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**STATE OF WASHINGTON
GAMBLING COMMISSION**

In the Matter of the Denial of the
Application for a License to Conduct
Gambling Activities of:

NO. CR 2018-01507

SETTLEMENT AGREEMENT

MELISSA MELCHER HOSNI d/b/a,
HOSNI ENTERPRISES, LLC,

Applicant.

The Washington State Gambling Commission (Commission) through David Trujillo, Director, and the applicant, Melissa Melcher Hosni d/b/a Hosni Enterprises, LLC, in Clarendon Hills, Illinois, enter into this Settlement Agreement to resolve administrative violations in Case Number 2018-01507 prior to the applicant being approved to receive its gambling license.

I. INTRODUCTION

1. Applicant Melissa Melcher Hosni, d/b/a Hosni Enterprises, LLC (Applicant), 219 W 55th St, Suite 103, Clarendon Hills, Illinois, submitted a transfer application on August 31, 2018, to the Commission for a Change of Business Classification, for a Class “Z” Call Center license.

2. The Applicant was subject to state gambling laws and Commission Rules at all times before and during the application process.

3. The Applicant failed to obtain a transfer of its Class “Z” Call Center License before it conducted call center activities for an enhanced raffle.

1 **II. RELEVANT FACTS SUPPORTING APPLICATION DENIAL**

2 1. In October 2017, Cornerstone Administrative Services, LLC d/b/a Cornerstone
3 Administrative Services contacted Commission staff to discuss a name change application, and
4 was informed that a name change application and fees could be submitted at any time, but was
5 required before making a name change.

6 2. In August 2018, Commission staff conducted a review of the Special Olympics
7 of Washington (SOWA) enhanced raffle that ended May 11, 2018, and discovered transactions
8 with Hosni Enterprises, LLC. SOWA indicated that the transactions were for their enhanced
9 raffle call center, which was previously Cornerstone Administrative Services, LLC.

10 3. Commission staff discovered that Hosni Enterprises, LLC d/b/a Hosni
11 Enterprises was a newly formed company, but had the same ownership as, and had been
12 operating under the license of, Cornerstone Administrative Services, LLC d/b/a Cornerstone
13 Administrative Services.

14 4. On a phone call with Commission staff on August 23, 2018, Applicant confirmed
15 that she had formed a new company, and that the new company had operated call center services
16 for SOWA’s enhanced raffle.

17 5. On August 24, 2018, Commission staff sent a transfer application to Hosni
18 Enterprises, LLC.

19 6. On August 31, 2018, the Commission received a transfer application.

20 7. On September 7, 2018, Commission staff requested additional information.

21 8. On October 4, 2018, Applicant provided the requested additional documentation.

22 9. In the additional documents provided, it was confirmed that the total invoices
23 from Applicant to SOWA for the unlicensed call-center activities for the enhanced raffle totaled
24 \$52,108.49.

25 10. The Applicant conducted unlicensed call-center activities between January 22,
26 2018 and May 18, 2018.

1 11. During the time identified in Paragraph 9, the Applicant received approximately
2 \$52,108.49 in revenue from unlicensed call center gambling activities.

3 **III. LEGAL BASIS FOR APPLICATION DENIAL**

4 1. Under WAC 230-06-106(1), the Applicant was required to apply for a transfer of
5 license upon transferring the business from Cornerstone Administrative Services, LLC d/b/a
6 Cornerstone Administrative Services to Melissa Melcher Hosni d/b/a Hosni Enterprises, LLC,
7 because there was a limited transfer of ownership.

8 3. Due to the change in ownership, Cornerstone Administrative Services'
9 gambling license was deemed void prior to Applicant operating call center activities for the
10 enhanced raffle beginning on January 22, 2018.

11 4. Since its license was void, it could not continue to operate under the previous
12 Cornerstone Administrative Services license and conduct call center activities for the enhanced
13 raffle.

14 5. Applicant knew or should have known that it needed to apply for and receive a
15 new gambling license after it had a transfer of ownership.

16 6. The Commission considers the Applicant's failure to discontinue call center
17 activities for the enhanced raffle once the prior license became void to be in violation of RCW
18 9.46.075(1).

19 5. The Commission can deny the Applicant a license under RCW 9.46.075 and
20 WAC 230-03-085 for its failure to obtain a license prior to conducting call center activities for
21 the enhanced raffle on January 22, 2018.

22 6. The Commission believes a settlement in lieu of denial of Applicant's request
23 for Class "Z" Call Center License is appropriate if the Applicant is willing to agree to the terms
24 of settlement identified in Part IV below.

1 **IV. SETTLEMENT AGREEMENT**

2 1. The parties enter into this agreement to avoid the time and expense of further
3 possible litigation should the Commission move forward and deny the Applicant’s request for
4 Class “Z” Call Center License for the reasons identified in Part III.

5 2. The Applicant acknowledges that its continued operation of call center activities
6 for the enhanced raffle without obtaining a new license violated Gambling Commission rules,
7 and it is willing to comply with all gambling rules and regulations in the future.

8 3. The parties acknowledge that the Applicant’s Class “Z” Call Center License is
9 pending a decision by Commission staff and final approval by the Commission.

10 4. The parties agree to the following conditions allowing the Applicant to receive a
11 new Class “Z” Call Center License:

12 a. Applicant’s new Class “Z” Call Center License is suspended for fifteen (15) days
13 once it issued by the Commission;

14 b. Ten (10) suspension days are vacated under RCW 9.46.077 upon payment of
15 \$3,400.00 representing a monetary penalty and administrative costs.

16 c. In consideration for the Applicant’s admissions and willingness to enter into this
17 agreement, the applicant shall pay \$3,400.00 no later than January 16, 2019, by mailing or
18 delivering payment to Commission Headquarters at the following address:

19 **Washington State Gambling Commission**
20 Attn: Licensing, Regulation & Enforcement Division
21 P.O. Box 42400
Olympia, WA 98504-2400;

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

23 Washington State Gambling Commission
24 Attn: Licensing, Regulation & Enforcement Division
25 4656 7th Avenue SE
26 Lacey, WA 98503

1 d. If the Commission receives Applicant's payment by the date agreed to in this
2 settlement, the application will be forwarded for approval. Applicant's failure to timely make
3 its payment will result in staff recommending denial of the license application, and Applicant's
4 application will not be forwarded to the Commission for approval.

5 5. Applicant acknowledges and agrees that any other or prior Call Center gambling
6 license for Cornerstone Administrative Services is invalid upon issuance of the new license.

7 6. The parties agree that the remaining five (5) days of the suspension will be
8 deferred for two (2) years from the date the applicant's Class "Z" Call Center license is approved
9 by the Commission.

10 7. The Applicant shall not violate Washington's gambling statutes or rules during
11 the two (2) year deferment period.

12 8. If the Applicant violates any statutes or rules that warrant the filing of
13 administrative charges, then the Director may impose any or all of the five (5) days deferred
14 suspension of the Applicant's gambling license and any subsequently acquired gambling
15 licenses.

16 9. If no violations occur, then the Applicant will be considered to be in compliance
17 with this agreement and the five days deferred suspension will expire two (2) years after the
18 Applicant's license is approved.

19 10. The parties agree that the Director of the Washington State Gambling
20 Commission, pursuant to this Settlement, has sole discretion to determine whether the licensee
21 has violated any term of this Settlement. In the event the Director determines a violation has
22 occurred, he may suspend the licenses issued to Melissa Melcher Hosni d/b/a Hosni Enterprises,
23 LLC by mailing or delivering a Notice of Order of Administrative Charges to the licensee. In
24 addition to the consequences of the new violation, the licensee shall serve all, or part of the
25 deferred sentence. The licensee shall have the opportunity to request an adjudicative proceeding,
26 which includes a hearing on any new alleged violations.

1 11. This Agreement constitutes the final written expression of all the terms of this
2 Agreement and is a complete and exclusive statement of these terms.

3 12. The undersigned parties declare that the terms of this Settlement Agreement are
4 completely read, wholly understood, and voluntarily accepted for the purpose of making a full
5 and final compromise and settlement of any and all violations arising from the above-referenced
6 Complaint.

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9 _____
10 MELISSA MELCHER HOSNI
11 Owner of Melissa Melcher Hosni,
12 d/b/a Hosni Enterprises, LLC

_____ DATE

13 _____
14 DAVID TRUJILLO
15 Director
16 Washington State Gambling Commission

_____ DATE