

**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Special Board Meeting /April 4, 2008**

A special meeting of the Washington State Liquor Control Board was called to order at 1:05 pm, on Friday, April 4, 2008 in the board room, 3000 Pacific Avenue S.E., Olympia, Washington, by Board Chairman Lorraine Lee. Board Member Roger Hoen and Board Member Ruthann Kurose were present.

Implementation of the Ninth Circuit Court Decision – Costco v Hoen

Chairman Lorraine Lee briefly summarized the status of the court case at this time. Because the court denied Costco's request for a rehearing, it is over at this level of the court system and the LCB is obliged to implement in seven days. There have been a couple of proposals put forward as replacements to the post-and-hold system. She introduced Alan Rathbun, Director of Licensing, to give an update on any stakeholder comment received and to summarize staff recommendations.

Mr. Rathbun focused on the staff recommendations in the attached Issue Paper: Price Post and Hold Regulation – Next Steps.

There are resource and budget implications for the recommended changes. The reporting query needs to be developed and auditors need to be hired for the random checks. The letter notifying suppliers and distributors has been posted on the price kiosk, emailed and mailed.

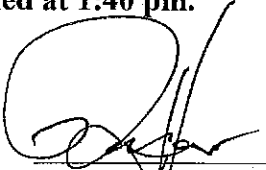
The Board noted that the letter should reiterate the laws that were upheld by the court. A letter to retailers has not been sent at this time.

Chairman Lee asked if additional commentary had been received since the last board meeting. Katie Jacoy of the Wine Institute submitted comments today.

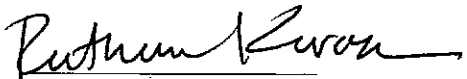
The issue before the board today was the adoption of staff recommendations. Policy will be developed later as there is time to evaluate what is needed. Board Member Roger Hoen moved for approval of the staff recommendations. Board Member Ruthann Kurose seconded the motion, and it was unanimously passed.

The Meeting was adjourned at 1:40 pm.

Lorraine Lee
Chairman



Roger Hoen
Board Member



Ruthann Kurose
Board Member