

**THE DISTRICT OF COLUMBIA
ALCOHOLIC BEVERAGE CONTROL BOARD**

Event Space, LLC)	Case No.:	N/A
t/a 21)	License No.:	104945
)	Board Order No.:	2017-164
<i>Applicant</i>)		
)		
Application for a New)		
Retailer's Class CT License)		
)		
at premises)		
2121 K Street N.W.)		
Washington, D.C. 20037)		

TO: Jeff Jackson on behalf of
Event Space, LLC
2121 K Street, N.W.
Washington, D.C. 20037

**ORDER REQUIRING APPLICANT TO DEMONSTRATE FITNESS FOR LICENSURE
UNDER § 25-301**

The applicant is hereby directed to appear before the Alcoholic Beverage Control Board (Board), located at the Reeves Center, 2000 14th Street, N.W., Suite 400, Washington, D.C., Suite 400 on May 3, 2017 at 11:00 a.m. to demonstrate its qualifications for licensure.¹ The Board further requires that you submit additional information related to your application at least 15 days before the hearing. The list of information is described in the Order section of this notice.

The purpose of the hearing is to determine whether the owners listed in the Application qualify for licensure under District of Columbia (D.C.) Official Code § 25-301. Because this hearing may result in an administrative action or order that impacts your rights, the hearing shall be conducted as a contested case hearing using the procedures provided by the D.C. Administrative Procedure Act (D.C. APA) (D.C. Official Code § 2-501 *et seq.*) and the protest procedures described in Title 23 of the D.C. Official Code (Title 23). *See* 23 DCMR § 1600.5, 1606.1-1606.8 (West Supp. 2014). Please also note that Title 25 of the D.C. Official Code (Title 25) places the burden of proof on the applicant to demonstrate through substantial evidence that

¹ This date and the time of the hearing may be changed to accommodate the applicant and any potential witnesses.

he or she meets the qualifications described in § 25-301. *Citizens Ass'n of Georgetown, Inc. v. D.C. Alcoholic Beverage Control Bd.*, 288 A.2d 666, 666-69, 671 (D.C. 1972); 23 DCMR § 1718.3 (West Supp. 2014).

All pleadings, or any other written communication, addressed to the Board, should be delivered to Martha Jenkins, General Counsel, 2000 14th Street, N.W., Suite 400, Washington, D.C. **You or your legal counsel, if represented, should contact General Counsel Martha Jenkins at (202) 442-4456 upon receipt of this notice to discuss any potential settlement, consent order, or stipulation that you want the Board in accordance with § 2-509(a).**

All documents referenced in this notice are incorporated by reference, and also form the basis of the counts described below. Please contact ABRA's Public Information Officer, at (202) 442-4425, if you wish to obtain copies of any document cited in this notice.

Please also note that the Board has the right to obtain additional information regarding the application under 23 DCMR § 1611.1.

If the Board finds that any of the owners participating in the application are unfit for licensure, this may result in the denial of the application, as well as an inability of the above-mentioned owners from renewing alcohol licenses or participating in other licensed establishments in the District of Columbia. In addition, in lieu of denying the application, the Board may impose conditions on the license under D.C. Official Code § 25-104(e). Finally, any information obtained during these proceedings may be used by ABRA or forwarded to other government agencies to support additional administrative or criminal actions against the applicant or the individual owners.

Under D.C. Official Code § 2-509(b), you may personally appear at the hearing, and you, as well as the applicant, may be represented by legal counsel. At your scheduled hearing, you have the right to produce witnesses and evidence on your behalf and to cross-examine witnesses. You may also examine evidence produced and have subpoenas issued on your behalf to require the production of witnesses and evidence.

The Board reserves the right to amend this notice in accordance with D.C. Official Code § 2-509 based on new information that is discovered during the hearing process. The Board also reserves the right to schedule additional hearings to address preliminary motions or additional information received by the Board during the hearing process.

All hearings are conducted before the Board in the English language. If a party or witness is deaf, or because of a hearing impediment cannot readily understand or communicate the spoken English language, the party or witness may apply to the Board for the appointment of a qualified interpreter. Please note that under § 2-509, your failure to appear at the time and place set for the hearing, either in person or through counsel, or both, will not preclude the Board from proceeding in this matter or entering a default judgment.

Based on the facts recounted below, the Board seeks either (1) the **DENIAL** of the application or (2) the approval of the license subject to **CONDITIONS**.

Count I: The Application fails to comply with D.C. Official Code §§ 25-301(a)(7) and 25-823(a)(6) by allowing or permitting Saad Jallad to violate the terms of Board Order No. 2016-224.

I. Background on Event Space LLC

1. Event Space LLC, t/a 21, (ES) applied for a Retailer’s Class CT License at 2121 K Street N.W. *Notice of Meeting*, Supplemental Licensing Agenda (Jan. 11, 2017). The Board reviewed the Application on January 11, 2017, and voted to hold a fact finding hearing related to the application. *Id.*

2. Tala Jallad is the owner of ES. *Transcript (Tr.)*, February 15, 2017 at 3. She currently works as an attorney in New York City. *Id.* at 5. She has never worked in the District of Columbia or operated a business in the District of Columbia prior to the submission of the present application. *Id.* at 9.

II. Background on the Prior Establishment

3. The Board recalls that the address was most recently occupied by Sugar, LLC, t/a Sugar, (Sugar) holder of a Retailer’s Class CT License, located at 2121 K Street, N.W. *ABRA License No. 098866*. Sugar was previously owned by Saad Jallad, the brother of Tala Jallad. *ABRA Licensing File No. 098866; Tr.*, 2/15/17 at 5.

4. Before going out of business, Sugar was charged with an astronomical number of serious charges. *In re Sugar LLC, t/a Sugar*, Case Nos. 15-CMP-0733, 16-251-00005, 16-CC-00010, 16-CC-00022, 16-CMP-00209, Board Order No. 2016-224, 2-4 (D.C.A.B.C.B. May 4, 2016). Among the numerous charges, Sugar was charged with a bevy of underage drinking violations, interfering with an investigation by helping a minor escape the establishment before ABRA’s investigators could interview her, and violating the occupancy of the premises. *Id.*

5. On May 4, 2016, the Board accepted a settlement whereby Sugar agreed to pay \$19,250 in fines, receive 25 suspension days, and close the business by August 1, 2016. *Id.* at 5. In addition, Sugar agreed to “. . . not be involved in any new business operating at this location”; “. . . not be permitted to apply for a new license at this location”; and “. . . not apply for an ABC license for a period of five (5) years.” *Id.*

III. Connection Between the Current Applicant and Prior Licensee.

6. During the Fact Finding on February 15, 2017, Ms. Jallad indicated that her brother, Mr. Jallad, would not be involved in her business. *Tr.*, 2/15/17 at 22.

7. Nevertheless, as of the date of the Fact Finding hearing, a poster currently posted on 2121 K Street, N.W., advertises the “Crepeaway”—a business owned by Mr. Jallad. *Id.* at 23. Furthermore, ES’s website lists a phone number and email controlled by Mr. Jallad on its

website. *Id.*; “Crepeaway Catering,” <http://www.crepeaway.com/catering.html> (last visited on Feb. 13, 2017).

8. Mr. Jallad assigned the lease of 2121 K Street, N.W., to her sister on October 18, 2016. *First Amendment to, and Assignment and Assumption of, Retail Lease Agreement*, 1, 7-8.

9. The Application lists Mr. Jallad’s address as the mailing address for ES. *Tr.*, 2/15/17 at 31-32. Ms. Jallad admitted that she still lives in New York, and only uses the address listed in the application when she visits the District of Columbia. *Id.* at 32.

10. In operating her business, she indicated that she would have Aaron Somawong act as a manger. *Id.* at 33-35. Mr. Somawong previously worked at Sugar as a manger. *Id.* at 35.

11. Mr. Jallad emailed the agency on October 22, 2016, November 2, 2016, November 18, 2016, and December 8, 2016, which informed ABRA that he was hosting catered events at 2121 K Street, N.W., during the upcoming weekends and acted as a caterer during the events. *Id.* at 35-37, 43.

12. ES has been using EVENTup.com as a tool to advertise the use of the premises as an event space. *Id.* at 44. The webpage advertising ES’s event space lists Mr. Jallad’s phone number as the contact. *Id.*

IV. Violation of Board Order No. 2016-224.

13. In Board Order No. 2016-224, Mr. Jallad agreed to “not be involved in any new business operating at this location.” *Supra*, at ¶ 5. Nevertheless, Mr. Jallad’s mailing address was reported as ES’s mailing address in the application; ES is using Mr. Jallad’s email and phone number; Mr. Jallad’s separate business was advertised on the premises, and Mr. Jallad acted as a caterer at events held on the premises. *Supra*, at ¶¶ 7, 9. In light of these facts, approving the application would violate the condition barring Mr. Jallad’s involvement in new businesses operating on the premises. Therefore, so long as this Board condition persists, the application merits denial.

Count II: ES cannot satisfy D.C. Official Code § 25-301(a)(5) based on the involvement of Mr. Jallad in the business.

14. The facts provided in support of Count I are incorporated by reference.

15. Section 25-301(a)(5) requires the Board to “determine” whether “the applicant is the true and actual owner of the establishment for which the license is sought, and [whether] he or she intends to carry on the business for himself or herself and not as the agent of any other individual [or entity] . . . not identified in the application.” D.C. Official Code § 25-301(a), (a)(5). “In evaluating an applicant’s compliance with § 25-301(a)(5), the Board will weigh:

- (1) The involvement or potential future involvement of a third party, unidentified in the application, in operating the applicant's business to the extent it may show domination or control of the business;
- (2) the existence of a motive for the applicant or third party to hide the third party's involvement in the applicant's business and the applicant's relationship to the third party;
- (3) the manner in which the applicant obtained the funding, property, or other resources necessary to operate the business; and
- (4) the nature and timing of the application, as well as the location sought by the application.

In re HRH Services, LLC, t/a The Alibi, Case No. 15-PRO-00096, Board Order No. 2016-280, ¶ 98 (D.C.A.B.C.B. May 18, 2016).

16. In this case, the owner of ES and Mr. Jallad have a familial relationship. *Supra*, at ¶ 6. In order to settle prior misconduct, Mr. Jallad has been barred from applying for a liquor license and having any involvement in any business utilizing the premises. *Supra*, at ¶ 5. ES used Mr. Jallad's mailing address and used his contact information in advertisements related to ES. *Supra*, at ¶¶ 7, 12. ES also used Mr. Jallad's former manager in operating the business, is using the same premises as the former business, and took over the lease of the former business. *Supra*, at ¶¶ 8, 10. Consequently, based on the presence of a motive and means to evade the requirements of Board Order No. 2016-224, as well as suspicious behavior on the part of ES, the Board is not satisfied that ES has complied with § 25-301(a)(5). Therefore, so long as this condition persists, the application merits denial.

Count III: It is in the best interest of the neighborhood, to condition licensure on the exclusion of the prior license holder from the business.

17. The facts and reasoning provided in support of Counts I and II are incorporated by reference.

18. "The Board, in issuing licenses, may require that certain conditions be met if it determines that the inclusion of the conditions will be in the best interest of the locality, section, or portion of the District where the licensed establishment is to be located." D.C. Official Code § 25-104(e).

19. In accordance with D.C. Official Code § 25-104(e), if the Board approves the application, the Board intends to issue the license with the following conditions:

1. For the purposes of this Order, Saad Jallad is identified as the former owner of Sugar (ABRA License No. 098866)
2. The license holder shall not directly or indirectly transfer or attempt to transfer ownership of the establishment to Saad Jallad.

3. The license holder shall not permit Saad Jallad to obtain an interest in the business, establishment, or license. The term "interest" includes ". . . the ownership or other share of the operation, management, or profits of a licensed establishment." D.C. Official Code § 25-101(26).
 4. The license holder shall not employ Saad Jallad as a manager, employee, independent contractor, or volunteer on the premises. The license holder shall not employ any business or other entity controlled or operated by Saad Jallad. The license holder shall not utilize a mailing address, email, or phone number controlled by Saad Jallad.
 5. The license holder shall not permit or allow Saad Jallad to work or volunteer at the establishment. The term "work" or "volunteer" includes, but is not limited to, accepting payments from customers; bartending; cleaning; cooking; checking identifications; providing security; performing construction or renovating the premises; purchasing or placing orders for alcoholic beverages or food; obtaining supplies on behalf of the business; taking customer orders, or serving food or beverages.
 6. The license holder shall not permit Saad Jallad to manage the establishment or its employees. The term "manage" includes, but is not limited to, directing, hiring, supervising, or firing employees or spending money on behalf of the business.
 7. The license holder shall not provide Saad Jallad with access or control over any financial accounts maintained by the business.
 8. The license holder is advised that the Board deems a violation of these conditions a serious offense, which may merit the revocation of the license or denial of future license applications.
 9. The conditions contained in this Order shall expire on May 4, 2021.
20. The Board finds these conditions necessary and in the best interest of the neighborhood because they ensure the enforcement of Board Order No. 2016-224; ensure that ES complies with D.C. Official Code § 25-301 and its stated intentions; and protects the neighborhood from having an establishment influenced and controlled by a proven bad operator.

ORDER

Therefore, the Board, on this 22nd day of March 2017, hereby orders that ES demonstrate to the satisfaction of the Board that the applicant qualifies for licensure under D.C. Official Code § 25-301 in accordance with this Order: ABRA shall provide a copy of this Order to Mr. Asbeha's counsel.

IT IS FURTHER ORDERED that if the licensee fails to appear or does not challenge this Order, the application shall be deemed **DENIED** as of the date of the hearing.

IT IS FURTHER ORDERED that the Board's findings of fact and conclusions of law contained in this Order shall be deemed severable. If any part of this determination is deemed invalid, the Board intends that its ruling remain in effect so long as sufficient facts and authority support the decision.

The Applicant is further requires to submit the following information at least fifteen (15) days before the hearing:

1. Copies of all contracts related to the one day and temporary events held on the premises between October 1, 2016 and February 1, 2016;
2. Sample contract templates for the business that will be used in the future, if any;
3. A statement of equipment and furnishings purchased for the business and the name of the vendor or purchase agreements related to the business;
4. The identity of the day-to-day manager(s) of the business; and
5. A statement detailing the marketing plans for the space.

District of Columbia
Alcoholic Beverage Control Board



Donovan Anderson, Chairperson



Nick Alberti, Member



Mike Silverstein, Member

James Short, Member



Mafara Hobson, Member



Jake Perry, Member

Under 23 DCMR § 1719.1, any party adversely affected may file a Motion for Reconsideration of this decision within ten (10) days of service of this Order with the Alcoholic Beverage Regulation Administration, Reeves Center, 2000 14th Street, NW, 400S, Washington, D.C. 20009.

Also, under section 11 of the District of Columbia Administrative Procedure Act, Pub. L. 90-614, 82 Stat. 1209, D.C. Official Code § 2-510 (2001), and Rule 15 of the District of Columbia Court of Appeals, any party adversely affected has the right to appeal this Order by filing a petition for review, within thirty (30) days of the date of service of this Order, with the District of Columbia Court of Appeals, 500 Indiana Avenue, N.W., Washington, D.C. 20001. However, the timely filing of a Motion for Reconsideration under 23 DCMR § 1719.1 (2008) stays the time for filing a petition for review in the District of Columbia Court of Appeals until the Board rules on the motion. See D.C. App. Rule 15(b) (2004).