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BEFORE THE WASHINGTON STATE LIQUOR CONTROL BOARD

IN THE MATTER OF:

AMERICAN BEST FOODS, INC.
CAFÉ ARIZONA
2012 S 320TH STREET, BUILDING C,
SUITE O
FEDERAL WAY, WA 98003

LICENSEE

LICENSE NO. 078476

HEARING NOS. 22,167
21,638
21,658
22,378

STIPULATION AND
SETTLEMENT AGREEMENT

The Washington State Liquor Control Board Education and Enforcement Division ("Enforcement") represented by its attorneys, ROBERT M. MCKENNA, Attorney General and JENNIFER ELIAS, Assistant Attorney General and the Licensee, American Best Foods, Inc., doing business as Café Arizona ("Licensee"), represented by its attorney, DAVID R. OSGOOD, hereby enter into this stipulation and settlement agreement for case numbers 22,167, 21,638, 21,658, and 22,378.

I. INTRODUCTION

In case number 22,167, the Washington State Liquor Control Board in a complaint dated April 5, 2005, for administrative violation number 2Q4285A, alleged that on or about October 1, 2004, the Licensee, or employee(s) thereof, supplied alcohol to an apparently intoxicated person or allowed an intoxicated person to possess or consume liquor on a licensed premises contrary to WAC 314-11-035; and on that same date, the Licensee failed to follow

1 the responsibilities of a license in violation of WAC 314-11-015(2), (3)(a), (c), and (e).
2 Furthermore;

3 In case number 21,638, the Washington State Liquor Control Board in a complaint
4 dated April 5, 2005, for administrative violation number 2Q4296A, alleged that on or about
5 October 22, 2004, the Licensee or employee(s) thereof, supplied alcohol to an apparently
6 intoxicated person or allowed an intoxicated person to possess or consume liquor on a licensed
7 premises contrary to WAC 314-11-035. Furthermore;

8 In case number 21,658, the Washington State Liquor Control Board in a complaint
9 dated March 11, 2005, for administrative violation number 2P4289A, alleged that on or about
10 October 15, 2004, the Licensee or employee(s) thereof, allowed a person under 21 (twenty-
11 one) years of age to consume or possess alcohol and allowed a person under the age of 21
12 (twenty-one) years of age to frequent a restricted premises contrary to RCW 56.44.270 and
13 RCW 66.44.310. Furthermore;

14 In case number 22,378, the Washington State Liquor Control Board in a complaint
15 dated June 6, 2006, for administrative violation number 2Q5077A, alleged that since April 25,
16 2004, verbal requests have been made for records required to be kept by the Licensee and
17 made available for inspection by a LCB employee and a formal written request for these
18 records was made on February 9, 2005. A written warning requesting compliance was issued
19 on March 2, 2005. Failing to gain compliance, the written warning was amended to an AVN
20 on March 16, 2005, alleging that the Licensee's failure to provide the requested records
21 violated WAC 314-11-095.

22 II. AGREEMENT OF THE PARTIES

23 Enforcement and the Licensee wish to enter into a compromise agreement concerning
24 the above-referenced complaints. This agreement is a compromise of disputed claims by and
25 between the parties and is intended by both parties to avoid the uncertainties of further
26 litigation.

1 The Licensee explicitly waives the right of further administrative review of all matters
2 related to the above referenced complaints. The Licensee hereby voluntarily withdraws its
3 requests for hearings on the matters.

4 The Licensee denies that the allegations contained in the complaints are true; however
5 in an attempt to settle these claims without admitting that these complaints are accurate,
6 Enforcement and Licensee agree that the Licensee will pay a civil monetary fine of four
7 thousand five hundred dollars (\$4500.00) to settle the matters in case numbers 22,167, 21,638,
8 and 22,378. Further, the Liquor Control Board shall dismiss the complaint for case number
9 21,658, administrative violation number 2P4289A.

10 The parties further agree that the Washington State Liquor Control Board will consider
11 the alleged violations contained in the above-referenced complaints, with the exception of case
12 number 21,658, as part of the Licensee's record.

13 Enforcement and the Licensee enter into this agreement to avoid the time, expense, and
14 uncertainty of further litigation. The Licensee, in entering into this settlement agreement, and
15 for all other purposes, does not admit that any violations of RCWs or WACs occurred, but
16 enters into this compromise with Enforcement voluntarily, and without duress of any kind.

17 THEREFORE, the parties stipulate and agree to the following:

18 1. The Licensee denies the allegations in case number 22,167, however, in order to
19 accept the offer of resolution made by Enforcement, the Licensee agrees that Enforcement
20 would likely be able to prove at hearing that on or about October 1, 2004, the Licensee or
21 employee(s) thereof, supplied alcohol to an apparently intoxicated person or allowed an
22 intoxicated person to possess or consume liquor on a licensed premises contrary to
23 WAC 314-11-035; and on that same date, the Licensee failed to follow the responsibilities of a
24 license in violation of WAC 314-11-015(2), (3)(a), (c), and (e).

25 2. The Licensee denies the allegations in case number 21,638, however, in order to
26 accept the offer of resolution made by Enforcement, the Licensee agrees that Enforcement

1 would likely be able to prove at hearing that on or about October 22, 2004, the Licensee or
2 employee(s) thereof, supplied alcohol to an apparently intoxicated person or allowed an
3 intoxicated person to possess or consume liquor on a licensed premise; contrary to
4 WAC 314-11-035.

5 3. The Licensee denies the allegations in case number 22,378, however, in order to
6 accept the offer of resolution made by Enforcement, the Licensee agrees that Enforcement
7 would likely be able to prove at hearing that since April 25, 2004, verbal requests have been
8 made for records required to be kept by the Licensee and made available for inspection by a
9 LCB employee and a formal written request for these records was made on February 9, 2005,
10 that a written warning requesting compliance was issued on March 2, 2005, and that the
11 Licensee's failure to provide the records resulted in a violation of WAC 314-11-095.

12 4. Enforcement and the Licensee agree that the complaint for case number 21,658,
13 concerning the allegation that the Licensee or employee(s) allowed a person under the age of
14 twenty-one to possess or consume alcohol and frequent a restricted premises, shall be
15 dismissed.

16 5. The parties agree that the Washington State Liquor Control Board will consider
17 the alleged violations in case numbers 22,167, 21,638, and 22,378 as part of the Licensee's
18 record.

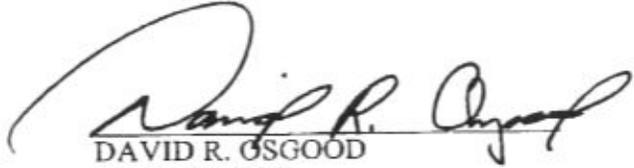
19 6. The Licensee agrees to pay a monetary penalty of four thousand five hundred
20 dollars (\$4,500); this amount shall be paid within thirty days (30) of the date of the final order
21 of the Washington State Liquor Control Board. Payment shall be made to the Washington
22 State Liquor Control Board in such a manner that the payment is received by the Washington
23 State Liquor Control Board no later than 4:00 p.m. on the applicable date. In the event that the
24 Licensee does not make a timely payment, then and in that event, the Licensee shall serve a
25 nine (9) day suspension of its liquor license, the dates and time of which shall be set by the
26 Washington State Liquor Control Board.

1 7. The Licensee agrees that it, its owners, partners, employees, shareholders,
2 corporate board members, or officers shall not bring any lawsuit, irrespective of its nature,
3 regarding any activities, behavior and/or conduct of the Washington State Liquor Control
4 Board, its current and former board members, employees, volunteers or any other current or
5 former state employee, for any action or non-action known or unknown that relates in any way
6 to the matters set forth in the complaints filed under case numbers 22,167, 21,658, 21,638, and
7 22,378. The Licensee expressly recognizes that this includes, but is not limited to, actions
8 sounding in administrative law, tort or based on any allegation of discrimination or violation of
9 civil rights.

10 8. The parties recognize that this settlement agreement is subject to approval by
11 the Washington State Liquor Control Board.

12 STIPULATED AND AGREED this 1st day of March, 2007.

14 ROBERT M. MCKENNA
15 Attorney General
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18 JENNIFER ELIAS
19 WSBA #36334
20 Assistant Attorney General
21 Attorneys for Washington State Liquor
22 Control Board Education and Enforcement
23 Division
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DAVID R. GSGOOD
WSBA #26104
Attorney for American Best Food, Inc.
doing business as Cafe Arizona

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III. ORDER

IT IS HEREBY ORDERED that the complaints for case numbers 22, 167, 21,638, and 22,378 are sustained. The complaint for case number 21,658 is dismissed. The above proposed penalty is approved.

DATED this 28 day of March, 2007.

WASHINGTON STATE LIQUOR CONTROL BOARD

Ruthann Curvise

[Signature]
