

1 GOVERNMENT OF THE DISTRICT OF COLUMBIA
 2 ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION
 3 ALCOHOLIC BEVERAGE CONTROL BOARD

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 5 - - - - -X
 6 IN THE MATTER OF: :
 7 915 U. L.L.C. :
 8 t/a Velvet Lounge :Case #15-251-00180
 9 915 U. Street Northwest :
 10 License #78443 :
 11 Retailer Class CT :
 12 ANC 1B :
 13 - - - - -X

14 Wednesday, June 8, 2016

15
 16 Whereupon, the above-referenced matter
 17 came on for hearing at the Alcoholic Beverage
 18 Control Board, Reeves Center, 2000 14th Street,
 19 N.W., Suite 400S, Washington, D.C. 20009.

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1 BOARD MEMBERS PRESENT

2 NICK ALBERTI, BOARD MEMBER

3 RUTHANNE MILLER, BOARD MEMBER

4 JAMES SHORT, BOARD MEMBER

5 MIKE SILVERSTEIN, BOARD MEMBER

6

7 ALSO PRESENT:

8 DAVID FOX

9 CHRISSY GEPHARDT

10 HAILE BERHANE

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1 P R O C E E D I N G S

2 STATUS

3 CHAIRPERSON ANDERSON: We're back on the
4 record. The next case is a Show Cause Hearing
5 for case #15-251-00180, Velvet Lounge, license
6 #78443. Will the parties please approach and
7 identify yourselves for the record please.

8 MS. GEPHARDT: Chrissy Gephardt here on
9 behalf of the office of the attorney general.

10 CHAIRPERSON ANDERSON: Good morning.

11 MR. FOX: Good morning, I'm David Fox on
12 behalf of The Velvet Lounge. The owner is Haile
13 Berhane.

14 CHAIRPERSON ANDERSON: I'm sorry, who?

15 MR. FOX: Haile, H-A-I-L-E, Berhane, B-E-
16 R-H-A-N-E.

17 CHAIRPERSON ANDERSON: Okay, can Mr.
18 Berhane speak for himself?

19 MR. BERHANE: Oh, I'm sorry, yes. My
20 name is Haile Berhane, owner of The Velvet
21 Lounge.

22 CHAIRPERSON ANDERSON: Thank you. At

1 least for the introduction, I'm fine with that,
2 but Mr. Fox you can speak for him after that, but
3 at least for the introduction that would be nice.
4 All right, thank you. Are there any preliminary
5 matters in this case?

6 MS. GEPHARDT: Yes, there is a
7 preliminary matter. The parties have discussed
8 the offer in compromise and have agreed on the
9 following and that would be for charge 1, which
10 is the only charge in this case, it would be a
11 \$1500 dollar fine and we have also come to an
12 agreement that the licensee has revised their
13 security plan and they have also -- their
14 security guard who is at the front door has taken
15 a, I believe, TIPS training and I will let Mr.
16 Fox describe in more detail exactly what it's
17 about, but I have reviewed the plan and it looks
18 okay to me and I believe it's been accepted by
19 ABRA so that's our offer in compromise.

20 CHAIRPERSON ANDERSON: But is it just a
21 fine or is it a fine plus?

22 MS. GEPHARDT: Well, I mean, it's just a

1 fine, but I just wanted the Board to know that
2 we've taken other actions to address the
3 situation.

4 CHAIRPERSON ANDERSON: Okay. And this
5 fine is payable when?

6 MS. GEPHARDT: 30 days.

7 CHAIRPERSON ANDERSON: Okay. Prior to
8 asking Mr. Fox about whether or not the offer in
9 compromise do you have any representation to make
10 regarding the security plan that Ms. Gephardt had
11 mentioned?

12 MR. FOX: Yes, I'd be happy to do that,
13 thank you very much. The Velvet Lounge has
14 promulgated security guidelines. They were filed
15 a couple of months ago. Attorney Broman asked
16 for a few changes and we've made those changes,
17 so these were the second iteration so with no
18 remarks by Mr. Broman I think we're in full
19 compliance. The security guard is Mr. Dwight
20 Jones. He -- I had him come to my office to
21 review the material necessary and take the test
22 offered by the TIPS organization. He did pass.

1 I don't know if the Board wants to review it but
2 there is a certificate of completion he received
3 by virtue of his completion -- successful
4 completion of the test.

5 In addition, I took the extra step of
6 visiting the establishment to see what it was
7 like and to talk to some of the people there and
8 impress upon them that the kinds of things that
9 happened, although we were not the cause of those
10 things, that the response could have been far
11 better. So, we've done a good deal to try to
12 come into full compliance with what we thought
13 the Board would be seeking, what the goals should
14 be. You may recall at the first hearing that
15 there was a statement in the written record of
16 the investigator that an employee said that he
17 was the owner of the bar. That was not true, he
18 was the bartender, and I would represent to you
19 that if there were to be a full hearing the
20 testimony would be that Mr. Berhane is the sole
21 owner and the bartender -- I've no idea why he
22 said what he said, but we can't always anticipate

1 what an employee would say in some excited
2 moment. He's been reprimanded. Mr. Berhane
3 tells me it was the first time he's ever said
4 anything that crazy, but he's certainly not the
5 owner and if this continues and he says unusual
6 thing, then there would be further action taken
7 up to the possibility of terminating him.

8 We also consulted with a security
9 consultant about how the bar was being run, and
10 I'd like to represent to you that he really
11 didn't see how we could have stopped one patron
12 from punching another patron. So, what was
13 really going on here then is that it's the
14 reaction of the bar that's in question. The
15 companion of the injured party said that she, the
16 companion, had called 911 and in the future I've
17 impressed upon Mr. Berhane and the others in the
18 bar that if 911 is not there very, very quickly,
19 they've got to call a second time. And I think
20 that's better advice for them anyway because it
21 certainly shows the fullest level of compliance.

22 So, what I'm suggesting to the Board is

1 that through a consultation with a security
2 consultant, visiting there, doing the guidelines,
3 by taking the test, we've pretty much done what
4 we know is possible. I am being very honest with
5 you. I don't know how you prevent one patron
6 from punching another patron. You can watch the
7 liquor intake, but you can't stand between every
8 patron all night long. I don't know how you do
9 that. And a security consultant couldn't give me
10 any suggestions either. So, we've done our level
11 best to comply with what I would call the best
12 practices.

13 CHAIRPERSON ANDERSON: All right. Thank
14 you for your representation, Mr. Fox.

15 MR. FOX: Thank you.

16 CHAIRPERSON ANDERSON: All right, it's my
17 understanding then, sir, that there is an offer
18 in compromise of a fine of \$1500 payable in 30
19 days. If the fine is not payable in 30 days the
20 licensee will -- the license will be suspended
21 until they have been in compliance. Is this your
22 understanding, sir, of the offer in compromise?

1 MR. FOX: It is and we do agree to it.

2 CHAIRPERSON ANDERSON: And on behalf of
3 your client, are you -- does your client fully
4 understood that by accepting an offer in
5 compromise he's giving up his right to a hearing?

6 MR. FOX: Yes, he does.

7 CHAIRPERSON ANDERSON: And does your
8 client also -- is aware that he's also giving up
9 his right to appeal this matter?

10 MR. FOX: Yes, we do understand that, and
11 Mr. Berhane understands that.

12 CHAIRPERSON ANDERSON: All right, thank
13 you. Thank you for your representation. I make
14 a motion that this offer in compromise of \$1500
15 be accepted, payable in 30 days. If it's not
16 payable in 30 days the license will be suspended
17 until compliance is brought forth. Is there a
18 second?

19 MR. SILVERSTEIN: Second, Mr. Chairman.

20 CHAIRPERSON ANDERSON: Mr. Silverstein
21 has seconded the motion. Any discussions by any
22 Board members? Hearing none, all those in favor

1 say aye. [Chorus of ayes] Those opposed. [No
2 audible response.] The matter passed 5-zero-
3 zero. Thank you very much.

4 MR. FOX: Thank you.

5 MS GEPHARDT: Thank you.

6 CHAIRPERSON ANDERSON: The Board is in
7 recess until 2:30 this afternoon.

8 Off the record 11:23 a.m.

9 (Whereupon, the above-entitled matter was
10 concluded.)

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