



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

2 (9:31 a.m.)

3 CHAIRPERSON MILLER: Good morning,  
4 ladies and gentlemen. I would like to welcome  
5 you to the regularly scheduled meeting of the  
6 District of Columbia Alcoholic Beverage  
7 Control Board. Today is October 16, 2013.

8 My name is Ruthanne Miller. I'm  
9 the Chairperson. Joining me to day to my far  
10 right is Mr. Donald Brooks. To my immediate  
11 right is Mr. Nick Alberti. And to my  
12 immediate left is Mr. Mike Silverstein. The  
13 Board has four Members in attendance for the  
14 conduct of business today with three  
15 constituting a quorum.

16 Copies of today's hearing calendar  
17 and agenda are available at the receptionist  
18 desk.

19 Please be aware that these  
20 proceedings are being recorded by a court  
21 reporter. Accordingly, we must ask you to  
22 refrain from any disruptive noises or actions

1 in the hearing room. If you have any  
2 electronic devices, pagers, cell phones or  
3 such, please, make certain that they are  
4 turned off to avoid any interruption of the  
5 proceedings.

6 When I call your case, please,  
7 come forward and take a seat at the table.  
8 You will note that there is a piece of paper  
9 on each table for you to sign-in. This is to  
10 ensure the correct spelling of your name for  
11 the record.

12 The Open Meetings Act requires  
13 that the public hearing on each case be open  
14 to the public. The Board may, consistent with  
15 Section 405(b) of the Open Meetings Act, enter  
16 a closed meeting during or after the public  
17 hearing on a case to consult with an attorney  
18 to obtain legal advice, discuss settlement  
19 agreements or deliberate upon a decision in an  
20 adjudication proceeding.

21 Okay. We will now turn to the  
22 first case on the morning calendar, which is

1 a Show Cause (Status) Hearing, Grand Central  
2 located at 2447 18th Street, N.W., License No.  
3 76693. It is Case No. 13-AUD-00043 and it's  
4 in ANC-1C.

5 MR. KLINE: Good morning, Andrew  
6 Kline on behalf of the licensee.

7 CHAIRPERSON MILLER: Good morning.

8 MR. SELIGMAN: Andrew Seligman,  
9 Grand Central.

10 CHAIRPERSON MILLER: Good morning.  
11 Okay.

12 MS. PHILLIPS: Louise Phillips,  
13 Assistant Attorney General for the District of  
14 Columbia.

15 CHAIRPERSON MILLER: Okay. This  
16 is a Show Cause Status Hearing. Did you  
17 receive notice of this hearing?

18 MR. KLINE: Yes, we received the  
19 notice, read it, understood it and we waive any  
20 required formal reading.

21 CHAIRPERSON MILLER: Okay. Great.  
22 Are there any preliminary issues?

1 MS. PHILLIPS: Yes, Madam Chair,  
2 there are. It's my understanding from Mr.  
3 Rivero that the parties have reached an offer  
4 in compromise to present to the Board. My  
5 understanding is that Mr. Rivero and Mr. Kline  
6 spoke about amending the notice to include the  
7 proper charge based on discussions that he and  
8 Mr. Kline had.

9 So I see that a notice has been  
10 signed by the Chair and we would like to  
11 insert that in place of the notice that was  
12 originally served. Mr. Kline has consented to  
13 this and waived service in advance.

14 MR. KLINE: Yes.

15 MS. PHILLIPS: Is my  
16 understanding.

17 MR. KLINE: Yes. We agree to  
18 accept the service of the amended notice.

19 CHAIRPERSON MILLER: Okay.

20 MS. PHILLIPS: And, therefore, we  
21 have an offer in compromise on the amended  
22 notice, which seems to be \$1,500 fine and I

1 don't see how quickly we're going to pay.

2 MR. KLINE: Today.

3 MS. PHILLIPS: Today.

4 CHAIRPERSON MILLER: Okay.

5 MR. KLINE: And if I might offer  
6 an explanation for the Board's benefit? The  
7 issue here is an audit was conducted. We're  
8 a little disappointed in the report because it  
9 seems to be a bit more aggressive than what  
10 actually was happening, which is the records  
11 were in order.

12 In fact, if you look at the  
13 exhibits, you will see pictures of neatly  
14 compiled guest checks. This is one of the few  
15 places that actually still use these guest  
16 checks. I know this Board has had a number of  
17 cases where we have POS systems, but we don't  
18 have the gold/green guest checks that many of  
19 us older people are familiar with, but this  
20 place still uses them.

21 But their error was they weren't  
22 dated. They were grouped weekly. The sales

1 could be verified based upon the groupings,  
2 but they weren't dated. So in looking at the  
3 charges, the charges indicate that they didn't  
4 meet their minimum food service requirement.

5 Well, one need only add up the  
6 amount on the Notice of Status Hearing and  
7 Show Cause and see that the \$2,000 per seat is  
8 met, so that's not really the issue. And I  
9 offer this explanation because I know the  
10 Board historically has been very concerned  
11 about places, particularly in Adams Morgan  
12 that don't meet their minimum food service  
13 requirements.

14 And we want to assure the Board  
15 that that's not the case here. And similarly,  
16 the Board has been concerned about places that  
17 do not have adequate records as perhaps a way  
18 of avoiding the fact that they do not meet  
19 their minimum food service requirements.

20 That is not the case here. This  
21 is a simple technical situation where they  
22 just didn't date the guest checks. That has

1       been corrected and that's the reason why we  
2       believe the \$1,500 fine, which is, we know,  
3       less than the maximum is appropriate in this  
4       case. Thank you.

5                   CHAIRPERSON MILLER: Okay. Thank  
6       you for that explanation. Okay. So the  
7       charge is now for books and records.

8                   MR. KLINE: Yes.

9                   CHAIRPERSON MILLER: Okay.

10                  MR. KLINE: That's the amended  
11       notice.

12                  CHAIRPERSON MILLER: All right.  
13       And the licensee agrees to the offer in  
14       compromise of \$1,500 to be paid today,  
15       correct?

16                  MR. KLINE: Yes.

17                  CHAIRPERSON MILLER: And you  
18       understand that you waive your right to a  
19       hearing by accepting the offer in compromise?

20                  MR. KLINE: Yes.

21                  CHAIRPERSON MILLER: All right.

22       Any questions by Board Members? All right.

1 Then I would move that we approve this offer  
2 in compromise of \$1,500 to be paid today on  
3 the amended charge of failure to maintain  
4 books and records. Do I have a second?

5 MEMBER BROOKS: Second.

6 CHAIRPERSON MILLER: Mr. Brooks  
7 has seconded the motion.

8 All those in favor say aye.

9 ALL: Aye.

10 CHAIRPERSON MILLER: All those  
11 opposed? All those abstaining? The motion  
12 passes 4-0-0.

13 MR. KLINE: Okay. Thank you.

14 CHAIRPERSON MILLER: Thank you.  
15 Okay. Have a good day.

16 (Whereupon, the Show Cause  
17 (Status) Hearing in the above-entitled matter  
18 was concluded at 9:38 a.m.)

19  
20  
21  
22

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