

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Suspension or Revocation of )  
the License to Conduct Gambling Activities of: )  
)  
JOM, Inc. d/b/a Chipco International )  
Yarmouth, Maine, )  
)  
Licensee. )

NO. CR 2013-00209

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

I.

The Washington State Gambling Commission issued Chipco International license number 20-00125, authorizing manufacturer activity. The license expires on September 30, 2013, and was issued subject to the licensee's compliance with state gambling laws and regulations.

II.

David Trujillo, Interim Director of the Washington State Gambling Commission, charges the licensee with the following violations of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230.

**SUMMARY:**

Despite repeated requests from staff, Chipco failed to provide proof of having a valid Washington State business license.

**FACTS:**

RCW 23B.15.010(1) requires foreign corporations transacting business within the State of Washington to obtain a certificate of authority from the Secretary of State unless an exception applies.

On November 6, 2012, Commission staff wrote to the president of JOM, Inc., d/b/a Chipco International (Chipco), John Kendall. The letter requested proof that Chipco possessed a valid Washington State business license by November 26, 2012. A second letter again requesting proof was mailed on November 27, 2012, and extended the deadline to December 6, 2012.

On January 10, 2013, staff made e-mail contact and gave an additional extension to January 23, 2013. Mr. Kendall responded via e-mail, but no business license renewal information was received, nor did he assert an exception to the requirement to possess a valid Washington State business license. On January 23 and again on January 29, 2013, phone messages were left for Mr. Kendall, but were not returned.

On October 3, 2012, and January 9, 2013, a Customer Service Specialist searched the

Department of Revenue's Business Licensing Service (BLS) database for information on Chipco's business status. According to BLS, Chipco's business license expired as of September 30, 2010, and their account was dissolved on January 3, 2011.

On January 10, 2013, and March 20, 2013, the agent verified on the BLS website and the Secretary of State's Office website that Chipco's business license was expired.

## **VIOLATIONS:**

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

The Commission may suspend or revoke any license issued by it, for any reason, 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.

(5) Denies the commission or its authorized representatives, including authorized local law enforcement agencies, access to any place where a licensed activity is conducted or who fails promptly to produce for inspection or audit any book, record, document or item required by law or commission rule;

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

### **2) 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;

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

**3) WAC 230-03-030 Other licenses, certificates, inspections, or permits needed to be considered for a gambling license.**

Applicants must prove that they have the required applicable business licenses, permits, health certificates, fire inspections, and use and occupancy permits required by local authorities before being considered for a gambling license.

Chipco failed to provide Commission staff with a certificate of authority from the Secretary of State required by state law, despite repeated requests, in violation of WAC 230-03-030. Commission staff also determined that, according to the Business Licensing Service, Chipco's business license expired in 2010. Therefore, under RCW 9.46.075(1), (5) and (8), and WAC 230-03-085(1), (3), and (7), grounds exist to suspend or revoke Chipco's manufacturer license.

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.

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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 )

Dave Trujillo, 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 Interim Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.

David Trujillo  
DAVID TRUJILLO, INTERIM DIRECTOR

SUBSCRIBED AND SWORN TO before me  
this 29 day of March, 2013.

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

STATE OF WASHINGTON )  
 )  
COUNTY OF THURSTON )

I certify I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy, property addressed with postage prepaid, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 1 day of April, 2013

Maureen Pretell

