis Epping** clarified they would like a 31-day effective date of the ruling.

Chair Ellis asked if they were requesting that 31-day effective date for the Dave & Buster's petition. Both **Mr. Eppings** affirmed, indicating that request was on their petition. **Chair Ellis** replied it was hard to think of a reason why they might disagree with that request, but

the Commission would take it into account. **Mr. Donald Epping** noted that Dave & Buster's had agreed with that request.

Chair Ellis asked AAG Ackerman if there was anything more needed in order for the Commission to treat the Funland petition as being withdrawn. **AAG Ackerman** replied he did not believe so and thought that would terminate it. **Chair Ellis** appreciated both Mr. Eppings' consideration concerning the use of the Commission time and their contribution to the process of addressing Commission rules on amusement centers. **Mr. Epping** thanked the Commission.

8. Petition from the Public – Dave and Buster's – Increasing wager and prize limitations for Amusement Games

a) Amendatory Section WAC 230-13-135 - Maximum wagers and prize limitations at certain amusement game locations

Ms. Amy Hunter reported this petition would increase the wagering limits from 50 cents to a maximum of \$5 and increase the prize limits from \$250 to \$500 for the eight different types of businesses listed in WAC 230-13-135. The 50 cent wager limit was set in 1992 and the \$250 prize limit was set in 1997 as part of another rule petition that was considered in 1997. Staff did some additional research into the amounts for wagering limits for pull-tabs, which is in the agenda packet as a comparison of the amounts that other states have and whether they have limits on amusement games. Staff surveyed fourteen (14) states and found that ten (10) states have no amusement game wager limits and three (3) states have limits of \$2, \$3, and \$10. Staff surveyed seven (7) states for pull-tab games and found that five (5) states have no wager limits, one (1) state has a \$5 wager limit, and one (1) state does not allow pull-tabs. There are eleven (11) statements in favor of this proposal, which are in the agenda packet. Staff recommends final action on this petition.

Chair Ellis asked if there were any questions.

Commissioner Reichert asked what Ms. Hunter would suggest with regard to the issue of the date recommended by the prior petitioners. **Ms. Hunter** replied that was typically up to the Commissioners, adding that as long as a reason has been given and it seemed like a reasonable reason, then normally staff would support an effective date of 31 days after filing. The reason staff normally recommends effective dates twice a year is to allow training time for staff on new requirements. It is pretty easy to train staff on the change being a different amount versus a new card game being authorized, which would take more training time.

Chair Ellis asked if the petitioner for Dave & Buster's would like to speak.

Ms. Susan Johnson, with Stoel Rives, explained she is the local counsel with Dave & Buster's, and is assisting them with their hopes to expand their business into the Northwest. Mr. Lane DeYoung, who is assistant general counsel, has come up from Dallas, Texas, to be here to address any questions or issues that might come up and, hopefully, be pleased with the final action today.

Mr. Lane DeYoung, assistant general counsel for Dave & Buster's, thanked the Commission for taking the time to look at this. He would like to make the request that the action on this proposal be effective 31 days from today, or the effective date that the petition is adopted. In addition to making the action implemented quickly and effectively for everybody, a driver on the timing is spring break. To the extent that the changes can be made before then, it benefits in a significant manner the different operators who are able to make the adjustments and benefit from the greater amount, and hopefully drive additional sales over that period of time. Generally speaking, Mr. DeYoung has asked for a \$5 limit on the games with a \$500 prize limit. To the extent there are any concerns about that being too great of an incremental increase, Dave & Buster's is able to operate, and can still do so, at a rate slightly less than that. A \$3.50 threshold would allow them to operate as they currently do in every other state, which is critical from a business continuity and operations standpoint. It would allow them approximately 17 cents of wiggle room over their current most expensive game at the least efficient buy-in rates on the power cards. With that little bit of room, Dave & Buster's would probably, over the course of several years, end up being back in front of the Commission to ask for an additional increase. One of the thoughts behind the \$5 amount was that it would give them a span of many years to operate before they ever bumped up into it but, certainly, where they stand today, the full \$5 is not necessarily required to allow them to operate as they normally do – \$3.50 would be just fine. There has been enough time that has passed since they were at 50 cents that they have anticipated it might be a while before they are back at the 19 year level. But to the extent it is lower, and the Gambling Commission is willing to entertain more frequent visits from Dave & Buster's and other amusement operators, Mr. DeYoung said they could all certainly live with that as well.

Chair Ellis asked if there were any questions.

Commissioner Amos indicated Mr. DeYoung mentioned he was trying to get this approved before spring break. **Mr. DeYoung** affirmed that was one of the economic reasons to have this in place sooner than six months. Dave & Buster's will not be open for approximately 11 or 12 months, so it really has no direct impact on them, but for some of the other operators that spring break bump in business would be significant. **Ms. Johnson** added that, specifically, amusement centers like Funland depend on summer and spring break business. She thought that was the origin of the request. **Commissioner Amos** asked if Dave & Buster was going to be open within 12 months. **Mr. DeYoung** replied it would be at least 12 months before they open. **Commissioner Amos** asked what location they planned to open. **Ms. Johnson** replied they could not sign a lease until they knew they could operate in this state. It is an approximately \$10 million build-out per location, which is a significant economic investment and construction project. **Commissioner Amos** asked if Dave & Buster's was more than just an amusement center. **Mr. DeYoung** affirmed they are a full service restaurant where the menu will include steaks, pastas, sandwiches, burgers, appetizers, desserts, as well as a full service bar offering beer, wine, and liquor. All of that will be operated in accordance with state law, so the barrier restrictions like the ten foot openings and no minors in the bar area would certainly apply, as well as the amusement game area. **Commissioner Amos** asked how many games Mr. DeYoung foresaw in the

amusement area to be \$5. **Mr. DeYoung** replied there would not be any at this point. The most expensive is \$3.33, and that is just a handful. Of a total of 170 games, it is probably ten or less that are at that price point; most are much lower. It becomes a little different when looking at the revenue. A lot of those games are priced that way because they are the most popular. So it is not that limited percent of sales, but just in sheer number of games.

Commissioner Rojecki asked if Dave & Buster's sells more of the higher ones. **Mr. DeYoung** affirmed those would generally be the most popular games. **Commissioner Rojecki** asked if they were more profitable. **Mr. DeYoung** affirmed. **Ms. Johnson** clarified that those games are not the games that little kids are generally playing. **Mr. DeYoung** indicated it was a range of games. They are skill based; they are the larger games and generally the newer games. There is no effort at all to target those to young children. In his establishment, anybody under the age of 18 in every store – and in some stores it is even higher – needs to be accompanied by a guardian. They do not allow a guardian to sit in the restaurant or bar and let the kids run free. There is active supervision where it is not quite arm's length, but within a few feet; line-of-sight, watching what is going on. So at least with their operating procedures, there is no chance of a young child getting into one of those games and spending all of their money without mom, or dad, or whoever is responsible for them, aware of what they are playing and how fast they are playing.

Chair Ellis appreciated the information Mr. DeYoung submitted in response to questions raised when he appeared before the Commission in Spokane on wager limits and prize limits in various states where Dave & Buster's operates. Chair Ellis was immediately struck by the information on wager limits – that in most of those states there are no wager limits. In fact, in all of the states in Mr. DeYoung's chart, other than in a few that he identified in the footnote that staff had already picked up, there were no wager limits. But there are prize value limits. For example in Mr. DeYoung's home state of Texas, there are eight Dave & Buster's restaurants and essentially a \$5 maximum on prizes. **Mr. DeYoung** explained that was on a per play basis, so that is for each play of the game where the tickets that are dispensed can be aggregated. Players can take the accumulated tickets of the entire evening, or even multiple stays with Dave & Buster's, and redeem them at one time. There is no restriction on that aggregation. Mr. DeYoung believed the way Washington law is written, it is at least gray as to whether or not that aggregation could occur. For Dave & Buster's, it is a matter of the prizes that are in the winner's circle. To be able to offer video games, a Sony PlayStation, iPads, iPods, and that type of item at those lower levels, they simply cannot offer those prizes that are most desirable to most of the people playing the games. The supply and demand would dictate that that is going to be the reason why a lot of people save those coupons up – to redeem those prizes instead of a squishy ball or a small stuffed animal. **Chair Ellis** asked if that meant there could be a prize that was worth \$500 but would require 100 winning tickets for a person to qualify for that prize. **Mr. DeYoung** affirmed that was correct. **Chair Ellis** said that Dave & Buster's is not asking people to pay \$3.33 for the opportunity to possibly win a \$5 prize. **Mr. DeYoung** replied no. **Chair Ellis** asked if that same principle applied in other states, like Georgia that has a \$5 limit, or Michigan that has a \$3.75 limit. **Mr. DeYoung** responded that he did not have the chart in front of him, but he thought Michigan might be one of the states listed in the column that has the aggregate prize value limit – Michigan, Missouri, and Arizona – and the winner's circle

in Arizona looks vastly different. That is one of the lessons they have learned; when they have to make that type of modification to the regular business, there are a lot of customers that have experienced this elsewhere so in Arizona they are looking for something that is not there.

Commissioner Reichert asked for clarification, following-up on Commissioner Amos' question, in terms of where Dave & Buster's is in the process of coming to the Washington State. It seems that in one of Mr. DeYoung's fall presentations, he talked about having a lease in place by the first of the year, or something like that, and asked if that had occurred or not. **Mr. DeYoung** replied no, that the lease has kind of been on hold pending this process. The site actually became available; there was another retail operator that was in there. Mr. DeYoung drove by the site in Tukwila that they were looking at last night and they have now vacated; their sign is off the building and there is a big banner that shows it for lease. Dave & Buster's had not finished their lease based on the fact the landlord was uncomfortable giving them a lengthy amount of time to run through this process. The landlord wanted a firm commitment within a relatively short period of time of signing the lease. So Mr. DeYoung thought this was step one, and then step two is to finish up that lease. Or, at this point, with a favorable outcome here, Dave & Buster's is opened up to multiple sites, not necessarily that one, but anywhere in the state; wherever Mr. DeYoung can identify a site and negotiate a lease, they would be able to begin building it and get open as soon as possible.

Chair Ellis asked Ms. Hunter if staff has a reaction to the suggestion that the maximum wager limit could be \$3.50 under the petition. **Ms. Hunter** responded that if the question was if that was something that the Commissioners could do here at this meeting, then yes, because that would be an easy amendment to make because it is just a dollar figure versus having to change the language and figuring that out. Also, when this was sent to the Code Reviser's office, which in theory is where a citizen can go to see what the Commission is considering, it was entered showing that the Commission was considering \$5. So it should be fine for the Commissioners to go with a lesser amount. But if the Commission suddenly decided that maybe \$8 was the better amount, then the notice probably would not have been sufficient to the public because they thought the Commission was talking about \$5, not a higher amount.

Chair Ellis asked about the policy issue of the amount of the wager limit and the fact that this would be a seven-fold increase in what some people would, rightly or wrongly, view as a significant expansion of gambling in some way. **Ms. Hunter** replied that was a policy call for the Commission, since \$3.50 is seven times more; it is not as much as \$5, but it still is more. Amusement games are kind of an odd activity that the Commission regulates because there is not that true element of chance involved; there is some skill and a player does genuinely have to be able to get better at it. But nonetheless, the Commission is the one that sets that rate, and they do not have any different direction from the Legislature at this point on what that amount should be, other than the Commission is the one who sets it.

Chair Ellis asked Mr. DeYoung to describe again how he arrived at the \$3.50 number and whether, in fact, that really is the minimum amount that Dave & Buster's could live with

under its business model. **Mr. DeYoung** explained there is a power card, which if the Commissioners recalled from his presentation, is the reloadable, rechargeable card. As the customer buys greater numbers of chips, the price per chip goes down – a chip would be just the denomination of play. Using the least efficient buy-in, so putting \$1 on the card at a time and getting three chips in return, or 33 cents. The highest number of chips to play any given game is like 9.9, so using that as approximately 10, 10 times the 33 cents, but most people do not do that. Logically it would not make sense to make three \$1 charges when the customer could put \$5 on the power card to play that game, but just kind of using the most conservative numbers in both the reloads and the recharged values.

Chair Ellis thought the materials the Commission had been given indicated there were a number of other members of the industry interested in this petition, like amusement centers in Washington or the association. He asked if Mr. DeYoung had gotten any input from them with regard to changing the maximum wager from \$5 to \$3.50. **Mr. DeYoung** replied not so much, but it kind of came up in discussions earlier today. **Chair Ellis** pointed out they would have an opportunity to speak in a moment, so if they have any concerns, the Commission will probably hear from them.

Chair Ellis called for public comment; there was none.

Commissioner Amos said he liked the comments made by Mr. DeYoung. He was a little concerned about the kids coming into an amusement center, mom and dad giving them 20 bucks, they go and they get four plays on a machine and they are done, then they come back and they want more money. Kids under 18 have to be supervised by an adult or a parent, so he thought that was probably a little bit more doable than the way Commissioner Amos was first reacting to this rule change.

Commissioner Amos made a motion that the Commission approve a \$3.50 wagering limit. **Chair Ellis** asked if the motion was that the petition, as submitted, be approved by the Commission with the caveats that the maximum wager limit be \$3.50 and that the effective date be 31 days from the date of filing. **Commissioner Amos** affirmed. **Commissioner Reichert** seconded the motion. **Director Day** asked if the intent of the motion was that the prize limit stay at the \$500 level. **Commissioner Amos** affirmed. **Chair Ellis** asked if that was the intent of the second. **Commissioner Reichert** affirmed. *Vote taken; the motion passed with three aye votes; **Commissioner Rojecki** voted nay.*

Commissioner Rojecki commented that the reason he did not support \$3.50 was because he felt that \$2.50 was reasonable given the history of specific rules requests. Having kids, he realized this could have a significant impact to them and families and does not support this specific motion. **Chair Ellis** thanked him for stating his position.

~~RULE UP FOR DISCUSSION AND POSSIBLE FILING~~

~~9. Petition from the Public–Todd Marshall– Allowing managers and supervisors at house-banked card rooms to receive tips~~

~~a) Amendatory Section: WAC 230-15-475~~

Tips from players and patrons to card room employees.

The Petition was withdrawn by Mr. Todd Marshall prior to the meeting

Chair Ellis apologized to the members of the audience and some of the members of the Commission staff for the need to move as quickly as possible and for not doing a thorough job of allocating the time and knowing what the Commission's limits were. **Chair Ellis** asked if Director Day had any comments on what staff would like to accomplish in the remaining two or three minutes. **Director Day** replied that, with the two or three minutes, he would like to briefly present staff's recommendation on a legislative proposal that is before the Legislature. Director Day explained the bill is known as the "save-to-win" proposal and, basically, goes into the promotional contests of chance statute. It would allow financial institutions to enter a person who sets up some kind of savings account with them into a drawing. There would be no other consideration except for the investment into a savings account. It is located under the promotional contest of chance, which takes it out of the realm of gambling. AAG Ackerman has provided assistance as far as the drafting of the bill, and staff recommends that, at this point, the Commission remain neutral to the proposal. If the Commissioners would agree with that recommendation, the normal process would be a nod of the head. If the Commissioners disagree, then staff would need to hear from them as to how they wanted staff to handle the bill during testimony. **Chair Ellis** asked if any of the Commissioners felt the Commission should take a different approach than a neutral position on this legislation; there was none. **Director Day** indicated staff planned to review our legislative process, but since there is only this one bill, the legislative process review can be postponed until the next meeting.

5. Approval of the Minutes – November 18, 2010 – Regular Meeting

Commissioner Amos made a motion seconded by Commissioner Reichert to approve the minutes from the November 18, 2010, regular Commission meeting as submitted. Vote taken; the motion passed with four aye votes.

3. Director's Report:

(The Director's Report was held over to the February Commission meeting)

- a) ~~State Auditor's Performance Audit on Department of Licensing's Master License Service~~
- b) ~~Legislative Update~~
- e) ~~Correspondence~~
- d) ~~Estimated Staff Costs to process rules changes~~
- e) ~~Monthly Update Reports~~
- f) ~~News Articles~~

4. Defaults:

- a) ~~Esther M. Estrella (aka Cardenas), Class III Employee, Revocation~~

b) ~~Phillip W. Jones, Class III Employee, Revocation~~

Chair Ellis assumed, since it would take a few minutes to deal with each of the defaults and there will not be a quorum to vote on them, the Commission would need to postpone the defaults until the next meeting. Presumably there is no significant harm done in setting them aside until the next meeting. **Director Day** affirmed there would be no harm in postponing the defaults.

(The Defaults were held over to the February Commission meeting)

10. Other Business / General Discussion / Comments From the Public

Chair Ellis opened the meeting to other business, general discussion, and comments from the public on any topic. He asked that any comments be held to no more than a minute or so to address the Commission. No one stepped forward.

11. Executive Session to Discuss Pending Investigations, Tribal Negotiations, and Litigation

Director Day indicated the executive session topics could wait until the next meeting.

Chair Ellis agreed, asking if **Director Day** proposed withholding the remaining Director's Report on the various topics that were intended for this meeting. **Director Day** affirmed.

Adjourn

Chair Ellis adjourned the meeting at 3:45 p.m. and announced that the February Commission meeting would be held in the same location – the State Investment Boardroom in Olympia.

Minutes prepared by:

Gail Grate, Executive Assistant