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Gambling Commission  
Comm. & Legal Division

STATE OF WASHINGTON  
GAMBLING COMMISSION

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In the Matter of the Revocation of the )  
Certification to Conduct Gambling )  
Activities of: )  
Chipco International )  
Yarmouth, Maine, )  
Licensee. )  
\_\_\_\_\_ )

NO. CR 2013-00209

SETTLEMENT ORDER

The Washington State Gambling Commission and the Licensee, Chipco International, agree to this Settlement Order to resolve the administrative charges pending against him. Chad Standifer, Assistant Attorney General, and Melinda Froud, Staff Attorney, represent the Gambling Commission. John Kendall represents Chipco International.

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.

On April 19, 2013, the licensee was served with the Notice of Administrative Charges. On May 14, 2013, Chipco International requested an Administrative Hearing on the licensee's revocation proceedings.

III.

**SUMMARY:**

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

**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.)

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(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.

IV.

Chipco International has waived the right to a hearing based on the terms and conditions of this Settlement Order and further agrees to the following:

1) Chipco International shall surrender its license. **The signed Settlement Order and the license must be received by Commission staff on or before May 31, 2013**, and mailed to Commission Headquarters at the following address:

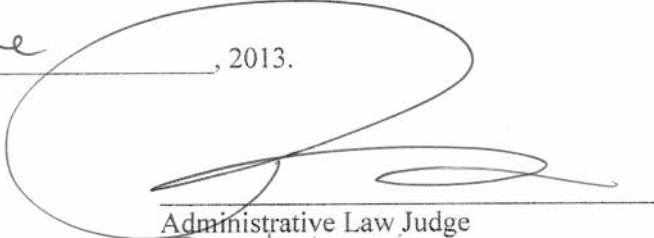
Washington State Gambling Commission  
Attention: Communications and Legal Division  
P.O. Box 42400  
Olympia, WA 98504-2400

**Or delivered** (in person or via private courier) to the following address:

Washington State Gambling Commission  
Attention: Communications and Legal Division  
4565 7<sup>th</sup> Avenue SE; Fourth Floor  
Lacey, WA 98503

2) In the event Chipco International subsequently applies for a gambling license, Chipco International will be subject to all the Commission's investigative procedures for processing an application for a gambling license. Furthermore, no promises or assurances have been made to Chipco International that the organization will receive a license from the Commission should it apply.

DATED this 1<sup>th</sup> day of June, 2013.



Administrative Law Judge

Robert Krabill

By his signature, the licensee understands and accepts the terms and conditions of this Order.

APPROVED FOR ENTRY:

APPROVED AS TO FORM:

John M. Kendall 5-22-13  
John M. Kendall, President (Date)  
Chipco International

Chad Standifer  
for Chad Standifer, WSBA# 29724 #12939  
Assistant Attorney General,  
Representing the Washington State  
Gambling Commission

Melinda A. Froud  
Melinda Froud, WSBA# 26792  
Staff Attorney,  
Washington State Gambling Commission