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

9
10 In the Matter of the Denial of the liquor
11 license application for a Change of LLC
12 Member for:

12 Dos Lobos, LLC
13 The Fun House
14 206 5th Avenue N
15 Seattle, WA 98109-5001

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

16 License Application No. 354110
17 UBI 602 327 173 001 0001

LCB NO. 24,088

FINAL ORDER OF THE BOARD
APPROVING SETTLEMENT
AGREEMENT [~~PROPOSED~~]

18 The above-titled matter having come before the Board upon a Settlement Agreement
19 between the Licensing and Regulation Division of the Washington State Liquor Control Board
20 and the Licensee, and the Board having reviewed the Settlement Agreement and the Amended
21 Statement of Intent to Deny Change of LLC Member:

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IT IS HEREBY ORDERED that the Settlement Agreement for Case Number 24,088 is approved and the Application for Change of LLC Member is Denied.

DATED this Sunday of March, 2013.

WASHINGTON STATE LIQUOR CONTROL BOARD

Sharon Foster

Chris

RECEIVED

MAR 01 2013

Liquor Control Board
Board Administration

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7 **STATE OF WASHINGTON**
8 **WASHINGTON STATE LIQUOR CONTROL BOARD**

9 In the Matter of the Denial of the liquor
10 license application for a Change of LLC
11 Member for:

LCB No. 24,088

SETTLEMENT AGREEMENT

11 Dos Lobos, LLC
12 The Fun House
13 206 5th Avenue N
14 Seattle, WA 98109-5001

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

15 License Application No. 354110
16 UBI 602 327 173 001 0001

17 The Washington State Liquor Control Board Licensing Division (Licensing)
18 represented by its attorneys ROBERT W. FERGUSON, Attorney General and RUTH
19 AMMONS, Assistant Attorney General, and Change of LLC Member applicant Dos Lobos,
20 LLC d/b/a The Fun House (Licensee) represented by attorney DAVID OSGOOD, hereby enter
21 into this stipulated settlement agreement for Liquor Control Board Case No. 24,088.

22 **I. INTRODUCTION**

23 On July 26, 2012, Licensing issued a Statement of Intent to Deny the Change of LLC
24 Member application of Licensee. On February 8, 2013, Licensing issued an Amended
25 Statement of Intent to Deny Change of LLC Member Application. The Amended Statement of
26 Intent to Deny is based on WAC 314-07-035, which provides that all members with more than

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

10 II. AGREEMENT OF THE PARTIES

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

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

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

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

19 4. In consideration of and for this agreement, Licensing filed an Amended
20 Statement of Intent to Deny Change of LLC Member Application, a copy of which is attached
21 hereto and incorporated herein by reference.

22 5. The Licensee disputes the truth of the allegations contained in the Amended
23 Statement of Intent to Deny Change of LLC Member Application. However, in order to take
24 advantage of Licensing’s offer of settlement and to avoid legal expenses attendant with further
25 proceedings, the Licensee agrees that, were this matter to proceed to hearing, there is a
26 substantial likelihood that the Board would find that the Licensee failed to disclose all parties

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

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

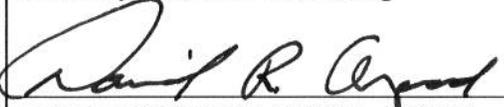
8 7. The Licensee understands that if Dos Lobos, LLC applies for a new liquor
9 license, or if any of the Licensee's current or former parties in interest apply for a new liquor
10 license, the Board may consider this license denial when considering any future license
11 applications. The Licensee further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

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

16 ROBERT W. FERGUSON
17 Attorney General

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

22 2-26-13
DATE

23 
24 DAVID OSGOOD, WSBA #26104
25 Attorneys for Licensee

26 2/19/13
DATE

27 
28 ROBERT KUCKELBURG
29 Dos Lobos, LLC (Licensee)

2-14-2013
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. 24,088
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,

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. 24,088

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

DECLARATION OF SERVICE BY
MAIL

6 LICENSEE

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

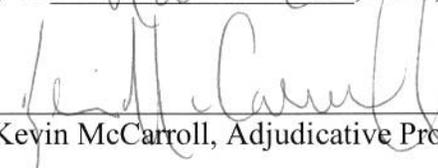
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10 I certify that I caused a copy of the FINAL ORDER OF THE BOARD APPROVING
11 SETTLEMENT AGREEMENT in the above-referenced matter to be served on all parties or
12 their counsel of record by US Mail Postage Prepaid via Consolidated Mail Service for
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
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
SEATTLE, WA 98109-5001

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

22
23 
24 Kevin McCarroll, Adjudicative Proceedings Coordinator
25
26

DECLARATION OF SERVICE BY
MAIL

1

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