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STATE OF WASHINGTON
WASHINGTON STATE LIQUOR CONTROL BOARD

In the Matter of the Revocation of the liquor license authorizing the privileges as a Spirits/Beer/Wine Restaurant for:

Dos Lobos, LLC
The Fun House
206 5th Avenue N
Seattle, WA 98109-5001

Location Address: 206 5th Avenue N
Seattle, WA 98109

License No. 354110
UBI 602 327 173 001 0001

LCB NO. 24,086

FINAL ORDER OF THE BOARD
APPROVING SETTLEMENT
AGREEMENT [PROPOSED]

The above-titled matter having come before the Board upon a Settlement Agreement between the Licensing and Regulation Division of the Washington State Liquor Control Board and the Licensee, and the Board having reviewed the Settlement Agreement and the Second Amended Statement of Intent to Revoke the Spirits/Beer/Wine privileges of Licensee:

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1 IT IS HEREBY ORDERED that the Settlement Agreement for Case Number 24,086 is
2 approved and the Spirits/Beer/Wine privileges of Licensee are Revoked.

3 DATED this 5th day of March, 2013.

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5 WASHINGTON STATE LIQUOR CONTROL BOARD

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26 THE FUN HOUSE
LCB NO. 24,086

FINAL ORDER OF THE BOARD
APPROVING SETTLEMENT
AGREEMENT [PROPOSED]

RECEIVED

MAR 01 2013

Liquor Control Board
Board Administration

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**STATE OF WASHINGTON
WASHINGTON STATE LIQUOR CONTROL BOARD**

In the Matter of the Revocation of the
liquor license authorizing the privileges as
a Spirits/Beer/Wine Restaurant for:

LCB No. 24,086

SETTLEMENT AGREEMENT

Dos Lobos, LLC
The Fun House
206 5th Avenue N
Seattle, WA 98109-5001

Location Address: 206 5th Avenue N
Seattle, WA 98109

License Application No. 354110
UBI 602 327 173 001 0001

The Washington State Liquor Control Board Licensing Division (Licensing) represented by its attorneys ROBERT W. FERGUSON, Attorney General and RUTH AMMONS, Assistant Attorney General, and Dos Lobos, LLC d/b/a The Fun House (Licensee) represented by attorney DAVID OSGOOD, hereby enter into this stipulated settlement agreement for Liquor Control Board Case No. 24,086.

I. INTRODUCTION

On August 30, 2012, Licensing issued an Amended Statement of Intent to Revoke the Spirits/Beer/Wine privileges of Licensee. On February 8, 2013, Licensing issued a Second Amended Statement of Intent to Revoke Liquor License. The Second Amended Statement of Intent to Revoke is based on WAC 314-07-035, which provides that all members with more

1 than 10% interest in the Limited Liability Company and their spouses must qualify for the
2 license, WAC 314-07-065(3), which provides that the Board may deny a liquor license
3 application because of “misrepresentation of fact by an applicant or financier”, and WAC 314-
4 12-010, which provides that “a misrepresentation of fact found to have been made by the
5 applicant or a licensee . . . constitute good and sufficient cause for the disapproval of an
6 application or the revocation or suspension of said license by the board.” The Licensee timely
7 requested a hearing to contest the license revocation. The Licensee and Licensing now enter
8 into this settlement agreement (Agreement) to resolve the above-referenced case.

9 II. AGREEMENT OF THE PARTIES

10 Licensing and the Licensee (the parties) agree to the following:

11 1. The parties enter into this Agreement to avoid the time and expense of further
12 litigation.

13 2. The Licensee explicitly waives the right of further administrative review of all
14 matters related to the above referenced Statement of Intent to Revoke, and hereby voluntarily
15 withdraws its request for a hearing in this matter.

16 3. This Agreement constitutes the final written expression of all terms of this
17 Agreement and is a complete and exclusive statement of these terms.

18 4. In consideration of and for this agreement, Licensing filed a Second Amended
19 Statement of Intent to Revoke Liquor License, a copy of which is attached hereto and
20 incorporated herein by reference.

21 5. The Licensee disputes the truth of the allegations contained in the Second
22 Amended Statement of Intent to Revoke Liquor License. However, in order to take advantage
23 of Licensing’s offer of settlement and to avoid legal expenses attendant with further
24 proceedings, the Licensee agrees that, were this matter to proceed to hearing, there is a
25 substantial likelihood that the Board would find that the Licensee failed to disclose all parties
26 in interest in Dos Lobos, LLC; specifically, that the Licensee failed to disclose that Christopher

1 Bakken was an original member in Dos Lobos, LLC, and that Mr. Bakken held a 27% interest
2 in Dos Lobos, LLC during the time between the initial license application in 2004 and October
3 2011, when Mr. Bakken's interest was disclosed, and that a violation of WAC 314-07-035,
4 WAC 314-07-065(3), and WAC 314-12-010 did occur.

5 6. The Licensee asserts that Mr. Bakken no longer has any ownership interest in
6 Dos Lobos, LLC and The Fun House is no longer in business.

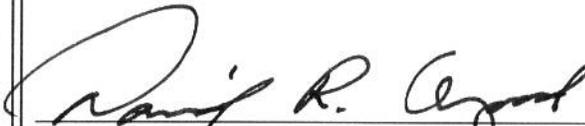
7 7. The Licensee understands that if Dos Lobos, LLC applies for a new liquor
8 license, or if any of the Licensee's current or former parties in interest apply for a new liquor
9 license, the Board may consider this license revocation when considering any future license
10 applications. The Licensee further acknowledges and understands that the Board makes no
11 representations that Dos Lobos, LLC, or any of the Licensee's current or former parties in
12 interest will or will not receive a license from the Board should they apply in the future.

13 8. The parties recognize that this Agreement is subject to approval by the
14 Washington State Liquor Control Board.

15
16 ROBERT W. FERGUSON
17 Attorney General

18 
19 _____
20 RUTH AMMONS, WSBA #20879
21 Assistant Attorney General
22 Attorneys for LCB Licensing

23 2-26-13
24 DATE

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26 _____
27 DAVID OSGOOD, WSBA #26104
28 Attorneys for Licensee

29 2/19/2013
30 DATE

31 
32 _____
33 ROBERT KUCKELBURG
34 Dos Lobos, LLC (Licensee)

35 2-14-2013
36 DATE



Washington State
Liquor Control Board

March 5, 2013

David Osgood,
Attorney for Licensee
1411 4th Ave Ste 1506
Seattle, WA 98101-2247

Dos Lobos LLC
The Fun House
206 5th Ave N
Seattle, WA 98109-5001

Ruth Ammons, AAG
GCE Division, Office of Attorney General
1125 Washington Street SE
PO Box 40100
Olympia, WA 98504-0100

RE: FINAL ORDER OF THE BOARD APPROVING SETTLEMENT AGREEMENT
APPLICANT/LICENSEE: Dos Lobos LLC
TRADE NAME: The Fun House
LOCATION: 206 5th Ave N, Seattle, WA 98109-5001
LICENSE NO. 354110
LCB HEARING NO. 24,086
UBI: 602 327 173 001 0001

Dear Parties:

Please find the enclosed Declaration of Service by Mail and a copy of the Final Order of the Board in the above-referenced matter, as well as a copy of the Stipulated Settlement Agreement.

If you have any questions, please contact me at (360) 664-1602.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin McCarroll".

Kevin McCarroll
Adjudicative Proceedings Coordinator

Enclosures

cc: Tukwila Enforcement and Education Division, WSLCB
Beth Lehman, Licensing Manager, WSLCB

1 **WASHINGTON STATE LIQUOR CONTROL BOARD**

2 IN THE MATTER OF:

LCB NO. 24,086

3 DOS LOBOS LLC
4 d/b/a THE FUN HOUSE
5 206 5TH AVE N
6 SEATTLE, WA 98109-5001

DECLARATION OF SERVICE BY
MAIL

7 LICENSEE

8 LICENSE NO. 354110
9 UBI: 602 327 173 001 0001

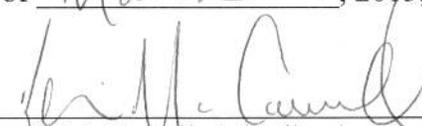
10 I certify that I caused a copy of the FINAL ORDER OF THE BOARD APPROVING
11 SETTLEMENT AGREEMENT in the above-referenced matter to be served on all parties or
12 their counsel of record by US Mail Postage Prepaid via Consolidated Mail Service for
13 applicants and licensees, by campus mail for state offices, on the date below to:

15 DAVID OSGOOD,
16 ATTORNEY FOR LICENSEE
17 1411 4TH AVE STE 1506
18 SEATTLE, WA 98101-2247

OFFICE OF THE ATTORNEY GENERAL
MAIL STOP 40100, GCE DIVISION
RUTH AMMONS, ASSISTANT ATTORNEY
GENERAL

18 DOS LOBOS LLC
19 d/b/a THE FUN HOUSE
20 206 5TH AVE N
21 SEATTLE, WA 98109-5001

22 DATED this 5th day of March, 2013, at Olympia, Washington.

23 
24 Kevin McCarroll, Adjudicative Proceedings Coordinator

25 DECLARATION OF SERVICE BY
26 MAIL

1

Washington State Liquor Control Board
3000 Pacific Avenue SE
PO Box 43076
Olympia, WA 98504-3076
(360) 664-1602