

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of )  
the License to Conduct Gambling Activities of: )  
Jacob C. Shepherd )  
Oak Harbor, Washington, )  
Licensee. )  
\_\_\_\_\_ )

NO. CR 2012-00585

**NOTICE OF ADMINISTRATIVE  
CHARGES AND OPPORTUNITY  
FOR AN ADJUDICATIVE  
PROCEEDING**

I.

The Washington State Gambling Commission issued Jacob C. Shepherd the following license:

Number 68-29920, authorizing Card Room Employee activity with Element Casino in Oak Harbor.

The license expires on April 1, 2013, and was issued subject to Jacob C. Shepherd's compliance with state gambling laws and rules.

II.

Rick Day, Director of the Washington State Gambling Commission, charges Jacob C. Shepherd with the following violations of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

**SUMMARY:**

The licensee has an active warrant for a charge of Physical Control filed in December of 2011.

**FACTS:**

- 1) On March 22, 2012, a Washington State Gambling Commission Special Agent (agent) was assigned Jacob C. Shepherd's file to determine whether he is still qualified for a license while being the subject of an active warrant for his arrest. Part of the agent's investigation is to review the licensing file.
- 2) Mr. Shepherd's first license was issued in 2010 to work at Element, and he has maintained a license since. He does not have any previous administrative history.
- 3) The agent ran a background check on Mr. Shepherd and discovered he has a warrant for a Physical Control charge.
- 4) On March 22, 2012, the agent sent both Mr. Shepherd and Mike Kummerfeldt, from Element, letters. The letters notified both parties of the outstanding warrant, requested that Mr. Shepherd cancel the warrant within 30 days, and asked for verification that the warrant had been

cancelled. The letters advised both parties that if Mr. Shepherd failed to quash the warrant by April 22, 2012, it may result in the revocation of his gambling license.

5) On April 30, 2012, the agent checked the status of Mr. Shepherd's warrant. She saw that it was still outstanding and he did not have an upcoming court date. The agent called Mr. Kummerfeldt and left him a message saying that since Mr. Shepherd has failed to quash his warrant, the recommendation would be revocation of his license. The agent attempted to contact Mr. Shepherd, but the phone number on file for him was no longer in service.

6) On May 2, 2012, Mr. Shepherd left a voice mail for the agent. He said Mr. Kummerfeldt had told him to call, and he left a new phone number. The agent called and left a message.

7) As of May 31, 2012, Mr. Shepherd had not called back, and his warrant is still active.

8) The following is a summary of the docket for Mr. Shepherd's pending charges:

- 12/06/2011: Case filed in Island County District Court for Physical Control. Mr. Shepherd failed to appear for the hearing. Probable Cause was found and a Failure to Appear was issued.
- 12/08/2011: A bench warrant was issued for Mr. Shepherd's failure to appear for a hearing, and bail was set at \$2,500.
- 12/28/2011: Mr. Shepherd called the court regarding the missed hearing date. He was advised of the \$75 bench warrant fee to quash the warrant.

As of May 31, 2012, there were no further entries on the docket.

9) The licensee's criminal history establishes that he poses a threat to the effective regulation of gaming. The licensee has also failed to establish by clear and convincing evidence the necessary qualifications for licensure under RCW 9.46.153(1).

10) Therefore, under RCW 9.46.075(1) and (8) and WAC 230-03-085(1), (3), (7) and (8), grounds exist to revoke Jacob C. Shepherd's license.

#### **VIOLATIONS:**

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

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

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

(8) Fails to prove, by clear and convincing evidence, that she is qualified in accordance with the provisions of this chapter.

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

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

(The following subsections apply.)

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

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

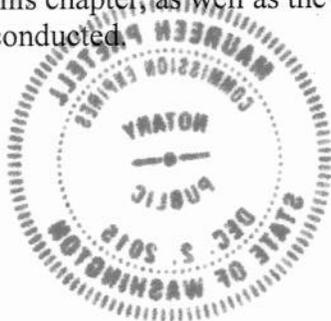
(7) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within thirty days after receiving a written request from us; or

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by: (a) Prior activities; or (b) Criminal record; or (c) Reputation; or (d) Habits.

**RCW 9.46.153(1) Applicants and licensees-Responsibilities and duties**

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

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Washington State Gambling Commission  
Communications and Legal Department  
Date: \_\_\_\_\_  
I hereby certify that I have served a copy of this document upon all parties  
to record in the proceeding by mailing a copy thereof properly addressed  
to each party to the proceeding or his or her attorney or  
with postage prepaid, to each party to the proceeding or his or her attorney or  
agent.

III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

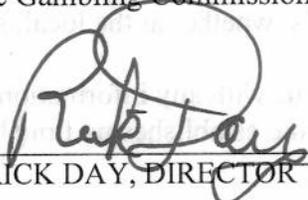
The licensee will have the opportunity to have a hearing on the alleged violations.

**In order to have a hearing or discuss settlement options**, the enclosed request for hearing must be completed and returned to the Gambling Commission **within 23 days** from the date of the mailing of this notice.

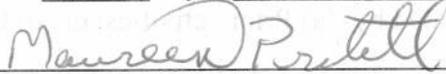
Based on RCW 34.05.440, failure to return a request for hearing will result in the entry of a default order REVOKING your license.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

Rick Day, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents of it, believes it to be true, that he is the Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.

  
\_\_\_\_\_  
RICK DAY, DIRECTOR

SUBSCRIBED AND SWORN TO before me  
this 8 day of June, 2012.

  
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NOTARY PUBLIC in and for the State of  
Washington residing at Thurston County  
My commission expires on December 2, 2015

STATE OF WASHINGTON )  
 )SS  
COUNTY OF THURSTON )

I hereby certify that I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy thereof, properly addressed with postage prepaid, to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 11 day of June, 2012



Communications and Legal Department  
Washington State Gambling Commission

